

PJM asks FirstEnergy to delay retirement of coal-fired power plants

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The PJM Interconnection is worried FirstEnergy's plan to retire units at two coal-fired plants in western Pennsylvania will affect the reliability of the transmission grid and has asked the company to keep the plants operating.

The grid operator late Tuesday said it notified FirstEnergy that the upgrades to the transmission system that are needed to reduce the affects of the planned retirements will not be completed by the proposed retirement date, Ray Dotter, a PJM spokesman said Wednesday.

FirstEnergy in early July notified PJM of its plans to retire three units at the Hatfield's Ferry and two units at the Mitchell plant by October 9. The units slated for retirement has a total capacity of 1,949 MW.

PJM is working with FirstEnergy to identify the upgrades that are needed to accommodate the retirements and their expected completion dates. The two also are identifying a temporary operating solution, PJM said in its notice.

"Usually the generation owner agrees to operate the units longer under a reliability must run contract," Dotter said. FirstEnergy must ask the Federal Energy Regulatory Commission to approve an RMR contract, he said.

PJM cannot require plant owners to keep units operating, but there has never been an instance in which reliability concerns were identified, but the owner closed the units anyway, Dotter said. "RMR contracts are not the best thing for the market because the operator receives a regulated rate rather than a competitive rate for the supply," Dotter said.