

Report: Closing Reid Gardner station now would save millions

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A new report from the Sierra Club argues it would be cheaper to shut down the coal-fired Reid Gardner Generating Station near Moapa rather than keep the power plant running until 2023.

The environmental group's financial analysis shows NV Energy and its customers could save \$59 million by shuttering Reid Gardner next year.

The need for the plant could be eliminated through an aggressive energy efficiency campaign that would keep the utility from having to buy more power on the open market, the Sierra Club said.

The report comes amid news that the California Department of Water Resources plans to stop buying power from Reid Gardner and give up its two-thirds ownership stake in the plant's newest and largest generator in 2013.

Officials in California are calling it a "termination" of the state's contract with Reid Gardner, a move that will help the state reduce its greenhouse gas emissions.

But NV Energy spokesman Mark Severts said California's ownership stake in the plant is due to expire next year anyway under a contract that has been in place since the 1980s.

The Sierra Club submitted its findings to the Nevada Public Utility Commission, which is reviewing Reid Gardner and will decide how long the plant should stay open.

The almost 50-year-old plant about 50 miles north of Las Vegas has been the subject of health complaints and legal action from environmentalists and residents

of the nearby Moapa River Indian Reservation.

According to the report from the Sierra Club, NV Energy could have saved \$121 million by retiring three of the plant's generators last year and shutting its fourth and final unit in 2013.

"Now we have solid evidence that ratepayers could save a lot of money with retirement of the coal plant and more energy efficiency," said Timothy Hay, a former Nevada Public Utility Commissioner turned critic of NV Energy. "The sooner it happens, the more beneficial to residents and businesses."

Shutting down Reid Gardner also would save the roughly 8,000 acre-feet of water a year that is pumped from the nearby Muddy River and used in the plant, according to the report.

Sierra Club officials said their findings represent an independent analysis of NV Energy's own information, some of it considered confidential by the publicly traded utility. The Sierra Club had to redact some or all of the numbers from several charts in the public version of its report.

In an email, Severts said NV Energy has decided not to challenge the specifics of what he called the environmental group's "publicity effort/report."

"There is no question the primary object of the Sierra Club is to shut down all coal plants nationwide. They've been pretty candid about that," Severts said Monday. "We understand that, but we will continue to do what is in the best interests of our customers."

He added that Reid Gardner continues to operate in an environmentally sound manner and serve an important role to power customers as a hedge against potentially volatile natural gas prices.

"It's running today," Severts said of the power plant, as temperatures in Las Vegas climbed toward 106 degrees and neighborhoods filled with the hum of air conditioners. "Today we'll be running most of our plants full out."

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