

September 12, 2012

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Annette Vietti-Cook
Secretary of the Commission
Office of the Secretary
Rulemakings and Adjudications Staff
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Re: Economic Impact of Indian Point Units 2 and 3 License Renewal Application
NRC Docket Nos. 50-247-LR and 50-286-LR
ASLBP No. 07-858-03-LR-BD01

Dear Secretary Vietti-Cook:

I write to you on behalf of the advisory board of the New York Affordable Reliable Electricity Alliance (New York AREA) to express support for the license renewal of Indian Point Units 2 and 3 in Buchanan, New York. New York AREA is a 501 (c) (6) non-profit organization comprised of more than 150 labor and business organizations, community leaders, and independent energy experts from throughout New York State.

It is our understanding that the Nuclear Regulatory Commission is considering numerous issues in connection with the license renewal application, including: 1) the effect of relicensing on land values in the area near the plants; 2) the potential for alternative energy sources; and 3) environmental justice concerns.

Contention Number 1: The Effect of Relicensing on Local Land Values

Numerous independent studies on the economic impact of Indian Point all conclude that the plant's closure would negatively affect electric reliability and cause wholesale power rates to rise. The New York Independent System Operator states in its recently-released draft Reliability Needs Assessment that the retirement of Indian Point at the end of 2015 would result in serious electric reliability issues starting in 2016. NYISO warns that without increases in generation and infrastructure improvements, it will have to "take emergency operations measures including load relief to eliminate the transmission security violations in Southeastern New York."

During a January 2012 joint New York State Assembly hearing on Indian Point, officials with Consolidated Edison testified that the costs associated with any option for replacing the 2069 megawatts of power generated by Indian Point "will ultimately be borne by consumers in the form of higher electricity supply costs, or via increased charges in their utility bills." A report commissioned by the Mayor of the City of New York's Office confirms Con Ed's assertion, finding that Indian Point's closure would result, under most scenarios, in a 10 percent increase in wholesale electricity prices throughout the state. This would cost New Yorkers between \$10 to \$12 billion dollars

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by 2030. These findings are disturbing, especially since a January 31 report from the Energy Information Administration (EIA) indicated that New Yorkers already pay the third highest electricity rates in the nation.

The economic impacts resulting from increased electric rates will only be compounded by the thousands of jobs lost as a result of Indian Point's closure. The plant has an annual payroll of approximately \$130 million from full-time employees and contractors. An economic analysis from the Westchester Business Alliance found that should Indian Point shut down, not only would the 1,100 workers employed by the plant lose their jobs, there would be an additional 11,000 jobs lost, mostly in service positions in the Lower Hudson Valley.

Indian Point's significant positive economic impact –almost \$900 million in annual economic activity for the region, according to one study – is vital to the maintenance of land values in the communities near the plant. Since 1970, shortly before Indian Point 2 and 3 came online, those counties have experienced a thousand-fold increase in median home prices. The loss of both units will mean lost economic opportunities resulting from the forced exodus of businesses, industries, residents, and investment capital from the region. This would inevitably reverse the positive trend in housing prices and local property taxes experienced by Rockland, Westchester, Orange, and Putnam counties.

Contention Number 2: Potential for Alternative Energy Sources

The New York Independent System Operator (NYISO)'s 2012 Gold Book shows that nuclear energy accounts for 31 percent of New York's electricity fuel use. Indian Point supplies nearly 11 percent of that power statewide and nearly 30 percent of New York City's power. The plant's 2069 MW of base-load energy is not constrained by the Leeds-Pleasant Valley transmission transfer limits and therefore is fully deliverable to the lower Hudson Valley and New York City.

Indian Point is located in the southeastern portion of New York, an area of the state that is subject to transmission constraints that limit transfers into the area. Continued operation is necessary for electricity reliability and affordability for the region. During testimony before the New York State Assembly, NYISO raised strong concerns that the shutdown of Indian Point would result in rolling blackouts and severe degradation of the electrical grid. NYISO also stated that Indian Point serves as a de facto "pumping station" to help more efficiently bring power from northern areas to southern locations in New York.

NYISO's 2013 Reliability Needs Assessment indicates that absent Indian Point or absent adequate replacement resources, there would be a deficiency of over 1,200 megawatts by the summer of 2016, and this deficiency would increase over time. The report finds that "power flows replacing the Indian Point generation will result in increased power losses, in addition to the power lost from the plant. This would "make it necessary to take emergency operations measures, including load relief, to eliminate the transmission security violations in Southeastern New York."

Contention Number 3: Environmental Justice Concerns

Indian Point's continued operation is essential to protecting the environment and even the lives of those in designated environmental justice areas. If Indian Point shuts down, there will be significant pressure to replace this carbon-free facility with power from fossil fuel plants, inevitably leading to diminished air quality throughout the downstate region.

A 2011 report commissioned by the New York City Department of Environmental Protection found that both New York City and State would see an approximately 15% increase in carbon (CO₂) emissions and a roughly 7-8% increase in nitrogen oxide (NO_x) emissions as a result of replacing Indian Point. Carbon dioxide (CO₂) has been linked to global warming and climate change, while nitrogen oxide (NO_x) is a key precursor of both ground-level ozone and smog.

Smog-causing ozone pollution poses a serious public health concern for our region. Exposure to smog is a leading cause of aggravated respiratory illnesses such as asthma, decreased lung function, and bronchitis. According to the Environmental Protection Agency (EPA), the metropolitan region of New York City has consistently failed to meet the clean air standards for ozone. Fossil fuel power plants are among the main contributors to these increased levels of this type of pollution. These plants emit soot and other particulate pollution into the air every time they run.

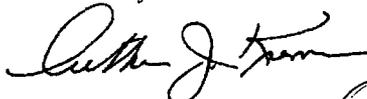
The health effects from these large pollution generators are well-documented. The Clean Air Task Force estimates there are 799 deaths, 698 hospitalizations, 1,541 heart attacks annually attributable to power plant pollution throughout the New York Metropolitan region.

To further complicate matters, the majority of air-polluting power plants in the New York metropolitan area are located in African American and other minority communities. Of the 24 power plants in the New York Metropolitan area, only a handful of plants exist in areas where minorities do not comprise the majority of the population. The most glaring examples include Brooklyn with seven power plants and a 64% minority population, and Queens with six power plants and a 63.2% minority population.

The facts are clear: the retirement of Indian Point Units 2 and 3 would result in serious negative impacts to New York in the form of reduced grid reliability, increased electric rates, and adverse impacts to air quality, especially in environmental justice areas. Please consider the findings presented in this letter and expeditiously renew the operating licenses for Indian Point Units 2 and 3. New York can ill-afford to lose such a vital resource.

Thank you for your time.

Sincerely,


 Arthur "Jerry" Kremer 
 Chairman
 New York AREA

DOCKETED
 USNRC

September 20, 2012 (8:30 a.m.)

OFFICE OF SECRETARY
 RULEMAKINGS AND
 ADJUDICATIONS STAFF

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