

tion, it would be the first SMR built in the United States.

PJM

## Nuclear capacity falls by a quarter in latest auction

The results of PJM Interconnection's annual capacity auction, released on May 23, show a drop in cleared nuclear capacity of more than 25 percent. Held each May, PJM's Base Residual Auction procures power supply resources three years in advance for the grid operator's service area, which includes all or parts of 13 mid-Atlantic and Midwestern states.

This year's auction procured a total of 163,627 MW for the period of June 1, 2021, to May 31, 2022. About 19,900 MW of nuclear generation cleared, a decrease of approximately 7,400 MW from last year. In comparison, coal generation saw an increase over last year of 500 MW, while gas-fired generation registered a 1,000 MW hike. Among renewables, wind resources gained 529 MW and solar 445 MW.

On May 24, Exelon Corporation addressed the outcome of the auction in a press release, stating that its Three Mile Island and Dresden nuclear plants, and all but a small portion of its Byron nucle-

ar plant, had failed to clear in the auction, and that across all of PJM, 10,643 MW of nuclear capacity had failed to clear—the largest-ever volume of nuclear capacity not selected. According to Exelon, 3,243 MW of nuclear failed to clear last year.

"Now, more than ever, we need federal, regional, and state policymakers to urgently take action to preserve the benefits that our nation's largest and most resilient source of emissions-free energy provides to our customers," said Kathleen Barrón, Exelon's senior vice president of government and regulatory affairs and public policy. "PJM has acknowledged the long-standing market flaws that put nuclear energy at risk, and the time to implement solutions is running out."

Exelon also stated that its Quad Cities plant cleared the auction as a result of legislation passed in Illinois in December 2016 (*NN*, Jan. 2017, p. 33). The Future Energy Jobs Act "fairly compensates certain nuclear plants for their environmental attributes" and "provides significant environmental, economic, and consumer benefits, as well as the creation of thousands of clean energy jobs and training programs for the future energy workforce," the press release said.

Exelon noted that its other PJM-region nuclear plants cleared the auction, with the exception of Oyster Creek, which, as

it is slated for retirement in October, did not participate.

Other plants that did not participate in the PJM auction include FirstEnergy Solutions' Davis Besse, Perry, and Beaver Valley, which are currently scheduled for early closure (*NN*, Apr. 2018, p. 18).

WATTS BAR

## Contractor overbilled TVA by \$4 million, OIG finds

The Tennessee Valley Authority was overcharged nearly \$4.4 million by Williams Plant Services (WPS), a subsidiary of Williams Industrial Services Group, for construction work on Unit 2 at the Watts Bar nuclear plant, TVA's Office of the Inspector General (OIG) has determined. WPS provided indirect support services for the Watts Bar-2 startup from January 1, 2013, to August 31, 2015, and was paid \$104.3 million.

According to a May 29 audit report from the OIG, WPS overcharged TVA a total of \$4,376,936. The audit found that \$3,458,285 in labor costs were improperly billed because of WPS's use of labor classifications not provided for in its contract. An additional \$430,322 in labor costs were wrongly charged, the report said, due to

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