

Duke Energy to Build \$1.5 Billion Natural Gas Power Plant

By Terry Witt
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Duke Energy is moving forward with plans to build a \$1.5 billion natural gas power plant in northwest Citrus County that will generate enough power to replace the decommissioned nuclear power plant and the two soon-to-be-retired coal plants at the Crystal River Energy Complex. The company has purchased 400 acres of land at the site of the former Halcim mine property abutting the northern boundary of the Crystal River Energy Complex for the 1,650-megawatt. The plant is expected to burn natural gas piped from the planned Sabal Trail pipeline. Company spokesman Sterling Ivey said Duke Energy is awaiting approval of the Sabal Trail pipeline before going forward with plans to build a connecting transmission line west from Ocala to the Crystal River site a few miles south of Inglis on the Gulf of Mexico. A hearing on Duke Energy's petition to build the new power plant is expected in August before the Florida Public Service Commission. A ruling is expected by the end of the year. The plant would take three years to build. Construction would start in 2015 and come on line in 2018 with 50 to 75 employees.

"This plant will be able to replace generation from the nuclear plant and two of the coal fired plants," Ivey said.

Company officials are watching the Sabal Trail approval process. Should the Sabal Trail project fail to win federal and state approval, Duke Energy would look elsewhere for its natural gas to supply the power plant.

Ivey said the 5,000-acre Duke Energy property in southwest Levy County remains the proposed site of a nuclear power project in the "distant future." The company is proceeding with plans to seek federal approval of a combined operating and construction license from the Nuclear Regulatory Commission.

The nuclear power plant at the Crystal River Energy Complex was decommissioned after cracks were found in the containment building wall surrounding the nuclear reactor.

Ivey said the oldest two coal fired plants at the energy complex will go out of service about the same time the new natural gas plant comes on line. The older coal fired plants don't have modern air emission controls like the other two newer plants at the same site.

Progress Energy Florida, which was merged into Duke Energy in 2013, planned to build two nuclear reactors at the southwest Levy County site before the national economic meltdown in 2008 all but halted the housing boom in most of Florida. The expected population growth didn't arrive as expected.

"We definitely haven't stopped pursuing a construction and operating license, but (construction of the plant) is definitely in the distant future," Ivey said.

The natural gas power plant is an attractive source for power generation in the modern era because natural gas prices are currently low and natural gas burns much cleaner than coal or oil.

"Natural gas is the most cost effective for customers," Ivey said.

Construction of the natural gas plant will raise the monthly bill of a Duke Energy customer.

"There will be some increased costs, but since we're not talking about putting in the rate until 2018 or 2019, it's a little early to say what the impact will be on rates," Ivey said. "It will probably have a price impact on bills of \$7 to \$8."

But he said natural gas prices will have an effect on consumer bills.