

### Volume 300 August 21, 2012

#### Drought hits U.S. power supply

Water shortages due to ongoing drought affect the U.S. power supply as power plants become overheated and shut down or run at lower capacity, analysts say.

Because they are completely dependent on water for cooling and make up about half the water usage in the United States, power plants can become casualties of droughts, says Barbara Carney of the National Energy Technology Laboratory in Morgantown, W. Va.

Nuclear power suffers particularly, since the average nuclear plant that generates 12.2 million megawatt hours of electricity requires far more water to cool its turbines than other power plants.

If water levels in the rivers that cool the plants drop too low, the power plant won't be able to draw in enough water.

In addition, if the cooling water discharged from a plant raises river temperatures above certain levels, U.S. environmental regulations require the plant to shut down.

At least four nuclear plants had to shut down in July for these reasons, and nationwide, nuclear generation is at its lowest in a decade with the plants operating at only 93 per cent of capacity, NewScientist.com reported.

#### Wind energy

DMI Industries' decision to shutter its Tulsa factory and lay off 167 people comes amid a wave of wind energy-related businesses folding nationwide.

DMI Industries Inc. said last week it was abandoning the business of making towers for wind power turbines because of a drop in orders tied to the loss of a key federal tax credit and the extreme drop in the price of natural gas, a key power generation fuel.

Denise Bode, CEO of the American Wind Energy Association, said DMI and other manufacturers in the wind energy sector have been cutting back production as uncertainty grows over the Federal Production Tax Credit, which is set to expire at the end of this year.

"What you're seeing is a broad set of layoffs in the manufacturing sector in the United States as manufacturers complete orders and are not getting any orders for the next year," said Bode, a former member of the Oklahoma Corporation Commission. "We just want the same advantages for wind energy like there are for every other energy industry in the United States."

Bode said several companies, including LM Wind Power in Arkansas and Dallas-based Trinity Industries, have recently announced cutbacks to their wind energy-related programs

#### Electricity Pricing Areas – Sep, 2012

On-Peak	Per kWh
PJM West Hub	\$ .03118
NI Hub	\$ .02482

#### ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
Aug, 2011	\$ .04064
Sep, 2011	\$ .03058
Oct, 2011	\$ .02968
Nov, 2011	\$ .02816
Dec, 2011	\$ .02971
Jan, 2012	\$ .03043
Feb, 2012	\$ .02963
Mar, 2012	\$ .02894
April, 2012	\$ .02659
May, 2012	\$ .02816
June, 2012	\$ .03089
July, 2012	\$ .04303
Aug 1 thru Aug 20	\$ .03098

#### Extended Temperature Forecast:

##### Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	78	86	89	89	87
Low	59	68	70	71	72

