

Risky for Ratepayers: the True Cost of Coal

As one of the fastest-growing states in the nation, Georgia faces important decisions about how to meet its future energy needs. Despite the rising cost of coal power and declining cost of clean, renewable energy, however, several Georgia co-ops propose that we build two more dirty, coal-fired power plants: Plant Washington and Plant Ben Hill. *What they didn't tell you is that YOU will pay for this plant, which could raise your electricity bill.*

The New Financial Realities of Coal

- ❖ **Construction costs skyrocketing:** New coal-fired plants nationwide have seen their costs more than double in just three years due to rising construction costs. Duke Energy cited a 90-100% increase in construction cost between 2002 and 2007, and costs continue to rise.¹
- ❖ **High risk of financing:** In 2008 the federal government cut off co-ops' main source of low-interest financing for new coal plants, citing uncertainty about cost. Wall Street lenders are nervous, too; Moody's downgraded its rating of Southern Company, a coal-dependent electric utility, citing "longer-term pressures from potential carbon controls and renewable portfolio standards."² Higher uncertainty means higher financing costs passed on to customers.
- ❖ **Uncertain costs from environmental regulations:** We pay for pollution with our health – air pollution from coal causes over 13,000 deaths and \$100 billion in medical costs each year.³ Pending federal rules will shift more of that cost to polluters. Clean technologies like wind, solar, and sustainable biomass will thrive; burning coal, the most carbon-intensive fuel, may double in cost.⁴

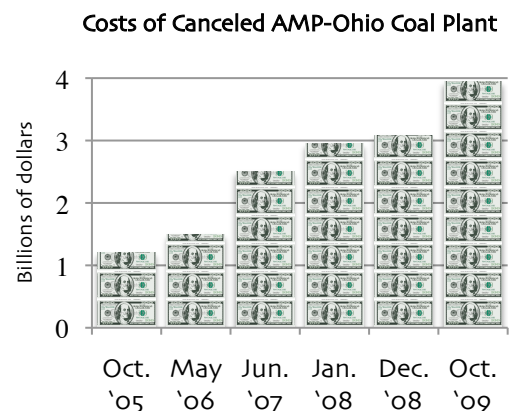
Learning from Past Mistakes

AMP-Ohio's proposed 960MW coal plant was canceled after costs skyrocketed from \$1.2 billion in 2005 to **nearly \$4 billion** in Nov. 2009. 81 communities that signed on are stuck with a \$200 million bill⁵.

The Michigan Public Service commission denied a permit to Wolverine Power Cooperative in May 2010, concluding that financing the 600MW plant would have resulted in a **60% rate hike**.⁶

Members of the Beartooth Cooperative in Montana are paying \$30/month for 35 years to cover the costs of a coal plant proposal, even though the plant was scrapped in favor of natural gas and wind power.⁷

More than 100 coal-fired plants have been canceled since 2007.



¹ Schlissel, David. "Don't Get Burned." Synapse Energy Economics, 2008. <http://www.synapse-energy.com/cgi-bin/synapsePublications.pl>

² <http://finance.yahoo.com/news/Moodys-downgrades-Southern-Co-apf-2576680566.html?x=o&.v=1>

³ "The Toll from Coal." Clean Air Task Force, 2010. <http://www.catf.us/resources/publications/view/138>

⁴ Schlissel, David. "The Risks of Building and Operating Plant Washington." 2008. <http://www.cleanenergy.org/images/files/PlWashRisks.pdf>

⁵ Wyatt, Bill, "Martinsville Joins Majority of AMP-Ohio Member Communities." *Martinsville Daily*, 11/25/09.

⁶ 5/10/10 press statement available at <http://www.michigan.gov/gov/0,1607,7-168-23442-237429--,00.html>

⁷ <http://www.co-opconversations.org/UnitedStates/Montana/>

Plant Washington Will Cost You

The EMCs investing in Plant Washington estimated a cost of \$2.1 billion in 2008. However, market costs have risen since then, and similar plants saw their cost projections double in a similar amount of time. There is no public cost estimate for Plant Ben Hill. Our co-ops have already invested millions in development costs – where will it stop?

Alternatives Save Money and Create More Jobs

The chart to the right shows how coal compares to renewables and other fuels, and that energy efficiency – doing more with less – is the cheapest way to meet our energy needs.

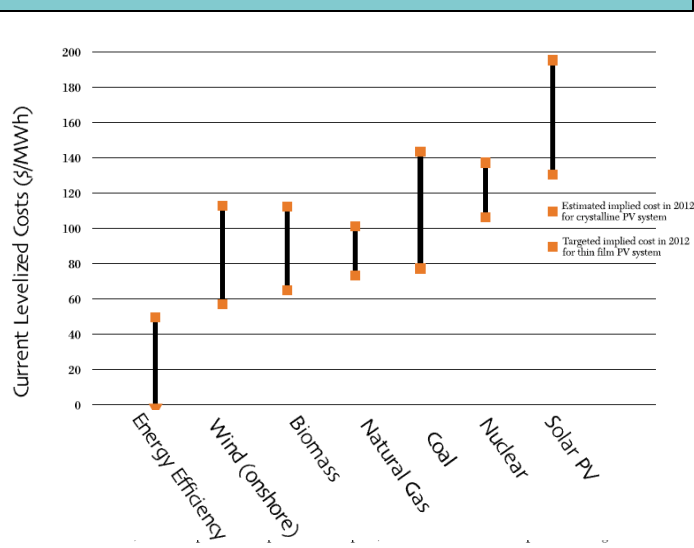
A recent study showed that a strong energy efficiency program would create more than 5 times as many permanent jobs as Plant Washington.¹¹

Where does the money go?

Georgia pays more to import coal than any other state – we export more than \$2.6 billion each year instead of investing in local, renewable energy sources.⁸

We can still change their minds. Four of the EMCs that were originally part of the plant pulled out last year. One CEO said, “I can’t in good conscience invest for 30 years out without knowing the cost.”⁹

Costs of Various Electric Power Resources¹⁰



Tell your EMC: No New Coal On My Dollar!

- ✓ **Contact your EMC** to express your concern. They are accountable to YOU, the member.
Cobb EMC: CEO Dwight Brown, P.O. Box 369 Marietta, GA 30061
Snapping Shoals EMC: CEO Brad Thomas, P.O. Box 509 Covington, GA 30015
Central Georgia EMC: CEO George Weaver, 923 S. Mulberry Street Jackson, GA 30233
Washington EMC: CEO Frank Askew, P. o. Box 598 Sandersville, Georgia 31082
- ✓ **Send a letter to your local paper.** Let your neighbors know what is going on!
- ✓ Take advantage of **energy saving incentives** offered by your EMC. Save money, and show them that these programs make a difference!

For more information contact Southern Alliance for Clean Energy
404.373.5832 or www.cleanenergy.org

8 Burning Coal, Burning Cash. Union of Concerned Scientists, 2010.

http://www.ucsusa.org/clean_energy/technology_and_impacts/impacts/burning-coal-burning-cash.html

9 Duncan, Heather. “Four EMCs Pull Out of Proposed Middle Georgia Power Plant,” *Macon Telegraph*, 5/20/09.

10 Creech, et al. “Power of Efficiency,” World Resources Institute, Southface, and the Southeast Energy Efficiency Alliance, April, 2009. Chart adapted from Lazard’s 2009 “Levelized Cost of Energy Analysis – Version 3.0”.

http://www.southface.org/e2/media/power-of-efficiency_wriseasouthface_april2009.pdf

11 “Energy Efficiency as an Alternative Strategy for Power4Georgians EMCs.” The Ochs Center for Metropolitan Studies, March 2010. <http://www.cleanenergy.org/images/files/PlantWashingtonFinal030510.pdf>