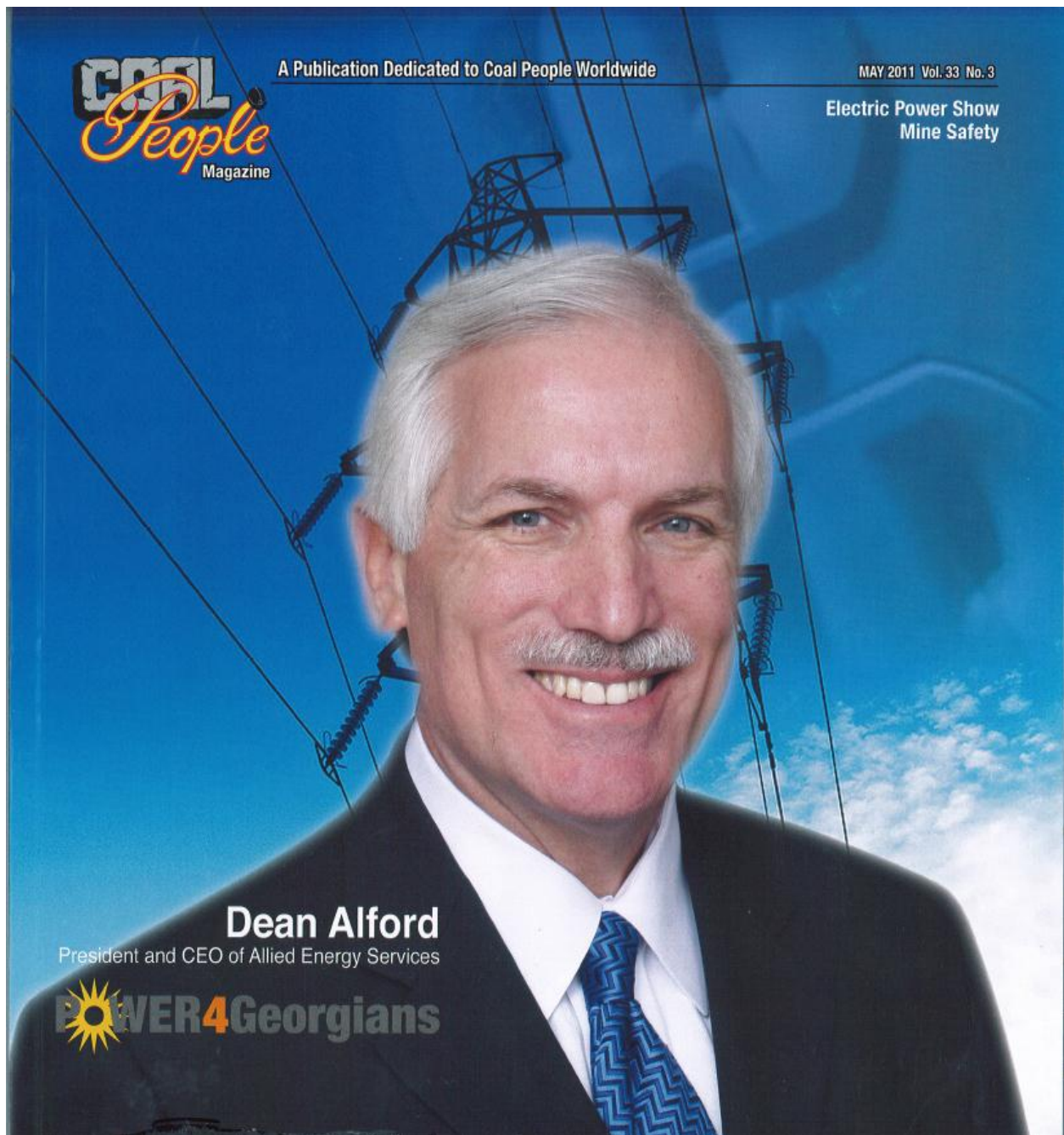


**Coal People**  
May 2011

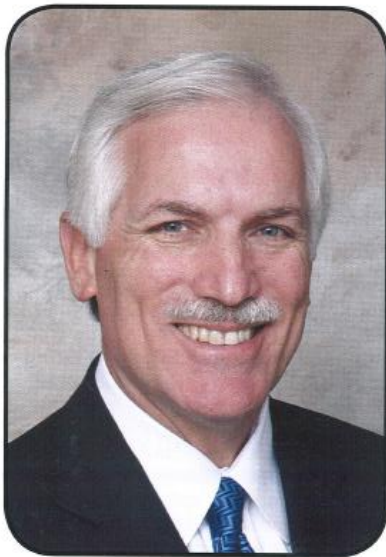


**Dean Alford**  
President and CEO of Allied Energy Services

**POWER4Georgians**

# The Right Thing to Do

*Energy developer Dean Alford says America shouldn't be afraid of coal. To prove his point, the Atlanta native is developing Georgia's first new coal power plant in more than 20 years.*



**Dean Alford**  
**President and CEO of**  
**Allied Energy Services**

*By Michael Mullet*

**T**here are many reasons coal is the foundation of our nation's energy infrastructure and those reasons remain as relevant today as they have ever been. Providing consumers with affordable electric power, ensuring system reliability and enhancing the nation's energy security all rank high on the list of benefits coal power provides. For Dean Alford, president and CEO of Allied Energy Services in Atlanta, those benefits, along with the fact that coal is America's most important and abundant energy resource, mean building a coal plant is the right thing to do.

While the heads of our nation's largest utilities may quietly acknowledge the importance of their coal fleets as the backbone of their generation portfolios, today it is a rare individual who refuses to bow to the politics of the moment and pretend that coal is not in fact as important to the future of the United States as it has been to its past. But Dean Alford believes that is very much the case.

Since 2007, Alford, a Georgia Tech graduate and electrical engineer by training, has been leading the effort to develop Plant Washington, a nominal 850 MW plant that will be the first new coal-fired electric generator in the state of Georgia in more than 20 years. His perseverance – fueled largely by the conviction that this plant is, indeed, the right project at the right time – has taken it further than many other proposed coal plants that have been abandoned in the face of opposition and regulatory burdens.

"Opponents have tried again and again to paint this as some sort of dirty old coal plant that will use outdated technology and spew pollution all over the state, but that's simply not true," says Alford. "One reason I think Plant Washington will succeed is that it will be one of the cleanest coal plants in the nation, and more important, it is critical to the state of Georgia. The facts will ultimately prevail."

## *Power for Georgians, by Georgians*

Plans for Plant Washington were announced in January 2008, when developers filed applications with the Georgia Environmental Protection Division, the state's permitting authority. The power plant, which is expected to cost between \$2.1 and \$2.4 billion, is being backed by a coalition of Georgia electric membership corporations (EMCs) called POWER4Georgians who will have first dibs on the electricity the plant produces for their nearly 400,000 members in the state. The plant will be developed on a 1,600 acre parcel just north of Sandersville, Georgia, midway between Augusta and Macon, in Washington County.

While electric co-ops in the state receive a majority of their power from Oglethorpe Power Corporation, a power supply cooperative established to serve the state's EMCs, they must make up the balance by purchasing on the power market – a gap Plant Washington will help to fill.

"For us, Plant Washington is a way to have a little more direct control over the cost of the generation output, and also will replace a large power contract that is expiring in the next few years," says Frank Askew, president of Washington EMC, one of the co-ops participating in POWER4Georgians. "We want to have a diverse and reliable generation mix but also cost certainty, and Plant Washington will help us achieve those objectives."

Although those involved understood that a coal plant also would generate its share of controversy and opposition, POWER4Georgians has the advantage of being local. Comprised initially of 10 EMCs that serve a combined 700,000 members in Georgia, Plant Washington was unveiled as providing affordable power for Georgians, by Georgians – an important contrast to a merchant plant being developed amid much opposition in southern Georgia.

However, the regulatory and political uncertainty proved too much for some of the EMCs involved, and in May 2009 four of the co-ops withdrew from the project, citing the potential cost of carbon regulation as a concern. Alford understands those decisions but remains steadfast in his view of the bigger picture.

"The fact is, the market will change and the politics will change. You can't guess what will happen a year from now, but you can't stop every time the political wind shifts," he observes. "Just a year ago biomass was the darling, especially here in Georgia where we have so many trees, but that is turning out to be more complicated than many people thought. Participating in Plant Washington may seem like a courageous decision for these EMCs, but really it is a very shrewd decision."

### *Not your father's coal plant*

Another reason Plant Washington seems likely to become a reality is that the plant

will be one of the cleanest coal plants ever developed, using a combination of proven emissions control technologies that function well individually and in tandem. In fact, approximately a third of the facility's \$2.1 to \$2.4 billion price tag represents the cost of emissions control systems that are being engineered into the combustion and post-combustion processes.

While opponents of coal power, most notably the Sierra Club, have purposely chosen to define 'clean coal' as carbon capture and sequestration – only to note that such technology is not commercially viable – the Code of Federal Regulations provides a more realistic definition. According to CFR Title 40, section 52.21, clean coal technology means "any technology...which will achieve significant reductions in air emissions of sulfur dioxide or oxides of nitrogen associated with the utilization of coal in the generation of electricity..."

By that definition, Plant Washington would be considered a clean coal plant. Built around a supercritical pulverized coal boiler, the plant will use over-fire air ports and low NO<sub>x</sub> burners, and will burn either a blend of Illinois Basin coal and Powder River Basin coal, or all PRB coal. On the back end the plant will employ selective catalytic reduction, wet scrubbers with sorbent injection and a fabric filter baghouse.

With such state-of-the-art technologies, Plant Washington's permitted emissions levels can be – and will be – exceptionally low, among the lowest in the U.S. for an 850 MW generator. The plant's permitted mercury emissions will be approximately 60 pounds per year, while emissions of NO<sub>x</sub> and SO<sub>2</sub> will represent less than four percent and two percent, respectively, of statewide emissions of those compounds under Clean Air Transport Rule guidelines.

"Comparing Plant Washington to a coal plant that came online in the 1960s, or even the 1980s, is like comparing the

gas mileage and tailpipe emissions of a car built today with a car manufactured two or three decades ago; there is no comparison," says Alford. "What has been difficult is understanding why people are so afraid of acknowledging how little impact this plant is really going to have."

### *A strong ground game*

It's no secret that developing a coal plant today is a process fraught with potential landmines. The on-again off-again nature of climate legislation in Congress makes investors nervous while state regulators are likely to give a proposed coal plant much more scrutiny than in the past. And in addition to national groups such as the Sierra Club, local grass-roots and NIMBY groups spring up to oppose your plant specifically. None of this surprised Alford.

"A project of this consequence is always going to draw critics, and I will defend anyone's right to object, oppose and express their concerns – I don't take it personally," he says. "I realize there are going to be people who have their opinions and I am not going to change their minds. But I will always be willing to tell our story to anyone who wants to listen."

Alford began to lay the groundwork for the battles he knew the plant would generate even before submitting the permit applications, meeting with leaders of environmental and energy committees in the Georgia state legislature to provide relevant background. He also persuaded POWER4Georgians to hire a public relations firm experienced in working with clients trying to develop large and often controversial projects.

"I've been asked if people who oppose this project are ignorant, and my answer is absolutely not," he says. "The fact is, many opponents are very intelligent, passionate and educated, but unfortunately they have been educated

*continue*

### **Dean Alford continued**

in things that are simply wrong. So we need to be able to communicate the facts effectively across multiple channels and to multiple audiences."

Alford and POWER4Georgians have also maintained a near-constant presence in Washington County, where the plant will be developed. In addition to the permit hearings, which were held at a local college and at which both Alford and state regulators have presented information, POWER4Georgians has hosted community information meetings, a job fair and public question and answer sessions.

Alford also never turns down an invitation to speak to or meet with any group that asks, including civic organizations, student groups and, more recently, members of a local church whose property is adjacent to the plant site. He has made a standing offer to meet with any environmental group that wants to discuss Plant Washington, and has met with those and other opposition groups on numerous occasions.

"My feeling has always been, 'You and I may not agree, but that doesn't mean we can't sit down and talk about it in a civil way.' This is a very big project and people need to feel comfortable with it," says Alford, who also has spent countless evenings meeting with local residents in their homes to address their concerns. "People will not trust you if they don't think you are being forthright and transparent, so it is essential to communicate constantly and with consistent information."

### *Moving forward*

For a project that is indeed very big – and certainly more controversial than it would have been only a few decades ago – Plant Washington is moving along almost as expected. After submitting an initial permit application to the Georgia Environmental Protection Division in early 2008, state regulators issued draft permits for the plant in August 2009. Following a public hearing and public comment period, engineers (MACTEC is the lead engineering firm on Plant Washington) spent months addressing various items in the draft permits and final permits were issued in April 2010.

"The permitting process is arduous, but we welcomed the opportunity to

make sure our permits are top-notch," says Alford. "While some of the public comments were in general opposition to the plant, there also were some that raised important issues which allowed us to make our permits even stronger."

As was almost certain to happen, a local "environmental" law firm filed appeals of Plant Washington's air and water permits, and hearings before an administrative law judge took place in Atlanta last fall. The law firm of King & Spalding has represented POWER4Georgians throughout the permitting process.

The issues petitioners raised with the water permits – having to do with inter-basin water transfers and the location of discharge monitors – were easily addressed and regulators re-issued the plant's final water permits in February 2011. Issues raised about the air permit are also being addressed with state regulators and Alford expects it to be re-issued this summer.

"Nobody likes to have these sorts of delays, but we expected them and had planned for them both in terms of time and budget," he says. "I see this as analogous to a football game; we're in the fourth quarter and we've gotten a delay of game penalty. It's slowed us down a little bit but we are continuing to move the ball forward."

### *The big picture*

Inasmuch as Alford remains focused on the goal line with Plant Washington, he is also a keen observer of an even larger picture – a national energy policy, or more specifically a lack thereof, that addresses national security, energy security, economic viability, and the availability of affordable, reliable energy in a comprehensive and thoughtful manner.

"People ask me all the time, 'What about solar, wind, biomass or other alternatives?' and my answer is always, 'Yes!'" he says, noting that Allied Energy Services also is currently involved in developing solar, biomass and natural gas energy facilities. "The fact is, we need it all – coal, nuclear, hydro, renewables; we have got to work to develop all our energy resources. People don't realize how much capacity is going to come offline in the next 20 to 30 years because it is old. People don't realize how little

excess capacity there is in our power system."

Alford also believes that coal will play as important, if not more important, role in our future as it has in our past – and that with enough foresight and leadership, we can use coal not only to power our nation, but to help make the air cleaner.

"How much cleaner would our air be if we replaced all the coal plants over 30 years old with new clean plants like Plant Washington?" he asks. And, "Since non-attainment is really a vehicle emissions issue, what if we built more coal plants and made all our cars electric?"

The other question Alford asks is, "Why have we become afraid of coal?"

"The reason why both the Democrats and the Republicans have failed on the energy issue is that it takes courage to stand up and say, 'This is what's in the best interest of our country,'" he says. "While we hesitate and dance around, there are other countries ready to blow past us – and we are by no means going to continue to be an economic powerhouse if we don't address the energy issue."

Without question, Alford believes the best interest of our country is served with an 'all of the above' strategy – a balanced and diverse national energy portfolio that includes all of our country's energy resources, policies that foster investment in energy technology and an efficient regulatory framework that protects the environment while allowing energy development to go forward without endless appeals and delays. Coal should be a critical component of this strategy.

"We can't omit any of our domestic energy resources from a comprehensive national energy policy – it's too big a price to pay," Alford says. "More importantly, you can't ever lose sight of the fact that there are people out there going about their business every day trusting you to keep their electricity affordable and reliable. That's the reason this coal plant is the right thing for us to be doing, now and for the future."

To read more about Plant Washington and POWER4Georgians, visit [www.power4georgians.com](http://www.power4georgians.com).

*Michael Mullet is a professional writer with Cookerly Public Relations in Atlanta.*