



## **NEWS RELEASE**

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## **POWER4GEORGIANS SAYS NEW REPORT ON PLANT WASHINGTON HIGHLY FLAWED, LACKING IN CREDIBILITY**

*Report asserting that Plant Washington will cause electricity costs to increase “another example of opponents’ naivety”*

(Atlanta, Ga. – June 24, 2011) – POWER4Georgians leaders say a new report about the cost of electricity from Plant Washington is highly flawed and demonstrates a stunning lack of knowledge on how power plant projects are financed. The report, issued by Georgia Watch on June 22, concludes that members of the EMCs participating in POWER4Georgians would see their electricity bills increase as a result of Plant Washington – assertions POWER4Georgians calls ridiculous and likens to fear-mongering.

“This report is downright silly and is based on a series of assumptions that leave it seriously lacking in credibility,” said Dean Alford, spokesperson for POWER4Georgians. “The fact is, those behind this report are not really interested in cost, their agenda is to stop coal and this is another feeble attempt to do that. As opponents have repeatedly demonstrated, when the facts are not on their side, they are inclined to resort to hearsay.”

Specifically, they rely on inaccurate data to inflate the projected construction cost of the project to \$3.9 billion. The fact is, in the current economic climate, the projection of \$2.1 billion is actually quite conservative as costs for labor and commodities have declined.

“At least they were consistent in their cost estimates,” Alford said. “The pretty much overstated everything.”

The Rose study inflated the total cost Plant Washington will pay for coal assuming it will purchase an amount that equates to full capacity operations 100% of the time, yet projects the plant will only operate at 80% capacity. They ignored the engineering studies that project the plant will operate at about 90% capacity. By reducing the capacity factor to 80%, the study assumes the plant will produce less electricity and therefore will spread the annual capital cost and fixed operations and maintenances costs over fewer units of energy which, conveniently, increases their projected unit cost of electricity.

Using these and other incorrect assumptions, the report concludes that Plant Washington would cause customers' electricity costs to increase substantially. The report also says Plant Washington is not needed – an oft-repeated argument of opponents since plans for the facility were announced in 2008. Alford countered that such an argument not only ignores the expertise of leaders of EMCs in Georgia – which have provided affordable and reliable power to approximately half of Georgia's population for more than seven decades – but also shows that opponents have no understanding of how energy facilities are financed.

“No lender would be willing to finance a \$2.1 billion project if they were not absolutely sure, through due diligence of their own, that this plant was necessary and economically viable. This would be the case whether we were developing a coal plant, a solar array or a wind farm. Need is the basic principle of financing energy facilities,” said Alford.

In addition to the flawed assumptions on which the Georgia Watch report's conclusions are based, POWER4Georgians' analysis found other information in the report that undermines its credibility. For example, the report quotes previous studies funded by opponents that have been widely discredited because they too were based on faulty data and wildly speculative models. Likewise, the author of the Georgia Watch report has written several similar studies for various chapters of the notoriously anti-coal Sierra Club in other states, and admitted during a June 22 press conference that he is not an expert on the Georgia energy market.

“It's unfortunate that opponents of Plant Washington have again resorted to low-road tactics in an attempt to derail this project; it's even more unfortunate that each time one of these concocted reports is published it is given headlines without the media ever bothering to check if it is accurate or credible – because most times it is neither,” Alford added. “But the facts have continued to prevail and Plant Washington is continuing to move forward, which is perhaps the best evidence that it continues to be a needed and viable project.”

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### **About Power4Georgians**

POWER4Georgians is a consortium of Georgia EMCs that have partnered to develop and implement a comprehensive energy strategy to meet the growing demand for affordable and reliable electricity for the members they serve. One of the key components of their strategy is the development of a new base-load power plant. Plant Washington is an 850 megawatt, highly efficient, supercritical coal-fired power plant located near Sandersville in Washington County. For more information visit [www.power4georgians.com](http://www.power4georgians.com).