News Release

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PLANT WASHINGTON IS MOST AFFORDABLE AND RELIABLE OPTION TO MEET ENERGY DEMAND

State-of-the-art plant represents a $2.1 billion investment that will boost the local and state economy; and will protect human health and the environment

(Sandersville, Ga. - October 20, 2009) - POWER4Georgians (P4G), a consortium of Georgia EMCs that have partnered to develop and implement a comprehensive energy strategy to help meet growing member demand, today responded to misinformation and misperceptions about the Plant Washington Project. It remains clear that there is confusion among some with regard to the plant's mercury emissions, economic impact, coal, water usage and renewable energy. P4G hopes that by issuing the following facts, those with open-minds will be able to separate fact from fiction and more fully understand the issues at hand.

Mercury

Critics have said that when Plant Washington, an 850 megawatt (MW) supercritical coal-fired power plant - one that will be among the cleanest facilities of its kind anywhere in the world begins operations, mercury levels will increase across the state and emit enough mercury to make fish in the Ogeechee River unsafe to eat.

Contrary to this oft repeated claim, Jac Capp, head of the Air Protection Branch of the Georgia Environmental Protection Division, has been quoted in public meetings and the media stating that when Plant Washington is built, there will be less mercury in the air than exists today. Between now and 2016, existing coal-fired power plants in Georgia will be retrofitted with emission control systems similar to those being installed at Plant Washington, reducing the amount of mercury released into the atmosphere by 70-95 percent.

"These improvements should reduce mercury levels in rivers - and in turn, eventually make fish that swim in them safe to eat," Capp said in a Savannah Morning News article on October 10, 2009.

Even using the most conservative estimate of a 70 percent reduction by 2016, the amount of mercury circulating in Georgia's air will be reduced by thousands of pounds, which will more than offset the miniscule - one teaspoon per day - discharge of mercury coming from Plant Washington, which will operate with state-of-the-art mercury control and monitoring technologies. The evaluation conducted for Plant Washington in the permitting of the project, as required by the Georgia EPD, indicated that the increase of ambient air concentration of Mercury was less than 1/1000th of those levels considered to be harmful to human health.

According to Energy Information Agency (EIA), a division of the U.S. Department of Energy (DOE), approximately two-thirds of all mercury emitted worldwide comes from Asia and more than 84 percent of all mercury deposited in the U.S. originates outside of our borders.

Economic Impact

The economic impact from Plant Washington will result in a major financial windfall for Washington County and the state. However, opponents claim that Plant Washington will only create 79 local jobs. In actuality, the plant will create up to 1,600 jobs and over 45,000 person months of work during the four year construction phase and more than 300 permanent jobs at the plant and in support industries when operations commence. Plant Washington itself will generate over $7 million annually in new wages and benefits.

Dean Alford, spokesperson for P4G, said, "What critics are not saying is the project will almost double the county's tax base, which means the additional funds can be used to advance education, public safety and community service programs while helping to keep taxes in check. In addition to the $2.1 billion investment in Washington County, conservative projections indicate that more than $1 million in new business investment can be expected by companies locating in the county to provide services to the plant."

Unlike other industrial development projects that may come and go with the economy, technology and times, the useful life of a power plant is about 50 years. Also, without efficient baseload power plants like Plant Washington producing affordable and dependable energy, Georgia would not be able to attract large industries such as the KIA assembly plant in LaGrange that will employ thousands of Georgians.

Coal

As the most abundant natural resource in the U.S. - which powers nearly half of the country - coal remains a readily available and reliable form of baseload energy. It is the preferred fuel of choice for many reasons - e.g. availability (200+ years supply), long-term cost stability, state-of-the-art control systems that minimize harmful emissions and more. Toward that end, with the anticipated growth in Georgia, new baseload generation capacity is badly needed - namely the kind that runs day and night (24/7) and supplies continuous power to homes, businesses, schools, hospitals, industries and public safety facilities. Fuels that can supply this type of generation are generally limited to coal, nuclear, natural gas and biomass.

However, critics have repeatedly misrepresented how Plant Washington's ash will be handled. Opponents are making claims that the plant could have a coal ash spill similar to the Tennessee Valley Authority's Kingston plant. This claim is entirely false and has been corrected several times in public meetings about the plant, yet it continues to be asserted.

"To protect the environment and to ensure that the stored ash will not impact the ground or surface water, Plant Washington's ash will be managed in a dry, solid materials handling facility very similar in design and construction to a federally-regulated municipal solid waste storage facility," said Alford. "The plant will not have a coal slurry pond - period. Apparently it doesn't serve the purpose of critics to acknowledge that fact."

Coal Prices

Opponents assert the price of coal has more than doubled in the past five years. According to the EIA prices when compared from the week ended October 1, 2004 to the week ended October 2, 2009 for Powder River Basin and Illinois Basin coal (which are the types of coal that will fuel the plant) are only a few dollars more per short ton - not more than double as claimed and when adjusted for inflation, the price is essentially flat to slightly lower.

The EIA reports, in May 2008, the average price of coal delivered to power plants in the Southeast was about $56 per ton. Compared to other fuel sources, this was like purchasing oil at $15 per barrel, gasoline at $0.35 per gallon or natural gas at $0.28 per therm. Additionally, the EIA reports that coal is a bargain now and will remain so in the future. By 2030, the price of oil is expected to increase by 261 percent, natural gas by 175 percent and coal by 53 percent.

Further, opposition groups allege that proposed carbon legislation will mean the plant is not economically viable. The projected price of CO2 in the U.S. House of Representatives climate change legislation is such that Plant Washington still represents the best investment for P4Gs' members and the Senate version of the bill has price collars that assure this to be true as well.

However, in the unlikely circumstance that a significantly more aggressive version of climate change legislation is passed than what is currently before Congress, the price of electricity from the plant may increase, but coal will still be more reliable and more affordable than other power generation methods.

Water Usage

According to the state EPD, P4G and its engineering team have deployed one of the most sophisticated and extensive water models in the state's history. Yet, opposition groups state that the consortium is providing no guarantees that clean water will be available to local residents. Nothing could be further from the truth, as P4G has personally guaranteed - in writing - to replace residents' water wells, if they run dry as a result of plant operations. Common sense should tell anyone that P4G would not want to be spending money to drill new wells and therefore would not make a guarantee unless its modeling showed that water levels in local wells would be sustained for the long term.

Additionally, critics claim the water table in Washington County has dropped 47 feet in the last 40 years, but they fail to mention that since the end of the most recent drought period, and with recent rains, the aquifer has rapidly recharged itself and stands at high levels not seen in decades. For example, the water level in the U.S. Geological Survey monitoring well in Sandersville stands at the same level today that it did in 1995.

Renewable Energy

Opponents to Plant Washington contend that participating EMCs are only focused on fossil fuel energy sources, such as coal and natural gas. This is a complete falsehood, as P4G has signed up to participate in every available renewable energy project in the state - and the reality is there just isn't enough of it.

Critics also tout that alternative energy sources, such as offshore wind, solar and biomass power, can meet energy demands without polluting the state. In some cases wind and solar power plants require back-up electricity, which is provided by coal and natural gas-fired power plants (e.g. wind power turbines in the Midwest).

Wind power is notoriously unpredictable, particularly at ground level. Most turbine-on-a-post wind powered generators operate at 20 to 30 percent of their rated generation capacity, simply because wind is intermittent and changes direction.

Additionally, opposition groups continue to say that the state can produce 10,000 MW of wind energy off Georgia's coast. This claim borders on ludicrous and even if true would require building a transmission system that would require towers or underground facilities to cross beaches and federally protected marshlands. In either case, the transmission system would be economically and environmentally unacceptable.

Solar energy is equally unreliable. Factors such as the angle of the sun, length of day, weather patterns, humidity and haze affect the amount of sun shining at the earth's surface. Solar energy can only be generated when the sun shines and that only occurs, on average, about 1,800 hours per year - or 20 percent of the time.

In the case of biomass, while we are blessed that 66-percent of our state is covered in trees, research done by the University of Georgia's Warnell School of Forestry and Natural Resources, and presented in Gov. Perdue's energy plan, shows that the state's entire power capacity from biomass amounts to about 675 megawatts.

While renewables have their challenges, the reality is that the EMCs in this state have been leaders through their green power and solar programs to promote renewable energy. Further, the EMCs recognize that renewables must be part of the ongoing energy generation portfolio.

In closing, it is disconcerting that inaccurate claims and misinformation continue to be spread throughout Washington County and Georgia. It is P4Gs' intention to correct the record as often as necessary.

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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.