July 30, 2014

Statement of
Steven M. Jackson, Senior Vice President and Chief Operating Officer
Municipal Electric Authority of Georgia (MEAG Power)
Atlanta, Georgia

Atlanta, Georgia Public Hearing on
Proposed Carbon Pollution Emission Guidelines for Existing Stationary Sources:
Electric Utility Generating Units
79 Fed. Reg. 34830, June 18, 2014
Docket EPA-HQ-OAR-2013-0602

Good afternoon, I am Steven Jackson, Senior Vice President and Chief Operating Officer of the Municipal Electric Authority of Georgia commonly known as MEAG Power.

MEAG Power was solely created for one purpose, to serve our 49 member public power communities in Georgia with reliable and affordable wholesale electric power. We operate without profit and have no shareholders. Our costs incurred for supply of power are directly reflected in the electric bills of the retail electricity consumers in these 49 communities. It is on behalf of the citizens of the 49 communities that I provide these comments today; for they are the ones that will bear the impact of these rules.

The regulatory approach on this proposed rule goes well beyond the limits of Section 111(d) of the Clean Air Act and errs in its approach in many ways. The proposed rule infringes on state and local authority to regulate the electric utility business and on the utilities’ ability to plan and operate the electricity supply system in a manner that considers cost and reliability. Specific issues include:

- The proposed rule appears designed to achieve 30% national reduction in tons of carbon dioxide vs. 2005 for the power sector as a whole. This is not what Section 111(d) requires. Section 111(d) only authorizes standards of performance on individual affected sources.

- The proposed rule mandates state “goals” that go far beyond setting standards on the affected sources, employing a “Best System of Emission Reduction” extending its reach beyond the “fenceline” of affected sources.

- The 6% emission rate reduction goal-setting for coal units is applied everywhere, but is not achievable at most units.

- The NGCC 70% capacity factor re-dispatch for goal-setting is not an emissions standard. It increases NGCC emissions and does not consider reliability, cost, or ownership.

- Including under-construction new nuclear and “at-risk” existing nuclear in goal-setting is outside Section 111(d) authority.

- Including renewables and energy efficiency in goal-setting infringes on state and local authority.
The current supply to our 49 member communities consists of over 1200 MWs of nuclear and hydroelectric power capacity. The result is that over 50% of the electricity supplied to the communities is produced while creating no emissions. This proposed rule provides little credit for these carbon free resources and instead would require these communities to fund new, unneeded renewable energy resources and new energy efficiency programs which raise the cost to electric consumers in the communities unnecessarily.

Looking to invest in the future of their communities, our members have not only committed to the construction of new non-emitting resources in Vogtle Units 3 and 4, but have also funded ½ billion dollars in state-of-the-art emission control improvements for our coal generating resources based on recent federal and state rules. This proposed carbon dioxide rule penalizes the communities for these investments by asking for more emission reductions from the State of Georgia, which has seen substantial reductions in carbon dioxide emissions since 2005. The proposal approach does not consider our nuclear investments. The proposal would also require reduced coal unit operation, potentially even requiring shutdown of the units, which strands the cost of the recent environmental investments and again raises the cost of electricity to consumers in the communities.

Each hour of the day MEAG Power manages the use of our diverse mix of generating resources in order to provide the lowest cost wholesale power for our 49 communities, which is essential to their growth and prosperity. This principle of economic dispatch is the foundation of power industry operation and allows for use of a diverse set of fuels and resources in a manner that ensures the citizens receive the benefit of their investment. Again this proposed rule goes well beyond what is allowed under the Clean Air Act and dictates the operation of the generating resources, preventing the economic dispatch of the system which would unnecessarily raise the cost to electric consumers.

This proposal goes well beyond the requirements of Section 111(d) of the Clean Air Act and will create costs that will flow directly to the citizens in the communities we serve. Many of these citizens are low and fixed income and can least afford an increase in their electricity costs. This proposal should be withdrawn and replaced with a proposal based on what the Clean Air Act actually requires and that States can implement under their current laws.

Thank you for this opportunity to provide these comments. I appreciate your time today.