

A monthly newsletter for the members of
Egyptian Electric Cooperative

Your Touchstone Energy[®] Cooperative 

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www.eeca.coop
800-606-1505

Where will YOU get your power from in the future and how much will it cost?

As the Executive Vice President and General Manager of your electric cooperative, you would think I would be the one best suited to answer that question. Until the first part of June, my answer would have been that your power would be coming from the Southern Illinois Power Cooperative (SIPC) power plant at Lake of Egypt and from the Prairie State Energy Campus (PSEC) at Marissa. Since then, I'm not sure I have an answer to that question.

The U.S. EPA may very well have changed all the plans your management and board of directors have worked on for many years to ensure you have a stable and reliable source of electricity. On June 2, the U.S. EPA, under President Obama's Climate Action Plan, proposed a plan to cut carbon emissions from existing power plants.

We've been telling you for some time now that the EPA had issued rules that would basically eliminate new coal-powered electricity plants. The regulations announced on June 2 though, will extend nearly the same requirements to existing power plants. As of right now, the only way the industry knows to meet these new standards is to install carbon capture and sequestration technology on existing plants – a technology that while feasible, has yet to be installed on a utility-sized power plant. Cost of operating and maintaining carbon capture and seques-



tration equipment is an unknown. I have serious doubts if any CEO, or board of any utility, will gamble installing billion dollar plus technology without knowing it will work, or if the CO₂ will stay in the ground and not create some other type of environmental issue.

So where will YOU get your power from in the future? The U.S. EPA says there are 1,000 fossil-fueled power plants in the U.S. with an average age of 42 years. That indicates a couple of things to me:

- Few utilities will make major investments to upgrade an aging fleet of power plants, most plants will simply be shut down.
- Utilities have already been shying away from the risk of building new power plants due to concerns with changing environmental regulations.

So where will YOU get your power from in the future? Nuclear? The average age of U.S. commercial reactors is 33 years (they are originally licensed for 40 years and can apply for a 20-year extension). The last reactor put into service was in 1996. In just the last two years, five reactors have been announced for retirement; five percent of the nuclear fleet is being retired. Licensing, design and construction takes years, typically 12-15. With an aging fleet of reactors that will see even more retirements, new plants will not be ready to replace them. And we still don't have a national repository for spent nuclear fuel.

So where will YOU get your power from in the future? Wind, solar? Both of these are reasonably clean sources of power (just remember that it does take dirty resources to initially build them). But are you

ready to turn your lights off or your air conditioner off when the wind isn't blowing or the sun doesn't shine? A couple of years ago, the Midwest nearly had a brownout in the middle of summer due to lack of electric capacity. There was 10,000 megawatts of wind turbine capacity producing 700 megawatts of power.

So where will YOU get your power from in the future? Natural gas? That's what the present Administration in Washington wants. They tout gas as a clean alternative to coal. While the supply of natural gas has risen in the U.S. due to fracking, there are numerous opponents to fracking, making it an unreliable source of energy. And gas has a capacity issue. Coal can be stored on the ground, ready to be used when needed. Gas must be stored in underground or above ground storage. When that reaches capacity, there is no room for more. This winter, SIPC was allowed to run its natural gas-fired combustion turbine generators on the coldest day of the winter for two hours as there was not enough capacity for them to run longer than that. Lack of storage also causes volatility in the price of natural gas. The forces of supply and demand.

So where will YOU get your power from in the future? Whether you have power, or what it costs you, does not appear to be the Administration's concern. Don't get me wrong, I personally believe each and every one of us must be good stewards of the environment. I have grandchildren and I want a clean

environment for them to grow up in, just as you do.

But I also do not want to see anyone not have the power they need to keep their home warm or cool, or for it to be so costly they can't afford the power they need. And those with lower or fixed incomes will be the ones to suffer the most. In my humble opinion, that's not fair either.

In 2002, SIPC replaced the original boilers on units 1, 2 and 3 with a cleaner, more environmentally-friendly circulating fluidized bed boiler to reduce emissions. It also installed a selective catalytic converter on unit 4 to remove NOx. Prairie State Energy Campus is probably the cleanest coal-fired plant in the U.S. We've been proactive in these efforts, doing them as stewards of the environment before being required to.

So what can YOU do to change the future? Let the U.S. EPA know your concerns. Let your Congressman know your concerns. Ask them to postpone the EPA regulations until we know whether carbon capture and sequestration is a viable option and until we better know the costs. Ask them to increase funding for coal research so that better methods of using an abundant resource in an environmentally-friendly manner can be found.

But please, SOUND off. Do not be the silent majority that in a few years realizes that inaction has allowed electricity prices to soar to unrealistic heights. Because if you don't sound off, they will.

And jobs will be lost. The U.S. Chamber of Commerce has assessed the situation and predicts the loss of 31,700 jobs in our five state area, with an annual GDP loss of \$7.4 billion due to a \$3.3 billion increase in electricity costs in the same region.

We're making it as easy as possible for you to send a needed message to Washington. On our website, www.eeca.coop, there is a link to Cooperative Action Network. Already, cooperative members across the nation have sent 500,000 messages to the EPA. But it isn't enough. There have been over 3,000,000 responses from the vocal minority. Who will be heard, the vocal minority, or the silent majority? Don't let this happen. Take a moment, send your message, and let's make this a vocal majority.



Jim Riddle -- Executive Vice President and General Manager

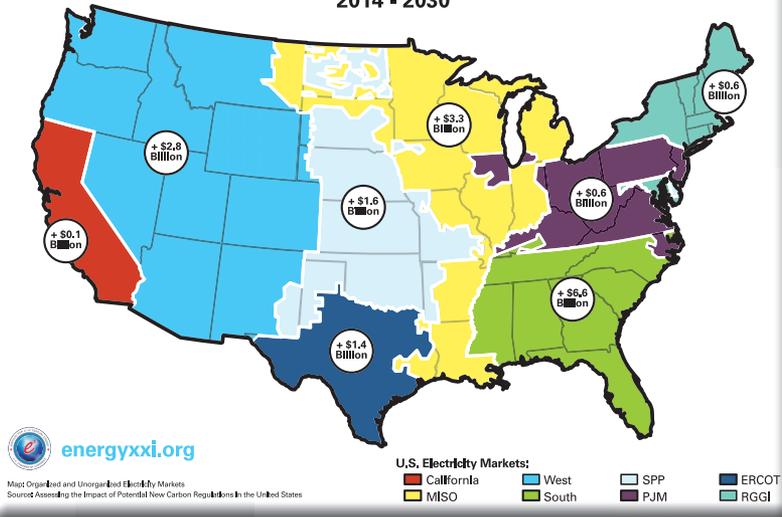
Weird Outages

About the time you believe you've seen it all, something new comes along.

Crews recently discovered an ant hill had completely filled the interior of a transformer to the point it pushed the high-voltage elbow from its receptacle, causing the whole line to go out.



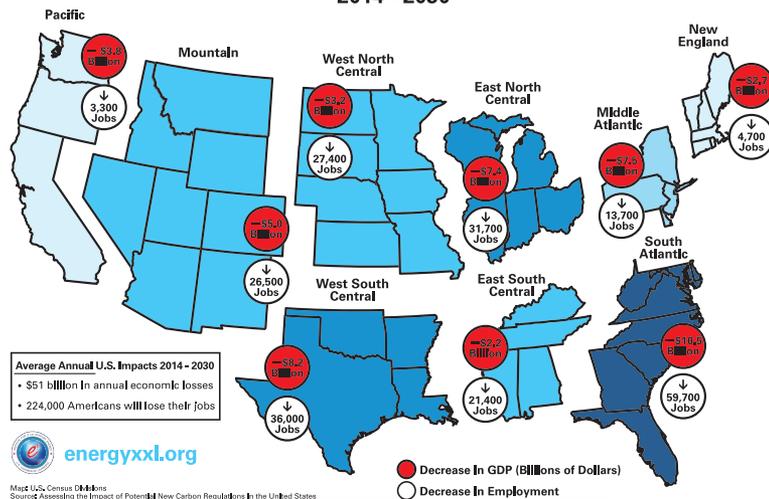
Average Annual Increase of Electricity Costs from Potential EPA Carbon Regulations 2014 - 2030



The U.S. Chamber of Commerce forecasts the Midwest (MISO) will pay an average of \$3.3 billion annually in increased electricity costs over the next 16 years, or a total of \$52.8 billion due to new EPA carbon regulations.

The U.S. Chamber of Commerce also forecasts the Midwest region will suffer a GDP loss of \$7.4 billion annually and a loss of 31,700 jobs due to new EPA carbon regulations.

Average Annual GDP and Job Losses from Potential EPA Carbon Regulations 2014 - 2030



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- Randall Campbell, Vice President
- Ken Jarrett, Secretary-Treasurer
- Larry Ebers
- Allen Haake
- Paul Hicks
- Gilbert Kroening
- Steven Prest

Executive Vice President/ General Manager

Jim Riddle

We hope you like the look of our new full-color newsletter. Through some operational changes, our statewide association, the Association of Illinois Electric Cooperatives (publisher of the Illinois Country Living magazine) was able to offer us a full-color newsletter while reducing our costs by 5% at the same time. Great job AIEC-- reducing costs while producing a better product....truly the Cooperative way.



Reed Station Road Improvements

If you're a frequent driver of Reed Station Road east of Carbondale, you've probably noticed a lot of utility work in progress.

Jackson County Highway will soon be making needed improvements to the road, requiring EECA to move its line.

As a transmission loop feed for our Carterville substation has been needed for system integrity and reliability, this was a prime opportunity for SIPC to build the new loop and for EECA to move its line to the same poles SIPC is installing.

Work should continue through the summer into this fall. When completed, the line will provide additional paths of providing transmission service to our stations in the Carbondale area.

Youth Tour Students

Three young ladies represented Egyptian Electric Cooperative in mid-June in Washington D.C.

Pictured left to right are Elizabeth Koester, Red Bud; Jamee Houchins, Marissa; and Jessica Thornton, Coulterville.

While in D.C. the young ladies met with our congressional leaders, visited numerous national museums and monuments and were able to see our government at work. As Jessica wrote, "Seeing our nation's capital was life changing."

Although the pace on Youth Tour is fast with plenty of walking, there was some downtime too. The students were treated to a twilight evening on the Potomac River with food and dancing. They also had time to make new acquaintances. With email and social media, they will be able to continue friendships for years to come.

While on Youth Tour, students also learned the inner workings of how cooperatives function through



the *Chip and Pop Cooperative*. The Cooperative provided a needed service of refreshments and snacks during the tour for students to enjoy. While on the bus to D.C., a small group met as a nominating committee to make recommendations to the entire "membership" for a Board of Directors to be elected. The Board then interviewed and hired a general manager. The general manager

then hired staff to keep the coolers stocked, iced and removed from the bus during stops. The staff was also responsible for sales of refreshments to the "members" of Youth Tour. Pretty much how your electric cooperative works.

Good luck ladies on your future education and endeavors. Some day you will be our future leaders...and maybe even work for a cooperative!

Egyptian Electric Cooperative Association

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