

DOE The U.S. Department of Energy (DOE) has released the first installment of the Quadrennial Energy Review (QER). The QER was laid out on President Obama's Climate Action Plan and will focus on energy infrastructure and identify the threats, risks and opportunities for U.S. climate security and energy.

The EPA A federal court rejected claims by 15 states and coal companies that a proposed Environmental Protection Agency rule limiting carbon emissions from power plants was unconstitutional. The court felt that it could not review and rule on something that was just a proposal. On August 3, the EPA released their final greenhouse gas emissions rule. Subsequent court decisions may well be influenced by the fact that in a 5 to 4 decision, the U.S. Supreme Court ruled that the EPA interpreted Section 112 of the Clean Air Act unreasonably when the agency deemed costs to be irrelevant to the decision to regulate power plants.

Greenhouse Gas Under an executive order President Obama has signed, the federal government, the largest consumer of energy in the United States, will aim to cut greenhouse gas emissions by 40 percent compared with 2008 levels and increase its reliance on renewable energy to 30 percent over the next decade.

Closure of Coal Plants On April 16, 2015, eight coal units were decommissioned by Georgia Power. This retired capacity marks the transition now occurring in the Southeast away from coal-fueled generation.

MEAG Power The highest off-system sales level since 1997 occurred on April 12, 2015. Also on July 29, the system peaked at 1,941 MW, setting the peak demand for 2015. Plus, the Combined Cycle facility set a capacity factor record in June, operating at 73 percent for the month.

Renewable Power Southern Power will buy the 299-megawatt Kay Wind facility in Oklahoma when construction is completed. The facility will be Southern's largest renewable electric generating plant and first wind project. Also, the corporation plans on continuing to expand its solar power holdings, announcing it has acquired a controlling stake in additional solar projects in California.

Solar Power Georgia was ranked 15th in installed solar capacity at the end of last year, according to the Solar Energy Industries Association, a national nonprofit trade association of the solar energy industry in the United States.

LOAN GUARANTEES ON THE MOVE



Bob Johnston, MEAG Power President and CEO, Jim Fuller, MEAG Power Senior Vice President and Chief Financial Officer and Pete Degan, MEAG Power Senior Vice President and General Counsel, talk about MEAG Power's \$1.8 billion in federal loan guarantees from the U.S. Department of Energy (DOE) that closed on June 24, 2015.

current: What is the importance of completing the closing of the DOE transaction?

Johnston: The expansion at Plant Vogtle represents a multi-billion dollar capital investment for our Participant communities. The closing of the loan guarantees is an important milestone in meeting our financing requirements for the Project, which given the current low interest rate environment, translates to lower cost for the power from the Project and substantial savings to the communities we serve.

current: What does it feel like to have completed the closing for the loan guarantees?

Fuller: Finalizing the loan guarantees brings to culmination an eight-year journey from the original DOE application in 2007 to the closing of the DOE facility in June 2015. We are pleased that the DOE stayed the course and the DOE option proved to be a valuable economic source of capital for the Project and our Participant communities.

current: What was the most difficult part of completing this process?

Degan: I am not sure I would point to one specific effort as the most difficult. It was a very detailed undertaking and involved multiple facets. The fact that we have 41 Participants involved, Power Purchase Agreements with JEA and PowerSouth, as well as interaction with the DOE and the Project co-owners made the process a complex affair, but in the end, the effort came together successfully. The MEAG Power Participants, along with JEA and PowerSouth, were very cooperative and responsive to our needs, resulting in a very positive outcome for all parties involved.

COMINGS & GOINGS: MEAG Power Staff Changes

Bob Johnston, MEAG Power President and CEO, announced at the MEAG Power Annual Meeting that he will be retiring at the end of the year. Bob has been at the helm for 17 years, and his leadership has resulted in a long list of notable accomplishments. Attendees learned that **Frank Crane**, Director of Government and Corporate Affairs, would retire at the end of July. The Board recognized Frank's outstanding service to MEAG Power and presented him with a plaque to mark the occasion. **Paul Warfel**, Senior Regional Manager, was promoted to take over Frank's duties at the state and federal levels. And finally, we welcome **Holly Bisig**, formerly with Electric Cities of Georgia, to replace Paul as Regional Manager.

2015 ANNUAL MEETING



WOW!

This year's MEAG Power Annual Meeting was another record-breaker with more than 600 attendees.

Certainly more made it merrier as we all enjoyed seeing so many old friends and making new ones. Two featured speakers helped us get a better handle on what's ahead—globally and here in our country—while another encouraged us to “enjoy the ride” as we go about our daily lives. Hopefully, we all left a little smarter and armed with information that can help MEAG Power Participant communities grow and prosper.



**40 YEARS
OF ELECTRIC POWER
FOR PARTICIPANTS**



MEETING HIGHLIGHTS



Featured Speakers:

Left: Peter Zeihan, Geopolitical Strategist and author of *The Accidental Superpower*

Center: Steve Gilliland, Hall of Fame Speaker

Right: Mark Bonsall, General Manager and CEO, Salt River Project

Concurrent Sessions:

Financial Services – Jim Fuller, Bob Trippe

Fuels Market Update – Steve Jackson, Bret Griffin, Wade McKenzie, Steve Schivley, Robert Trinnear

Economic & Community Development – Daryl Ingram, Tom Hall, JoAnne Lewis, Garland Thompson

Also:

MEAG Power 101 – Stuart Jones

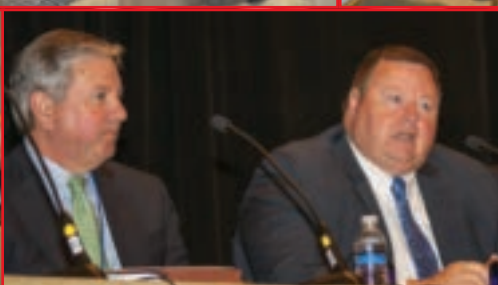
The Energy Authority Tour

Board Members Re-elected – Bill Yearta, Terrell Jacobs and Steve Tumlin

Board Officers – Steve Rentfrow, Chairman; Greg Thompson, Vice-Chair; Larry Guest, Secretary-Treasurer

Bob Johnston announces retirement

Frank Crane's service acknowledged by the Board



Barnesville City Manager Kenny Roberts was inducted into the Georgia Municipal Association’s Municipal Government Hall of Fame at the association’s annual convention in June.

Buford The city’s residents overwhelmingly voted to approve plans to build a new high school.

Covington A new Holiday Inn Express and Suites is being planned for the community. Additionally, the City Council has paved the way for a new state-of-the art retirement community.

East Point City Council Member Deanna Holiday Ingraham has been appointed to the National League of Cities 2015 Community and Economic Development Steering Committee.

Elberton After three years of discussion, studies and architectural planning, the Elberton city council has decided to send out a package for bids on the Samuel Elbert Hotel renovation project – a project that totals approximately \$4 million.

Fairburn Residents in Fairburn are invited to do a self energy audit of their homes using the audit software calculator on the city’s website.

Griffin The Georgia Environmental Finance Authority has awarded Griffin two loans totaling nearly \$19 million for water and wastewater upgrades.

Lawrenceville Dalton Carpet One announced it will open a 10,800-square-foot facility in Lawrenceville to add a new store and home for its newly created Window Treatment Division.

Marietta Comcast is bringing more than 1,000 jobs to the city as they take over the Atlanta Braves’ SunTrust Park office buildings.



THE FACTS: *Regulated Versus Deregulated Electricity Rates*

The APPA has released its annual rate comparison report, and it is interesting to note that deregulated states electric rates remain higher than those in regulated states such as Georgia. In 2014, customers in the states in the deregulated category had an average retail electricity rate of 12.7 cents per kWh. Those in regulated states had an average rate of 9.4 cents per kWh, 3.3 cents lower than in the deregulated markets. In 1997 when deregulation began, the differential was 2.8 cents. It has since increased by 0.5 cents.

Keeping Coal in the Mix

As environmental rules and lower-cost natural gas generation continue to put pressure on coal generation, the MEAG Power staff continues to investigate opportunities to improve the cost of operating the Scherer and Wansley coal units. For example, the staff has commissioned a study to evaluate alternate fuels that can be used at Plant Wansley. The study will evaluate options to use Powder River Basin coal and co-fire natural gas with both the Powder River Basin and the current Illinois Basin coals. The study will determine if these fuels and combination of fuels could economically reduce the fuel cost or provide additional operational flexibility, again reducing the cost of the units. In addition, MEAG Power and the co-owners of Plant Scherer are moving forward with turbine replacements that improve the efficiency of the low-pressure turbines at Scherer Units 1 and 2. By improving the efficiency of the turbines, the units will use less fuel and emit less carbon dioxide, while maintaining the current unit output. Again, the project will lower the cost of operating the units.

As the power industry continues to transition to a low-carbon environment, MEAG Power will continue to investigate these types of opportunities in order to preserve the fuel diversity that is important in meeting our mission of reliable and cost-competitive electric power for our Participants.

ASK US: *Encourage Your Customers to Ask You About Solar Energy Purchases*

With the change in the state law regarding the leasing of solar panels, solar companies may become more aggressive in your community. As part of your service to residents and businesses, think about: including information about solar on your bill stuffer or website; holding an informational event; or giving those interested in learning more a community contact who can discuss options and costs knowledgeably. Contact Ellen Richardson at Electric Cities of Georgia for available materials and suggestions.

2015 MAKE A NOTE

MEAG Power Board Meetings

September 17

October 15 – Doerun



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