

## EPA ON THE MOVE

### Congratulations to JIM FULLER

On November 10, 2015, the MEAG Power Board of Directors announced that Jim Fuller, our Senior Vice President and Chief Financial Officer, will be the Authority's new President and Chief Executive Officer. Jim will assume his duties upon the retirement of Bob Johnston on January 1, 2016.

### STAYING current

**Ozone** On October 1, 2015, the EPA Administrator finalized a regulation that strengthens the ozone National Ambient Air Quality Standard to a level of 70 parts per billion (ppb), measured over an eight-hour period. The current standard, set in 2008, is 75 ppb. EPA states that the revised standard would improve public health protection as well as that of trees, plants and ecosystems. The metropolitan Atlanta area is not attaining the current standard, but EPA states that its projections show that the vast majority of U.S. counties will meet the revised standard by 2025 with federal and state rules and programs now in place or underway.

#### MEAG Power Generation Sale

MEAG Power has completed a 7 day/16 hour sale transaction with Florida Power and Light (FP&L) scheduled for June/July/August 2016. FP&L will take 50 MWs at a fixed price for that period, which is consistent with MEAG Power's portfolio approach to excess sales.

#### Plant Vogtle Construction Settlement

Westinghouse has taken on the role as the sole contractor for the construction of Units 3&4. As a result, MEAG Power and the other Vogtle co-owners (Georgia Power Company, Oglethorpe Power Corporation and Dalton Utilities) have agreed on terms to settle all claims currently in litigation with the project's contractors, committing the contractor to the current schedule and including revisions to the engineering, procurement and construction (EPC) contract that make it more difficult for the contractor to increase prices based on Nuclear Regulatory Commission actions.

**MEAG Power** On September 9, 2015, MEAG Power raised \$254 million of capital through a public markets debt sale for Vogtle Units 3&4. The successful sale of these bonds, combined with the closing of the \$1.8 billion Department of Energy Loan Guarantee in June of 2015, marks a major milestone in financing MEAG Power's capital needs for the Vogtle expansion.



Steve Jackson, MEAG Power Senior Vice President and Chief Operating Officer, updates us on some key activities from the U.S. Environmental Protection Agency (EPA).

#### current: What is the latest on the Clean Power Plan?

**Jackson:** The final rule signed by the EPA Administrator on August 3 seeks to achieve a 32 percent reduction in national tons of carbon dioxide emissions from existing electric generating units from the 2005 level by 2030. Georgia's current emissions are about 30 percent below 2005, but the final rule would require about a 50 percent reduction in Georgia by 2030. Each state must decide whether to prepare a state plan to achieve a rate-based goal, a mass-based goal or a mass-based goal with an allowance for new source generation. Rate-based plans can use Emission Rate Credits for compliance. These credits are issued for operating below applicable emissions standards, using natural gas generation to displace coal generation, using new nuclear/nuclear capacity upgrades and/or employing qualified renewable energy. Mass-based plans require compliance by keeping total emissions under a tons limit. It is not yet clear which approach would be the best for MEAG Power's Participants and what we should advocate to the state. There are more details and more decisions to be addressed, but in the meantime, the state of Georgia must submit its initial plan to EPA by September 6, 2016, and a final plan by September 6, 2018. Appeals of the EPA final rule could not be made until it was published in the Federal Register; that occurred on October 23. Legal challenges, including requests to stay the rule, were filed on that day. The state of Georgia was party to one of these challenges.

#### current: EPA – Where does the Clean Water Rule stand?

**Jackson:** On October 6, 2015, the U.S. Court of Appeals for the Sixth Circuit issued an order that stays, on a nationwide basis, the Clean Water Rule that was published in the Federal Register on June 29, 2015, and went into effect on August 28, 2015. The Sixth Circuit decision consolidated a number of legal challenges by states, including Georgia, and by other entities. Most important, the stay preserves the status quo of the previous rule rather than simply prohibiting enforcement of the new rule. In the words of the decision, the stay "temporarily silences the whirlwind of confusion that springs from uncertainty about the requirements of the new rule and whether they will survive legal testing."

#### current: What is the status of the Cross-State Air Pollution Rule (CSAPR)?

**Jackson:** In January 2015, EPA began to implement CSAPR, a rule that seeks to improve ambient air quality in "downwind" states that could be impacted by emissions from "upwind" states. In July, the U.S. Court of Appeals for the District of Columbia Circuit said EPA must reconsider CSAPR emissions budgets for sulfur dioxide and/or nitrogen oxides in 13 states. Georgia, along with Alabama, South Carolina and Texas, is among the states for which EPA must reconsider the second phase sulfur dioxide emissions budgets that would begin to apply in 2017.

## current NEIGHBORS

**Albany** Line crewmen who work in the Albany Utility Board's Light Department were recognized for their exemplary work. Also, the Albany City Commission voted to approve use of up to \$5 million from its Job-Enhancement Fund for downtown redevelopment.

**Blakely** The city council has voted to move forward on the installation of a new 600 smart meter system that will enhance outage management, power quality monitoring, remote meter reading, load management and remote switching.

**Camilla** The city will provide utilities to Marvin's Building Materials & Home Center as well as Hibbett Sporting Goods, which will both be opening in the fall of 2015.

**Cartersville** Beaulieu International Group will be opening a facility in late fall of 2015 and it will be a significant new electric load for the city of Cartersville. MEAG Power is in the process of developing a new substation to serve the customer.

**College Park** Plans are underway to get new transit-oriented development around the city's MARTA station, including apartments and a hotel.

**Forsyth** The city council honored three firefighters, Deputy Chief Davis Norris, Firefighter/Paramedic Chris Andrews and Firefighter/EMT Justin Hammond, with the Medal of Valor award for performance that was above and beyond the call of duty.

**Oxford** Discussions are underway about converting a city block on the north side of town into a family-oriented city park.

## 2016 MAKE A NOTE

### MEAG Power Board Meetings

January 21

February 18

March 17

## MEET YOUR *colleagues*



**Buddy Duke**

Mayor  
City of Adel

*L.L. "Buddy" Duke III is a lifelong resident of Adel, Georgia. Buddy was elected Mayor of Adel on June 16, 2015. He attended Troy University in Troy, Alabama, and graduated with a B.S. degree in Mathematics. After college, he returned to Adel to work in the family-owned business, Adel Ice Company, Inc. Buddy purchased the company in 1990 to become a third-generation owner.*

### Why did you want to become mayor?

I have served on the city council in Adel for 27 years and have watched two quality men demonstrate what it takes to be mayor. Key to good leadership is a respect for the citizens and to treat them in a respectful and courteous manner. Secondly, it is vital to be equitable in decision-making and actions.

I didn't really set out to become mayor, but I heard from citizens who wanted me to take that step.

### What initiatives are particularly of interest to you as you begin your tenure?

The council has numerous projects on which it plans to move forward. We are looking to institute new technology into our meter reading system that will provide better service to customers. For quality of life, we are looking at new projects in the recreation area. We always have an eye toward public safety issues, with fire and police.

I am very pleased with the new Walmart going in at our I-75 exit, and Blue Sky Biomass is breathing new life into an older existing facility to produce wood pellets as a fuel source in global markets. Together they may bring 300 jobs.

### What do you value about the MEAG Power relationship?

MEAG Power is that security blanket as we operate our electric system. It helps us leverage a very important city resource to the benefit of the citizens. There is a lot of professional talent and know-how at MEAG Power. Our electric system is an incredible asset; I have comfort they are our partner in our economic growth.

## *Mutually* BENEFICIAL

Over the many years that MEAG Power has been in existence there has been a strong bond among the Participants. This unity has given your communities access to a diverse, low-cost portfolio of generation resources, which few could afford alone. Moreover, this partnership means there is one strong voice to speak up against legislation or regulations that need amending. It means opportunities to balance generation loads among Participants; to network at events to exchange ideas; to cooperate regionally to attract or retain business; to support each other when emergency utility help is needed; to share a first-class training center; to aggregate off-system sales; and more. You are, indeed, 49 individual and unique communities, but you are also one tight-knit organization that has found many ways to work successfully together.

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