Seminole Electric Comments on the EPA’s Clean Power Plan

“EPA must reassess its proposal and correct flaws in the rulemaking to protect affordable and reliable electricity.”

Tampa, Fla. – Seminole Electric Cooperative, Inc. (Seminole) submitted comments to the U.S. Environmental Protection Agency (EPA) addressing a proposed regulation that could increase the cost of electricity and jeopardize reliability. Based on the EPA’s rulemaking, Florida will have to close more than 90 percent of its coal-fired power plants by 2020 – which is neither feasible nor achievable. This regulation, referred to as the “Clean Power Plan,” targets coal-fired power plants, thereby targeting the pocketbooks of rural electric cooperative consumers.

“The EPA’s rulemaking, if implemented as proposed, will result in a drastic and sudden shift in Florida’s power generation, which will not only drive up the cost of electricity, but will have sweeping unintended consequences to a fragile, but recovering workforce and economy,” said Seminole’s CEO Lisa Johnson. “The EPA must reassess its proposal and correct flaws in the rulemaking to protect affordable and reliable electricity.”

Specifically, the EPA is proposing that Florida reduce carbon dioxide emissions from existing electric generating units by 38 percent, which is greater than the national goal of 30 percent. However, the EPA’s calculations for Florida do not account for an approximate 20 percent reduction in carbon dioxide emissions that have already occurred in the state since 2005.

In addition to prematurely closing coal-fired power generation by more than 90 percent, the EPA’s plan anticipates a heavy dependence on natural gas in Florida. Based on the rule, natural gas would produce more than 85 percent of Florida’s electricity by 2025, and coal would produce less than 2 percent. Currently, Florida has limited access to natural gas, with only two major pipelines in the state. Significant investments would have to be made to build more gas pipelines in order to generate that much electricity from natural gas.

Seminole believes it makes good sense to have a diverse fuel mix for power generation that includes coal, natural gas, and renewable energy. In 2014, Seminole will generate more than 50 percent of the energy its cooperatives need from its coal-fired power plant – which will be shuttered 20 years before the end of its useful life based on the EPA’s proposed rule. Seminole also owns and operates a natural gas-fired power plant and purchases power from renewable energy resources.

Seminole’s decision to build a coal plant was no coincidence. In 1978, the U.S. enacted the Powerplant and Industrial Fuel Use Act, which restricted new power plants from using oil or natural gas and encouraged the use of coal. Seminole’s coal-fired facility came online in 1984. The Act was
not repealed until 1987. Now the EPA proposes to penalize consumers who buy power from electric utilities that burn coal – hurting millions of consumers and businesses in Florida and across the country.

Seminole has invested more than $530 million in state-of-the-art environmental control equipment and recycling practices at its coal plant in order to comply with other regulations implemented by the EPA. These investments will become stranded should the EPA’s rule be finalized, and replacement power generation would have to be built. Nearly 300 hard-working, skilled employees work at Seminole’s coal plant. If the power station is forced to close early, these 300 employees will be left without a job – and this does not include the hundreds of contractor personnel that would be impacted in a rural county working to rebound in the slowly-recovering economy.

“We should be seeking solutions for balanced, rational energy and environmental policy that protects our natural resources without harming the affordability, reliability, or the sufficiency of electricity,” said Johnson.

A final rule is set to be issued by the EPA in June 2015.

**About Seminole**
Headquartered in Tampa, Fl., Seminole’s mission is to provide reliable, competitively priced, wholesale electric power to its nine Member distribution electric cooperatives – serving approximately 1.4 million consumers and business in 42 counties. Seminole owns and operates a 1,300-megawatt (MW) coal-fired power plant located in Putnam County, as well as an 810-MW natural gas-fired power plant located on the Polk/Hardee County border. Seminole also purchases energy from renewable energy facilities*.

*Seminole sells a portion of the renewable energy credits associated with its renewable generation to third parties. The third parties can use the credits to meet mandatory or voluntary renewable requirements.

###