

PEE DEE STATION CRUCIAL TO MEET STATE'S GROWTH

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By Santee Cooper President and CEO Lonnie Carter

Much has been written about Santee Cooper's plans to build a coal-fired power plant in Florence County. Advocacy groups have attempted to use emotion and half-truths to support their opposition. It is easy for those not responsible for keeping the lights on to offer unrealistic ideas. The time has come to set the record straight and clearly spell out the truths related to the need, process, permitting, alternatives and consequences of this important decision.

South Carolina is growing. Our Pee Dee generating station is crucial to our ability to meet the increasing energy demand caused by this growth. Our state's population grew by 15 percent in the last decade, and it is expected to grow by 10 percent through 2010. The state is approaching 5 million people. Santee Cooper is charged with the responsibility of making sure the lights come on when the 2 million customers who depend on us flip the switch. Given the length of time necessary to permit and construct stations, the decision to build must be made seven to nine years in advance. This decision is based upon projections of electricity demand determined from such factors as load forecasting, growth projections and material changes in fuel costs. We need additional generation by 2012. Otherwise, we will be 370 megawatts short of projected demand that year, and 835 megawatts short in 2015. One megawatt can power about 500 homes.

Building a power plant is the last option we consider. We would not build a \$1 billion power plant unnecessarily. We thoroughly studied all available alternatives. Santee Cooper's legal obligation is to provide low-cost and reliable power. We have been working with the agencies in this regulated permitting process for 18 months, and this process allows for ample public input throughout. In fact, we have met with several advocacy groups on a number of occasions, provided them with detailed answers to a lengthy list of questions and been completely open and honest about our project information and intent. In addition, we have posted all official documents and detailed information on our Web site, www.santecooper.com/PeeDeeSite.

Critics are calling for delays. There are no legal, regulatory or business reasons why the Department of Health and Environmental Control's air permit should be delayed by the U.S. Army Corps of Engineers' Environmental Impact Statement. The two are separate and distinct agencies, each engaged in separate permitting processes. They should continue on their consistent, standard regulatory processes mandated by their respective state and federal obligations. As for alternatives, we are leaders. We are the first and only utility in the state to have renewable energy. While our Green Power renewable energy program is promoted extensively, fewer than 1 percent of customers purchase it. We have solar power. We have biomass in the form of landfill gas. We have nuclear and hydro power. We are researching wind power and beginning a net billing program, which will allow us to purchase power from residential customers who install renewable power. The truth is these alternatives do not produce enough power on a regular basis to meet

our power needs.

We have had comprehensive conservation programs and energy efficiency programs for decades. We are proud to have demand savings representing 13 percent of our generating capacity through these programs, far more than any other utility in the state. The truth, again, is that we can't force people to conserve energy, but we have and will continue to encourage conservation and efficiency. We are evaluating additional nuclear power and, ideally, would love to have this in place of coal. However, this also involves a lengthy permitting process, and this power will not be available until 2016 at the earliest.

This facility at Kingsburg will utilize the best available and proven environmental control technology, resulting in one of the cleanest power plants in the nation. It will be constructed and operate in compliance with all applicable environmental standards, which are protective of human health and the environment.

Any delays will mean substantially higher costs to our customers and will threaten our state's energy supply. Our Pee Dee facility will bring many well-paying jobs to the Florence County area, which benefits the state altogether.

Our record is a good one. As a state-owned utility, we are a nonprofit entity, so our interest is in lowcost power, not profit. We operate in a transparent manner. Our board meetings are public, and we are subject to the Freedom of Information Act. We operate in a collaborative manner as we fulfill our mission of improving the quality of life for the people of South Carolina.

The Pee Dee facility is essential to meet the growth of South Carolina.

Mr. Carter is president and CEO of Santee Cooper, the state owned electric and water utility, which provides power to 2 million South Carolinians, about 40 percent of the state.