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Contact:

Virginia Cramer, Sierra Club, 804-225-9113 x 102

Ben Moore, Coastal Conservation League, 843-725-2063

Cathryn McCue, Southern Environmental Law Center, 434-977-4090

### **Financial Experts Raise Red Flags on New Coal Projects Clean Energy, Not Coal Best Investment for the South**

Washington, DC: The experts behind a group of new reports summarized their findings today showing that new coal plants present serious financial risks to southern utilities and ratepayers, especially in light on looming federal regulations on carbon dioxide emissions.

“Our analyses have shown that uncertainty about future coal plant construction costs and the costs of complying with impending federal regulation of plant carbon dioxide emissions represent significant risks for utilities and their customers,” said David Schlissel, a Senior Consultant for Synapse Energy Economics. “In particular, the federal government is likely to mandate significant reductions in carbon dioxide emissions. The costs of complying with this expected federal action are likely to increase the cost of generating power at new coal-fired plants by tens to hundreds of millions of dollars each year, making coal an even more expensive option than energy efficiency and renewable resources.”

Citing a growing body of evidence, which includes financial reports from Virginia, South Carolina, Kentucky and Louisiana, the experts highlighted the clear economic benefits of renewable energies and energy efficiency in the South, and across the Nation.

Michael Fisher, Vice President and Principal Associate of Abt Associates, which authored the Virginia report found that, “Investments in energy efficiency are considerably less expensive and more beneficial to the Virginia economy than building a new coal-fired power plant to meet Virginia’s energy needs.”

“The relative economic gains to Virginia from energy efficiency investments are substantial, with Gross State Product increasing by nearly a billion dollars annually and employment increasing by over 5,000 new jobs,” continued Fisher.

The data show the benefits of investing in clean energy reach down from state economies as a whole and into consumers’ pocketbooks. Ben Moore, Energy & Climate Program Director for the Coastal Conservation League in South Carolina, said “The analysis shows that if the proposed coal plant is built, our state-owned utility, Santee Cooper, won’t meet its mission to provide low-cost electricity. Instead South Carolinians can expect higher rates. If our state is going to remain competitive in a carbon-constrained economy, we can’t afford another coal plant.”

Elizabeth Crowe, with the Kentucky Environmental Foundation said, "More and more people from all walks of life, all over the South, are realizing that clean energy makes good fiscal sense. Saving money is first and foremost on the minds of ratepayers these days, and energy efficiency saves people money. The health and environmental benefits of clean energy are a bonus."

In all of the reports, the findings clearly indicated that new coal-fired power plants were not needed.

“In our analysis of East Kentucky Power Cooperative we found the proposed Smith coal plant was not originally approved on the basis of the demand for electricity, but rather for business needs. Since then energy demand has slowed considerably and the need for the plant is even less. Now, with changes in federal policies, the plant serves no purpose at all. In baseball, three strikes means you’re out. The Smith coal plant would be a highly polluting, expensive, and unnecessary burden on Kentucky ratepayers,” said Tom Sanzillo, a Senior Associate with TR Rose Associates.

“These studies from across the region demonstrate that, even if you don’t factor in the issues of mountaintop removal coal-mining, climate change, and toxic pollution, and you look only at the economics, investing in efficiency and renewables instead of more coal is the clear choice,” said Tom Cormons of Appalachian Voices.

“It is clear that the South is not an exception,” said Mark Kresowik, Corporate Accountability Representative for the Sierra Club. “Coal plants are simply a poor investment, no matter where in the country you are building them. We need to be investing wisely, especially in these economic times, and that means looking at energy efficiency and renewable energy projects that can create jobs and help fight global warming, without the drawbacks of coal.”

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Reports:

Old Dominion Electric Cooperative’s Hampton Roads Power Plant, Virginia  
<http://wiseenergyforvirginia.org/resources/>

Santee Cooper’s Pee Dee Power Plant, South Carolina  
<http://coastalconservationleague.org/Page.aspx?pid=842>

East Kentucky Power Cooperative’s Smith Power Plant, Kentucky  
[http://kentucky.sierraclub.org/Resources/Environmental\\_Research/RightDecision/FullReport.pdf](http://kentucky.sierraclub.org/Resources/Environmental_Research/RightDecision/FullReport.pdf)

Dominion Resources’ Wise County Power Plant, Virginia  
<http://www.wiseenergyforvirginia.org/downloads/WisePowerReport0309.pdf>

Entergy’s Little Gypsy Power Plant, Louisiana  
[http://www.all4energy.org/sites/default/files/The\\_Mysterious\\_Little\\_Gypsy.pdf](http://www.all4energy.org/sites/default/files/The_Mysterious_Little_Gypsy.pdf)