

News Release



**Electric Cooperatives
of Arkansas**

Electric Cooperatives of Arkansas officials offer input to EPA administrator regarding proposed Clean Power Plan

Little Rock, Ark. — April 13, 2015 —Electric Cooperatives of Arkansas leaders met with Environmental Protection Agency (EPA) Administrator Gina McCarthy earlier today to outline concerns and offer alternatives to the EPA's draft 111(d) rule.

Mel Coleman, CEO of North Arkansas Electric Cooperative of Salem and president of the National Rural Electric Cooperative Association (NRECA), Duane Highley, president/CEO of Arkansas Electric Cooperative Corporation, Patrick Ledger, CEO of Arizona Electric Power Cooperative, Inc. of Benson, Ariz., Lisa Johnson, CEO/general manager of Seminole Electric Cooperative of Tampa, Fla., and Stuart Lowery, president/CEO of Sunflower Electric Power Corporation of Hays, Kan. represented the nation's member-owned electric cooperatives at the meeting.

"We are seeking to preserve the remaining useful life of existing power generation facilities," Coleman said. "Many power plants across the United States have outstanding debt as they have not reached the full term of their production life. Flexible state-by-state goals with deadlines respective to each state's situation are needed as each state's situation is vastly different."

The delegation informed McCarthy that many of the wholesale generation facilities have already implemented previous federally dictated emission control upgrades and are financing the equipment.

"It would be unfair for consumers to pay twice for their electricity," Highley said. "In some situations, ratepayers would have to pay for the debt on the plants that are being closed, as well as the costs of new power plants that will have to be built to meet energy demands."

Coleman said the purpose of the meeting was to outline the very serious impacts this rule will have on rural electric cooperatives and the member-owners. "Since the proposed plan was unveiled, we have voiced concerns, while offering alternative avenues to achieve the Administration's goals. However, the EPA's effort to regulate outside the fence line remains a fundamental concern."

Coleman indicated that the cooperative delegation asked McCarthy to eliminate the 2020 interim goals and adjust a 2030 reduction deadline timeframe to at least 2035. These changes would allow states to plan, prepare and reach the goals, while preserving reliability for consumers, he said.

"NRECA, on behalf of the nations' more than 900 electric cooperatives, has presented the EPA with real-world data to demonstrate what is possible under the "building blocks" listed within the federal plan," he said. "Power plant owners operate the facilities and know approximately what potential modifications would cost ratepayers. Once again this data is based on actual operational data, not academic models."

The electric cooperative leaders requested that a dynamic reliability safety valve be included in the final Clean Power Plan. "There is no way to accurately predict any number of issues that could arise that could cause power shortages and impact our nations' economy."

The EPA plans to release the final Clean Power Plan rules in June and include a federal implementation plan for any states that do not craft state or regional implementation plans.

"We appreciate Administrator McCarthy listening to our concerns and receiving our input," Coleman said. "As not-for-profit, member-owned electric cooperatives we are charged with providing reliable, affordable electricity to some of the poorest areas in the nation. We take this responsibility very seriously and always work as advocates for our members."

The Electric Cooperatives of Arkansas comprise 17 electric distribution cooperatives; Arkansas Electric Cooperatives, Inc. (AECI), a Little Rock-based cooperative that provides services to the distribution cooperatives; and Arkansas Electric Cooperative Corp. (AECC), a generation and transmission cooperative. The distribution cooperatives provide electricity to approximately 500,000 homes, farms and businesses in Arkansas and surrounding states.

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