



**Seminole Electric Cooperative - Oral Testimony
Clean Power Plan– EPA Listening Sessions
Atlanta, GA
July 29-30, 2014**

Good morning and thank you for your time. My name is James Frauen. I am the Vice President of Technical Services and Development at Seminole Electric Cooperative, located in Tampa, Florida. Seminole is one of the largest, not-for-profit generation and transmission cooperatives in the country. Seminole provides reliable, competitively priced, wholesale electric power to nine Member distribution electric cooperatives. Approximately 1.4 million consumers and businesses in parts of 42 Florida counties rely on Seminole's Member distribution cooperatives for electricity.

On behalf of Seminole and its not-for-profit, Member-owned electric cooperatives, we would like to express our sincere and utmost concern regarding the EPA's Clean Power Plan aimed at regulating carbon dioxide emissions from existing power plants, specifically coal-fired facilities.

Through the Clean Power Plan, the EPA is proposing that Florida reduce its overall carbon emissions by 38%. This value is based on the EPA's 2012 "data" year versus the rule's "headline" year of 2005. EPA's calculations for Florida do not account for an approximate 20% reduction in CO₂ emissions that have already occurred in Florida since 2005. **In order to achieve the 38% goal, the EPA calculates that Florida will have to reduce its coal-fired power generation by more than 90%.**

This is significant for Seminole. We generate more than 50% of the electricity our Members need from our own coal-fired resources. Based on the EPA's calculations contained in the proposed rule, Seminole's coal-fired generating

facilities have been arbitrarily scheduled for retirement well before the end of their useful life and with no regard for the economic hardship it will cause our Members and consumers.

In 1978, the U.S. enacted the Powerplant and Industrial Fuel Use Act, which restricted new power plants from using oil or natural gas for power generation and encouraged the use of coal. Seminole's coal-fired facility came online in 1984. Seminole built coal because it did not have another viable option. Now the EPA proposes to punish consumers who buy power from electric utilities that burn coal. **Seminole, our Members, and their member consumers should not be penalized for following the laws of our nation.**

One of Seminole's highest priorities is to ensure that all generating resources are operated in an environmentally-responsible manner. Seminole has invested more than \$530 million in environmental control technology and recycling practices – \$260 million of which was placed in service less than 5 years ago. To reduce emissions, and as part of Seminole's commitment to our communities, approximately 70% of the byproducts produced at our coal facility are recycled for use in products that consumers use every day, including wallboard and concrete. These continued investments have made Seminole's facility one of the cleanest coal-based power plants in the country.

The EPA must consider these expensive and extensive environmental controls installed to comply with other regulations implemented by the agency. Should the EPA's proposed carbon rule be finalized, these costly investments will become stranded assets and Seminole's coal-fired power plant will be forced to close – leaving 300 hard-working, skilled employees without a job.

Additionally, Seminole would have to build or purchase new power generation to replace the electricity produced from its coal-fired facility. **Such a drastic and sudden shift in Seminole's power portfolio will not only drive up the cost of electricity for our Member cooperatives and their**

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To voice concern regarding the EPA's Clean Power Plan, visit www.tellepa.com or www.action.coop.

member consumers, but it could have sweeping unintended consequences for our fragile, but recovering workforce and economy in Florida.

Seminole believes it makes good business sense to have a diversified generation portfolio in Florida that includes coal, natural gas, and renewable energy. Fuel diversity reduces exposure to changing market conditions, helps keep rates competitive and provides much needed flexibility during extreme weather events such as hurricanes. Displacing existing coal-fired power plants, as proposed by the EPA, will lead to increased costs for consumers, will jeopardize reliability, and will place undue stress on gas and transmission infrastructure within the State.

Seminole believes the EPA's Clean Power Plan poses significant legal challenges that will need to be litigated if it is finally enacted. Seminole has serious concerns about the EPA's flawed approach to establish national energy policy through expensive, unnecessary government regulation. Seminole supports rational energy and environmental policy that does not harm the affordability or reliability of power production and delivery.

Thank you for your time and attention.