Coal plants, local jobs and electric bills

Part of the job of the Public Service Commission here in Georgia is certifying how and where Georgia Power gets the electricity you use.

With ever-changing federal environmental regulations, the PSC will soon have to decide if we close some of our old coal facilities, or bring them into Environmental Protection Agency compliance with new standards by putting “controls” on them in order to further remove sulfur, mercury and nitrogen oxide. And if we close those units, should we sign agreements with power plants in Alabama or build our own cleaner, gas-fired units? These decisions impact your rates, the state’s air and water quality, ever-important energy reliability, and local jobs.

Let’s start with jobs. Georgia Power is the largest taxpayer in Putnam County, and their request to shut down two coal units there will certainly impact the local economies of Eatonton and nearby Milledgeville. A decision by the PSC to “control” the units at Plant Branch would bring hundreds of temporary construction jobs to the area, but these jobs would go away in several years. By doing the upgrade though, the plant retains its employees many years into the future and the area gets a shot in the arm from the construction workers and the millions of dollars they will spend on food, lodging and the like.

So why is this decision so hard when the benefits seem so obvious? Because it cost more money than other choices we have before us. Plant Branch sits beside Lake Sinclair just off U.S. 441, and the unusual footprint of the plant, along with the age and size of the units, makes it pricey to install the massive pollution controls required.

After careful analysis, Georgia Power is recommending to the Commission that we instead sign “Power Purchase Agreements” with two large plants in Alabama and several small Georgia “gas-fired” plants. These lengthy contracts supply the needed power at a slightly better price.

In fact, this decision about whether to keep the coal units or close them will come up over and over again in Georgia and across the country over the next five years unless the EPA establishes more reasonable compliance requirements for their rule-making. I can’t speak for the other four PSC Commissioners, but this policy decision worth billions of dollars is something I want to hear from voters on.

On the one hand, we save money on your monthly bill by taking the least-cost option and shutting the units down, but with the same stroke of the pen we potentially devastate the economy of a county like Putnam. Environmentalists, who normally don’t side with Georgia Power, are thrilled at the opportunity to curtail the use of coal. However, our large energy needs will require that clean coal will be part of the nation’s fuel mix for the foreseeable future.

Penny-pinching ratepayers, already upset about higher power bills, seem ambivalent about where we get the power as long as it is there when they need it. Meanwhile, Putnam County residents are shaking in their boots.

As your newest elected regulator though, this decision keeps me awake at night. I travel the state weekly and see how difficult things are for families, especially when they have experienced a job loss. Yet, ratepayers are livid and have little patience for additional rate hikes or reliability risks, regardless of the reasons. Oh well, no one said this job would be easy. I hope to hear from you soon.

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