THE MEAN POWER PLAN

Tim Echols

Taylor Swift's song "Mean" begins with these words:

You, with your words like knives,
And swords and weapons that you use against me,
You have knocked me off my feet again.

As a regulator in a state that has made enormous energy progress in the last 10 years, I'm feeling her pain as the EPA rule becomes final. Let me explain.

Georgia, a red-state, with all Republican constitutional officers, and all Republican utility commissioners, is leading the nation in many ways.

With the upcoming merger of the Southern Company and Atlanta Gas Light, we will have the largest utility in the nation. We are the fastest growing solar state in the nation. We had more clean energy jobs than any other state in the first quarter of 2015. We have more fully-electric Nissan LEAFs than any other state, including California. If all of the approved solar were in the ground today, we would be the 4th largest solar state in the nation. So why do we really need President Obama to intervene by creating the new Environmental Protection Agency's Clean Power Plan?

From an environmental standpoint, we have reduced our CO₂ by more than 30 percent since 2005 and reduced mercury, sulphur and nitrogen oxides by over 85 percent since 1990. Just 10 years ago in 2005, more than 50 percent of Georgia Power's generation was coal. Now, it is 32 percent. In that same ten year period, the use of clean natural gas increased from 27% of Georgia Power's generation in 2005 to 49% in 2015. Not bad for a state with no RPS and no subsidy.

We are also leading the nation in building new nuclear with our Vogtle reactors under construction. The President's climate czar told me personally that without new and existing nuclear, the United States could never reach the 60 percent Clean Energy Goal by 2050. Yet, we had to practically beg to get our reactors to count towards compliance in the new Clean Energy Plan.

My objection remains: Georgia and other states have been moving in the right direction. Do we really need another federal mandate that turns our energy planning for states topsy-turvy? We are still coming out of the "Great Recession" and still trying to regain our financial footing. Stranding assets and forcing new construction will just burden our ratepayers in volatile financial times.

The harsh reality of these regulations may result in rate hikes and stranded investments as we scramble to build or acquire new investments in solar, wind and other clean energy improvements - and consumers fund all of it - with interest. This plan, as Taylor Swift sings, knocks us off our feet.

It hasn't been that long ago since the president spoke in favor of clean coal. "With the right technological innovations, coal has potential to be a cleaner-burning, domestic alternative to imported oil," he said in 2007. If he really meant that, he ought to take Air Force One to Kemper County, Mississippi and make a huge deal about the Southern Company's coal gasification project - which should be
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the envy of the nation.

But it seems he is now content to see the coal industry bankrupted. I have a problem with that.

Closing mines and power plants result in job losses, erosion of local tax base, and stranded assets - all unintended consequences of Obama’s climate policy. Or maybe not.

The president said, “The only reason that China is getting serious about their emissions is because of us.” Throughout his speeches, and throughout the comment period of this new EPA rule, the Obama administration assumes that if America will only get serious about climate change, the world will follow. But can the world afford to follow us?

As I wrote in a previous edition of Fortnightly, Germany has broken the bank trying to lead the way in energy transformation. They declared war on coal and nuclear, and set an unbelievable goal to be at 50 percent renewable by 2020 and 80 percent by 2050. But German families now pay three times what most Americans pay for power.

The president’s ideas sound much like the German experiment. My guess is that India, China and other countries will politely nod at the president, but will spend billions buying the very coal we used to burn. But most of their plants will not be nearly as clean-burning as ours, and the net result in the world after the president’s plan could be an increase in carbon - instead of a reduction.

Like so many political issues, criticizing carbon has become politically correct, and the president’s rhetoric has whipped people into a frenzy.

Like so many other issues, the courts will wind up deciding the fate of this rule. Meanwhile, conservative regulators like me still keep rates as low as possible and continue to push for a diverse portfolio of energy - including coal.

Tim Echols was elected statewide to the Georgia Public Service Commission in 2010 and is up for re-election in 2016. Echols drives an electric car, promotes solar power throughout the state and has degrees from the University of Georgia.

Please join Public Utilities Fortnightly in Scottsdale, Ariz. on November 17-18 to discuss the Clean Power Plan and disruptive technologies. Panelists and speakers include the major policy makers in the industry today, along with the leading members of the industry.

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