

Your Voice: Balancing the Environment, the Need for Energy and the Costs



Not long ago our family experienced the excitement, apprehension and expense of our first teen driver, and like many of you, we kept a watchful eye on the cost of gas. With prices hovering at \$3 a gallon, we encouraged our son to be conservative with his driving (*yeah, get real Dad*). After all, none of us can negotiate price at the gas pump; we pay what it is.

Although we can be conservative with our trips and keep our cars tuned up, there currently is little we can do about high gas prices. When it comes to fuel costs for power generation however, we can have an influence on proposed national and state legislation.

As more governmental bodies begin passing laws regarding energy, particularly with the relationship between renewable energy and electric utilities, you and I—along with others from the nation’s electric cooperatives—need to remind our elected representatives that their proposed legislation needs to be balanced between our environmental protection measures and the impact of their costs.

We’re all concerned about the environment, but we must not abandon readily available fuel resources, such as coal, which is richly present in the U.S, or nuclear and natural gas. Thanks to advances in technology, U.S. coal plants burn cleaner today than ever before, and coal-fired generation still produces half of our nation’s energy needs. It has been projected that there is enough coal to last 300 years. Yet, renewable energy issues continue to be discussed in legislative bodies across the country as the only way to meet our energy needs now and in the near future. The questions are, however, what the consumers will have to pay for alternative fuel sources and

if the technology to meet the energy needs exists yet or will be developed anytime soon.

What’s going on today? In our nation’s capital, both houses of Congress are attempting to pass different versions of legislation in regard to the environment, with one key point being a national requirement for utilities to derive 15 percent of their base-load power from renewables by 2020 (learn more about base-load power on the next page and at www.caec.coop). National studies, however, indicate there may not be enough renewable, or “green” power, to uphold the proposed 15 percent law, thereby projecting a shortfall of available power by 2010. As with gas prices, we all know who pays the extra costs when supply can’t meet demand—the consumer.

While cooperatives may be thought of as a small part of the energy utility industry (11 percent), we have historically maintained a strong voice in the national political discussion. Why? Because of our relationship to the member-consumer and the strong grassroots efforts we have in Washington and state capitals across the country. The Action Committee for Rural Electrification (ACRE) is our voice that speaks with more than 30,000 ACRE members. ACRE is not a group of lobbyists being paid to speak, but local members and employees speaking in one voice for all rural electric consumers. (Find out how to join ACRE on page 42.)

Being involved in the state and national political arenas is more important now than ever as we enter a critical period of debate that will ultimately impact our power bills for a very long time. I ask now—
“Will you join me in making our voices heard?” ☞

Tom Stackhouse, CAEC President and CEO

YOUR BOARD

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LOCATIONS

Prattville Headquarters
1802 U.S. Hwy. 31 North
(334) 635-6762/(800) 545-5735

Clanton Office
1601 7th St. North

Rockford Office
U.S. Highway 231

Wetumpka Office
637 Coosa River Pkwy.

CAEC Mailing Address:
P.O. Box 681570
Prattville, AL 36068

The Value of Coal

The recent demand for energy alternatives has most people looking in all directions for something “green.” It might be surprising to find that a traditional source for generating power has been made cleaner - coal.

Many experts see coal as a great source of energy. While it sometimes still carries a reputation of being dirty, there are plenty of new and developing technologies that greatly reduce its carbon emissions.

Research and development, conducted during the past 20 years, have resulted in more than 20 new, lower-cost, and environmentally compatible clean coal technologies.

For our part, the Charles R. Lowman Power Plant, located on the Tombigbee River near Leroy, is the primary power-generating source for our power supply cooperative, newly named PowerSouth (formerly known as Alabama Electric Cooperative, or AEC). With its three coal-fired generating units, Lowman produces 556 megawatts of electricity (enough to power 300,000 homes and businesses) to cooperatives across central and southern Alabama as well as the panhandle of Florida, including CAEC.

Lowman and other coal-fired generation units are the workhorses of CAEC's base power load. A base load plant is designed to run and supply power for most of the hours of the year in comparison to peak load plants which cover the highest usage times, also known as peak electricity consumption periods (typically in the morning or evening when a high number of people are getting ready for or coming home from work and school).

Throughout the years, Lowman's operating units have been equipped with electrostatic pre-

cipitators (ESPs), which preserve air quality by preventing particulate matter from entering the atmosphere, and “scrubbers,” a high-tech system designed to remove sulfur dioxide from smoke-stack emissions.


PowerSouth is close to completing the implementation of a multi-million-dollar improvement plan (which began in 2005) to Lowman and other coal-fired plants in preparation to meet the Environmental Protection Agency's (EPA) Clean

Air Mercury Rule (CAMR) and Clean Air Interstate Rule (CAIR) requirements. Although the required completion date for these regulations is 2015, it has been PowerSouth's intention to be proactive with environmental measures.

In Gantt, the James A. Vann Jr. Power Plant is another step to clean, low cost power. The

Vann plant began serving members in 2000 and was designed to incorporate the most environmentally friendly equipment available to generate affordable electricity, making it PowerSouth's cleanest and most efficient fossil-fired generating facility to date.

“We want to ensure our operations have a minimal impact on the environment while providing affordable, reliable energy to our members,” said Gary Smith, PowerSouth President and Chief Executive Officer. “We're proud of our exemplary environmental compliance record, and we are committed to the advancement of new technologies while reducing emissions.”

Concern for the environment has encouraged years of research and unrelenting efforts to make this low cost and vastly available resource burn cleaner. And while there have been advances, the studies will continue. As new technologies develop, more information will be made available on this invaluable part of our lives - coal. 

“We want to ensure our operations have a minimal impact on the environment while providing affordable, reliable energy to our members”



STATE SENATORS...

...in your service area.

**Celebrating 70 Years of CAEC,
The Political Connection:**
In the late 1930's and early 1940's, CAEC's first system blueprints, citing the locations for substations and power lines, were drawn by the Engineering firm of Gordon Persons and Co. Mr. Persons later ran for and served as Alabama's 46th Governor (1951-1955).



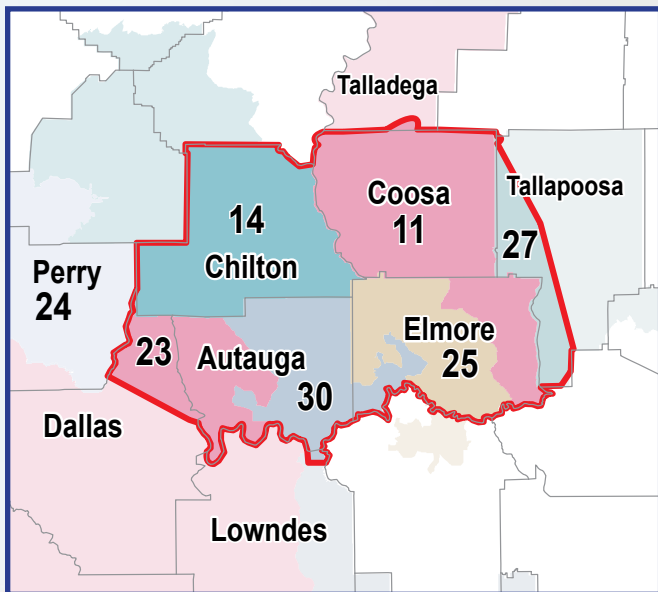
Sen. Ted Little (D)
District 27
Year Elected: 1986
410 South Dean Rd.
Auburn, AL 36830
(334)242-7865



Sen. Jim Preuitt (D)
District 11
Year Elected: 1990
P.O. Box 1063
Talladega, AL 35161
(334) 242-7898



Sen. Hank Erwin (R)
District 14
Year Elected: 2002
123 Country Hills Rd.
Montevallo, AL 35115
(334) 242-7873



Sen. Hank Sanders (D)
District 23
Year Elected: 1983
P.O. Box 1305
Selma, AL 36702
(334) 242-7860



Sen. Larry Dixon (R)
District 25
Year Elected: 1982
820 E. Fairview Ave.
Montgomery, AL 36106
(334) 242-7895



Sen. Bobby Singleton (D)
District 24
Year Elected: 2005
105 Cobb St.
Greensboro, AL 36744
(334) 242-7935



Sen. Wendell Mitchell (D)
District 30
Year Elected: 1978
P.O. Box 225
Luverne, AL 36049
(334) 242-7883

STATE REPRESENTATIVES...



...in your service area.



Rep. Ronald G. Johnson (R)
District 33
Year Elected: 1978
3770 Sylacauga-Fayette Hwy.
Sylacauga, AL 35151
(334) 242-7777



Rep. James L. Thomas (D)
District 69
Year Elected: 1982
P.O. Box 1089
Camden, AL 36726
(334) 242-7701



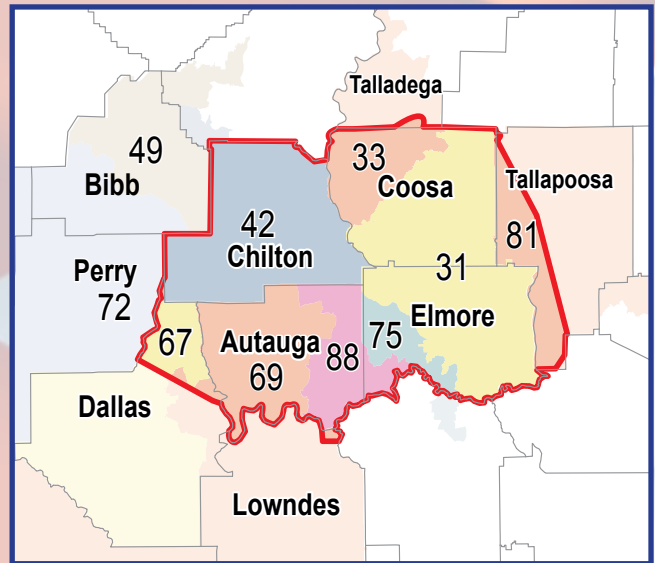
Rep. Yusuf Salaam (D)
District 67
Year Elected: 2002
230 Franklin St.
Selma, AL 36703
(334) 242-7746



Rep. Betty Carol Graham (D)
District 81
Year Elected: 1994
3485 Cowpens Rd.
Alexander City, AL 35010
(334) 242-7741



Rep. Greg Wren (R)
District 75
Year Elected: 2006
4213 Carmichael Rd.
Montgomery, AL 36106
(334) 242-7764



Rep. H. Mac Gipson, Jr. (R)
District 88
Year Elected: 1994
507 Cook Rd.
Prattville, AL 36067
(334) 242-7695



Rep. Barry Mask (R)
District 31
Year Elected: 2006
1860 Emerald Mountain Pkwy.
Wetumpka, AL 36093
(334) 242-7732



Rep. Cam Ward (R)
District 49
Year Elected: 2002
1134 County Services Dr.
Pelham, AL 35124
(334) 242-7750



Rep. James M. "Jimmy" Martin (D)
District 42
Year Elected: 1998
P.O. Box 1214
Clanton, AL 35046
(334) 242-7714



Rep. Ralph Howard (D)
District 72
Year Elected: 2005
700 M.W. Rollins Ln.
Greensboro, AL. 36744
(334) 242-7759




How Standby Can Affect Your Power Bill

Are your household appliances stealing valuable electricity from right under your nose? Many devices are always on while they seem to be off, and they draw power, allowing them to spring into action on demand.

This is known as standby power, where the appliance consumes energy when it is in standby or off mode, but is still plugged into an electrical outlet.

Appliances such as televisions, DVD/VCR's, stereos, computers and kitchen appliances


(such as toasters), all continue to seep out small amounts of energy when they are turned off or not in use.

How much does standby affect your power bill? Current estimates indicate that standby power use in the United States accounts for about 5 percent of residential electricity use. Individually, this is a small amount of energy, but nationally, it adds up to big dollars—about \$4 billion annually. 

CAEC: Giving to the Area We Serve

In 2007, CAEC contributed to regional, state and federal governments by paying more than \$7.4 million in taxes.

Of the \$7.4 million, \$606,077 was paid in ad valorem taxes. The revenue from the ad valorem taxes goes to school districts, volunteer fire departments and other vital parts of the communities we serve. In addition, CAEC paid \$291,645 in city business licenses. CAEC also paid \$14,964 in state and county sales tax for the year. The sales tax is paid when CAEC buys goods.

Payroll taxes, totaling \$2 million, were also paid. These taxes include employer funded state unemployment compensation and federal unemployment compensation as well as the social security and Medicare taxes funded by both the employee and CAEC. CAEC also paid approximately \$1.4 million in gross receipt taxes and approximately \$2.9 million in utility taxes. 



Ad valorem taxes paid by CAEC help pay for school equipment, such as buses, for our area children, as well as funding for many vital departments and programs of the community.

**CAEC Offices will be Closed on Monday Feb. 18, 2008
in Observance of President's Day**

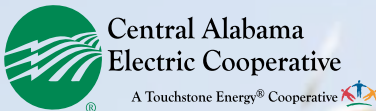
How much are *you* willing to pay for *your* power???

Decisions are being made in Washington that could affect your power bill...

For the nation's electric cooperatives, green power is not a new idea. In fact, approximately 700 of the more than 900 co-ops in the country have offered renewable energy options to their memberships for decades.

To hear the current national debate, however, one might think that politicians in Washington, D.C. are the only ones concerned with being green. While they discuss increasing our nation's green power production, are they keeping its cost in mind? Cooperative members are working together to make sure there's a balanced approach when it comes to this national debate.

Want to help us keep the cost of energy in front of Congress? You can – by joining the 30,000+ individuals already working together on the Action Committee for Rural Electrification® (ACRE). Membership in ACRE Co-op Owners for Political Action® is easy and the monthly membership fee is reasonable. Simply give us a call at (800) 545-5735 or return the enrollment form below. After you join, your electric bill will display a monthly ACRE membership fee of \$2.08.



Yes! Enroll me in ACRE so that MY voice can be heard in our nation's capital!
I understand a low, membership fee of \$2.08 will be added to my monthly electric bill.

Name _____ Account Number _____

Address _____ Phone Number _____

E-mail _____ Signature _____

Mail To: ACRE – P.O. Box 681570, Prattville, AL 36068




Play it safe. Leave it to the pros.

Doing home improvements yourself may save you money, but we advise you to draw the line at electrical wiring projects, and always call a licensed professional. Your safety is important to us.



**Central Alabama
Electric Cooperative**

A Touchstone Energy® Cooperative 

www.caec.coop