



**Southern Pine Electric Power Association**

A Touchstone Energy Cooperative

## Congress' energy plan carries drastic economic cost

The President and the U.S. Congress have placed global warming near the top of their legislative agenda. They want to dramatically reduce the amount of carbon dioxide that American industrial activity emits into the atmosphere, because carbon dioxide is thought to be the main culprit behind global warming.

Fossil fuels—oil, coal and natural gas—are our most economical sources of energy, but they create the most carbon dioxide emissions. It might surprise you to learn, however, that the combined output of all of America's electric generating plants contributes only five of every million CO<sub>2</sub> molecules in the Earth's atmosphere.

Draft legislation recently released by the House Energy and Commerce Committee calls for ultimately reducing carbon dioxide emissions to 83 percent below 2005 levels.

There is no other way to say this: Lowering our total emissions of carbon dioxide is going to cost a lot of money. Many Congressional leaders believe the only way to effectively reduce the use of fossil fuels is to make them so expensive that consumers can no longer afford them.

And what kind of result can we expect from this massive tax on electric consumers? Unfortunately, that is where we have our most concern, because meeting the proposed mandates *might*

prevent a total of *two-tenths* of a degree (F) of warming over 50 years. If we assume the computer models are accurate, doing nothing about man-made carbon dioxide would result in about 2 degrees of warming over the same period.

In other words, the drastic economic cost would, at best, prevent only about 10 percent of any predicted warming.

Many experts remain unsure that the Earth is even warming; there has been no average global temperature increase over the past 10 years. Recent research



By Don Jordan  
General Manager

by University of Wisconsin scientists indicates this lack of heating may continue for decades. While Arctic ice may be decreasing, polar ice coverage in Antarctica is increasing, which global-warming advocates cannot explain.

The complexity of this topic and the far-ranging consequences of the proposed legislation should concern all of us. As you read this, electric power association leaders from throughout Mississippi and the country are gathering in Washington, D.C., to meet with legislators. I will update you on what we learn.

## Clip and SOUND OFF!

Do you have a comment or suggestion concerning your electric service from Southern Pine Electric Power Association? Have a question about electric utility restructuring? We want to know! Tell us on this form, then mail it to Don Jordan, General Manager, Southern Pine Electric Power Association, P.O. Box 60, Taylorsville, MS 39168.

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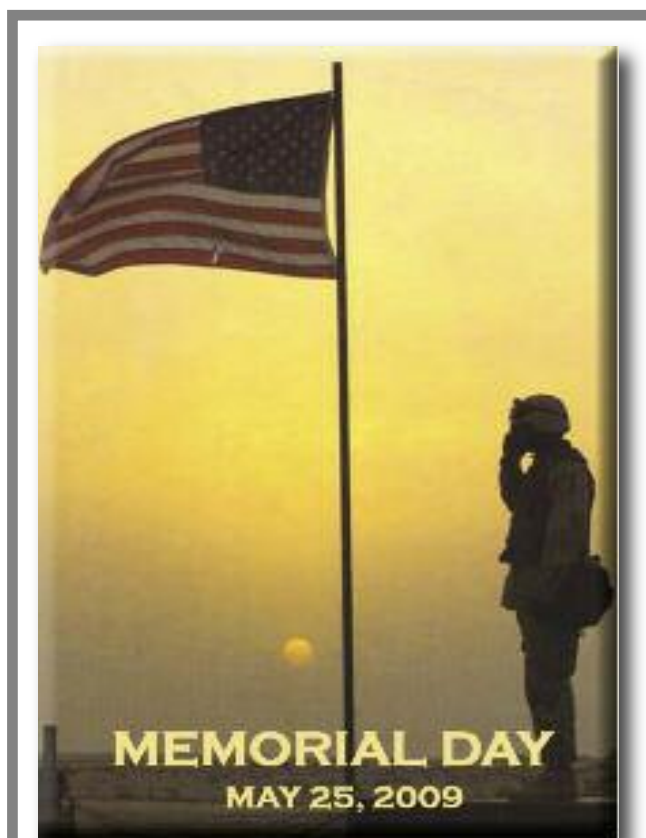
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Please write your Southern Pine account number below. We appreciate your helping us serve you better. Southern Pine is a consumer-owned electric cooperative, dedicated to serving you reliably and safely.

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Southern Pine's offices will be closed Monday, May 25, in observance of Memorial Day. A dispatcher will remain on duty to respond to emergency calls.

## THE ENERGY EXPERT

# Read this before you connect a portable generator

Considering the severe storms our area has suffered recently, and with hurricane season on the horizon, now is the time to plan how your household would cope with an extended power outage.

If you plan to rely on a portable electric generator, put the brakes on hooking it up until you become thoroughly familiar with its safe operation. A portable

generator can present safety hazards not only to the operator but to the Southern Pine linemen working to restore your power.

May is national Electrical Safety Month, a good time to share these generator safety tips:

- Be sure the generator you select has ample capacity to supply the lighting,

appliances and equipment you plan to connect. It's always a good idea to consult a licensed electrician.

- Buy your generator from an established dealer who can provide service and maintenance if needed.
- Read the manufacturer's instructions thoroughly.
- Never connect your portable generator directly to your home's wiring. Doing so can energize power lines, which will endanger line workers.
- Only connect appliances directly to a portable generator. Do not connect the generator directly to the wiring system in your home or building through outlets or your electric meter. This may damage your wiring system or back feed electricity, endangering line workers restoring your service.
- Transfer switches should be installed by a qualified electrician, and the installation



By Larry Blakeney  
Safety Coordinator

must be in compliance with all local and national codes.

- Operate your generator outdoors, not in a garage, carport or storage room, to avoid dangerous exhaust fumes.
- Do not operate your generator while standing in wet conditions. This could cause an electrical shock to anyone who comes in contact.
- For personal safety, make sure your generator is grounded so it does not become electrically charged.
- Do not tamper with the engine speed adjustment. This could cause overheating and cause a fire.
- Do not attempt to fill the generator's fuel tank while it is operating, as the gasoline might ignite.

Nothing is more important than the well-being of your family, so please put safety first when working around electricity.

## PURPA proceedings to be conducted

Southern Pine Electric Power Association is conducting a proceeding to consider and determine if certain new standards established by the Public Utility Regulatory Policies Act (PURPA) should be implemented. These standards include the following: integrated resource planning, rate design modifications, smart grid information and smart grid investments. A final determination on each of the standards must be completed by Dec. 19, 2009.

The official notification document, below, is being provided to all members and is a complete notice of the PURPA proceeding and how it will be conducted.

If a member would like to participate, he or she can obtain a "Notice of Comment" form from our offices or download it from our Web site at [www.spepa.com](http://www.spepa.com). This form must be completed and submitted by June 30. The site includes all related information and documents.

## Southern Pine Electric Power Association NOTICE OF PURPA PROCEEDING

Southern Pine EPA (the "Association") is holding a proceeding to facilitate the consideration and determination of certain new standards established by the Public Utility Regulatory Policies Act of 1978, as amended by the Energy Independence and Security Act of 2007 (hereinafter referred to as "PURPA").

The following new PURPA standards will be considered as part of this proceeding:

1. Integrated Resource Planning (26 U.S.C. § 2621 (d) (16)).
2. Rate Design Modifications (26 U.S.C. § 2621 (d) (17)).
3. Smart Grid Information (26 U.S.C. § 2621(d) (17)).
4. Smart Grid Investments (26 U.S.C. § 2621(d) (16)).

This proceeding is to be governed by the "Rules for Conducting Proceedings Required by the Public Utility Regulatory Policies Act of 1978 (as amended by the Electricity Modernization Act of 2005)." Pursuant to 16 U.S.C. § 2631 (1), the United States Secretary of Energy, any affected electric utility, and any electric consumer of an affected electric utility has a right to participate as a formal party to the proceeding.

In order to participate, Association members may submit a "Notice of Comment" form regarding any or all of the new PURPA standards by June 30, 2009. Notice of Comment forms, as well as other information pertaining to the proceeding and the respective PURPA standards, may be obtained on the Association's Web site or at any of the Association's offices.

Subsequent to receiving all public comment, the Association Board of Directors will deliberate and make a final determination by December 1, 2009 (prior to the PURPA deadline for such determination, which is December 19, 2009). This determination will be based upon all of the evidence and public comment in the official proceeding record as it supports the three purposes of PURPA: to encourage (i) conservation of energy supplied by electric utilities, (ii) optimal efficiency of electric utility facilities and resources, and (iii) equitable rates for electric consumers.

Below are descriptions of the new PURPA standards to be considered as required by the Energy Information and Security Act of 2007 (EISA). Note that the reference to "electric utility shall" means that the utility shall consider imple-

menting the standard, and does not mean that the legislation requires the utility to implement the standard.

EISA Section 532, PURPA 111(d) (16) INTEGRATED RESOURCE PLANNING.

Each electric utility shall—  
(A) integrate energy efficiency resources into utility, State, and regional plans; and  
(B) adopt policies establishing cost-effective energy efficiency as a priority resource.

EISA Section 532, PURPA 111(d) (17) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.

(A) IN GENERAL.—The rates allowed to be charged by any electric utility shall—

- (i) align utility incentives with the delivery of cost-effective energy efficiency; and
  - (ii) promote energy efficiency investments.
- (B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—
- (i) removing the throughput incentive and other regulatory and management disincentives to energy efficiency;
  - (ii) providing utility incentives for the successful management of energy efficiency programs;
  - (iii) including the impact on adoption of energy efficiency as one of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;
  - (iv) adopting rate designs that encourage energy efficiency for each customer class;
  - (v) allowing timely recovery of energy efficiency-related costs; and
  - (vi) offering home energy audits, offering demand response programs, publicizing the financial and environmental benefits associated with making home energy efficiency improvements, and educating homeowners about all existing Federal and State incentives, including the availability of low-cost loans, that make energy efficiency improvements more affordable.

EISA Section 1307, PURPA 111(d) (18) CONSIDERATION OF SMART

GRID INVESTMENTS.

(A) IN GENERAL.—Each State shall consider requiring that, prior to undertaking investments in nonadvanced grid technologies, an electric utility of the State demonstrate to the State that the electric utility considered an investment in a qualified smart grid system based on appropriate factors, including—

- (i) total costs;
- (ii) cost-effectiveness;
- (iii) improved reliability;
- (iv) security;
- (v) system performance; and
- (vi) societal benefit.

EISA Section 1307, PURPA 111(d) (19) SMART GRID INFORMATION.

(A) STANDARD.—All electricity purchasers shall be provided direct access, in written or electronic machine-readable form as appropriate, to information from their electricity provider as provided in subparagraph (B).

(B) INFORMATION.—Information provided under this section, to the extent practicable, shall include:

- (i) PRICES.—Purchasers and other interested persons shall be provided with information on—  
(I) time-based electricity prices in the wholesale electricity market; and  
(II) time-based electricity retail prices or rates that are available to the purchasers.
- (ii) USAGE.—Purchasers shall be provided with the number of electricity units, expressed in kwh, purchased by them.
- (iii) INTERVALS AND PROJECTIONS.—Updates of information on prices and usage shall be offered on not less than a daily basis, shall include hourly price and use information, where available, and shall include a day-ahead projection of such price information to the extent available.
- (iv) SOURCES.—Purchasers and other interested persons shall be provided annually with written information on the sources of the power provided by the utility, to the extent it can be determined, by type of generation, including greenhouse gas emissions associated with each type of generation, for intervals during which such information is available on a cost-effective basis.