

cooperative REVIEW

for members of Southern Maryland Electric Cooperative

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Are coal plants facing extinction?

Many coal-fired electricity generating plants may be vestiges of the past—that is if the U.S. Environmental Protection Agency (EPA) has its way. Disappearing with them would be some of the lowest cost electricity in the region.

The EPA is proposing several regulations that would accelerate the retirement, or shutting down, of many coal-fired power plants.

Coal

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Copper thieves struck SMECO at the close of 2010. Copper theft is a growing problem. It's not only illegal and costly—it is also extremely dangerous! For more information, read more on page 4.



These rules would require existing power generators to either install extremely expensive environmental controls at existing plants or retire them. Sound good? It depends on your point of view.

Coal-burning plants are part of the backbone of our nation's generation fleet and are the source of much low-cost electricity. They comprise about 45 percent¹ of the generation nationally and about 40 percent² of the generation that we use here in Southern Maryland. The EPA rules for reducing coal plant emissions would require significant investment to upgrade plants that do not comply with the emissions standards. It is estimated that this could cost the electricity generation industry from \$60–120 billion by 2018.

With such significant costs, the proposed EPA rules would likely affect the capital asset decisions made by generating plant owners, as well as their financial condition, their credit quality, and cost of borrowing. On balance, owners may find it economically preferable to retire the plants.

The key EPA rule-making proceedings that could result in coal plant retirements or forced retrofits are the Clean Air Transport Rule (which regulates NO_x and SO₂), the Tailoring Rule and Guidance on Best Available Control Technology (which regulates greenhouse gases), the Coal Ash Disposal Regulation, the Hazardous Air Pollutant/Mercury Rules, and the Cooling Water Rules. ACES Power Marketing (APM), SMECO's agent for purchasing power, evaluated the potential impact of these rules. As a result, APM considers 234 coal units in the Eastern Interconnection (the power grid of roughly the eastern half of the U.S.) and 61 units in the PJM Interconnection (the power grid extending roughly from Chicago to Maryland, Delaware and New Jersey) to be at risk of forced retirement. Based on this estimate, APM suggests that power prices throughout the Eastern Interconnection may be expected to increase by an average of 5 percent by 2014 and 15 percent by 2018.



The price of electricity may not be the only victim—reliability of the bulk power system may also suffer. As plants are retired, the generation capacity to meet the demand for electricity will be reduced, and so will the reserves available to back up plants that experience outages during the course of a

year. Without sufficient back-up, the likelihood that demand will exceed the available supply (especially in times of peak usage) becomes more real.

We all value clean air and water, and we need to do what we can to ensure that they are there for generations to come. Despite its size, though, America is but a small piece of the clean air and water puzzle and many experts agree that significant impact can be achieved only through a thoughtful, coordinated global effort. But as America moves forward, either through these proposed EPA rules or something else, our national effort comes with a price tag. The first may be the retirement of low-cost coal plants. And that, too, comes with a price.

¹ Energy Information Administration

² ACES Power Marketing Data

A life is worth more than a few dollars—stop copper theft

Copper theft is a growing problem in the U.S. and it has hit Southern Maryland. Stealing wire from the power system is illegal, and it can be deadly. It places the perpetrator and others at risk.

A number of people, locally and nationally, have been seriously injured or killed while vandalizing electric substations. Frequent new stories detail the outcome of attempting to steal copper wire from a utility. These wires carry high voltages and are extremely dangerous. A thief in North Carolina died after using a ladder and bolt cutters to climb a pole and cut the electric line. He received a shock and fell 30 feet to the ground, then died on his way to the hospital.¹

Firefighters in Maryland found a 41-year-old man who became engulfed in flames and died after cutting



through a high-voltage line. “When Phelps cut the wire carrying at least 220 volts, he was hit with a powerful electrical arc, similar to what happens when lightning

strikes or a transformer blows,” according to the USA Today article.²

Stealing wire and equipment from utility facilities can also affect electric service, causing power surges, outages, fires, or explosions. Far worse, the damaged equipment that thieves have tampered with endangers the public and SMECO employees who could come into contact with it.

“People don’t realize how dangerous it is to steal copper wire from an electric system—it is not worth your life,” said Austin J. Slater, Jr., SMECO president and CEO.



Copper theft is not harmless. Follow these tips to help prevent copper theft and safeguard against electrical dangers:

- Never enter or touch equipment inside a substation; stay away from power lines and anything touching a power line.
- If you notice anything unusual with electric substations or facilities—an open substation gate, open equipment cabinet, hanging wire, or persons other than utility employees or contractors near the facilities—contact the local police or SMECO immediately.
- Store bolt cutters, wire cutters, and other tools in a secure location, and never leave them out while away.
- Help spread the word about the deadly consequences that can result from trying to steal copper.

We ask our customers to assist us by reporting any suspicious activity at our substations and other facilities to the local police and SMECO. If you see someone attempting to cut wires near power lines or entering a substation, you may call 911. If you have any information regarding unlawful activities, you may also call SMECO at 1-888-440-3311.



¹ centercity.wbtv.com

² www.usatoday.com



“Use your fan wisely to make the most of the air in your room. It’s all about the direction your fan spins—in the summer to the left, in the winter to the right! Ceiling fans only cool people, not the room. So when you leave the room, turn it off.”

— www.energystar.gov

around **TOWN**

March 7

Pet Loss Candle Lighting Service

Sponsor: Creature Comfort Program/Washington Pastoral Counseling Service
8:15 p.m. new attendees, service 8:30 to 9 p.m.
Calvary United Methodist Church
3235 Leonardtown Road, Waldorf.

\$ Admission

240-210-6073



March 11

Concert

featuring Apologetix

Sponsor: The 7:30 Club
7 p.m.
The 7:30 Club, 28297 Old Village Road, Mechanicsville
The concert is for ages 13 and older.
seventhyclub.webs.com

March 12

Annual Live Auction and Yard Sale

Sponsor: Mechanicsville Optimist Club

Yard Sale and auction preview at 7 a.m., Live auction at 9 a.m., Mechanicsville VFD Social Hall
Food and refreshments available. All purchases are tax deductible, and all proceeds go back into the community. Auction items include furniture, sports memorabilia, home decor, and more! The Optimist Club is accepting items for the live auction and yard sale.

301-904-9101
www.mechanicsvilleoptimistclub.org





Visit www.smeco.coop/community/aroundtown for more events.

Casino Night at Bowles Farm

Sponsor: Mother
Catherine Spalding School

6 p.m. to midnight

Bowles Farm,
Clements, MD
Black Jack,
Roulette,
Poker, 50/50,
Big Wheel,
and Pull Tabs.
Must be 21 to
enter. Dinner
and cash bar
available.

\$ Admission

301-884-3165

www.mothercatherine.org

March 18

Steak & Shrimp Dinner

Sponsor: American
Legion Post # 221

5 to 8 p.m.

21690 Colton Point
Rd. Avenue, MD

The menu includes
New York strip
steak, steamed
shrimp and
burgers. Platters
and sandwiches
are both available.
Eat-in or carry-
out service.

301-769-4346

(the day of the event)

www.alpost221.webs.com



1-888-440-3311
www.smeco.coop

Home Performance with ENERGY STAR® — take energy-efficiency to the next level

Home Performance with ENERGY STAR takes a whole-house approach to reducing energy use while improving a home's comfort. It looks at a home as one system and recommends improvements for better, more comprehensive results.

You can set up an appointment to have a certified home performance contractor conduct a comprehensive energy audit of your home. The audit includes a visual inspection and several diagnostic tests using specialized equipment. The contractor then recommends improvements specific to your home and provides details on the associated energy savings and financial incentives available from SMECO.

With your approval, your contractor will install your selected energy efficiency improvements and verify that the work meets important safety standards. Payment to the contractor is due upon completion of the work. Your contractor will then submit the necessary documents to begin the rebate application process. You'll receive your rebate check and Certificate of Completion within six to eight weeks.

For the most up-to-date information, visit:
www.smeco.coop/save/performance

Financing is available!

The Maryland Clean Energy Center offers the Maryland Home Energy Loan Program (MHELP), providing low-interest loans for qualified state residents to purchase efficiency upgrades. Learn more at www.mcecloans.com.