



AMEA *Communiqué*

Power That Works For You[®]

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P.O. Box 5220
Montgomery, AL 36103-5220

804 South Perry Street
Montgomery, AL 36104

www.amea.com

(334) 262-1126
(334) 262-2267 (Fax)

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MISSION STATEMENT

AMEA's mission is to provide for our Member communities a reliable and economical source of electric power, enabling them to preserve and enhance the benefits of municipal utility ownership for their citizens and the electric customers they serve. We strive to offer services that our Members need and can adapt to provide the best value for their communities and customers.

AMEA mourns loss of Alexander City's Luise Hardman

AMEA is saddened by the death of Luise Hardman, City Clerk, City of Alexander City, who died Wednesday, May 12. Funeral services will be held Saturday, May 15, in the chapel of Bass Funeral Home in Alexander City with the Rev. Eddie Bass officiating. Burial will be in the Alexander City Cemetery.



Luise Hardman

Mrs. Hardman worked for the City of Alexander City for 33 years, having started out in data processing and working her way up to City Clerk. She served on AMEA's Elections Committee, representing Alexander City, for nine years.

She is survived by her husband of 43 years, Jim Hardman, Alexander City; one son, Joey Hardman, Georgiana; one daughter, Jennifer Brady, and husband, Justin, Leeds; and two grandchildren, Adam and A.J. Hardman, Alexander City.

"Luise was a truly fine person," said AMEA President & CEO Fred Clark. "We will certainly miss her. Our thoughts and prayers are with her family."

Good attendance at Power Supply Conference

The AMEA 2010 Power Supply Conference was held April 22 and 23 at the Renaissance Montgomery Hotel and Spa at the Convention Center in downtown Montgomery. Approximately 50 attendees were on hand for the event.

See Conference, Page 2



Katie Elder, Senior Associate, Aspen Environmental Group, was the opening speaker for the AMEA 2010 Power Supply Conference last month in Montgomery.

Conference

Continued from Page 1

Speakers and topics included:

- ✓ Katie Elder, Senior Associate, Aspen Environmental Group, *Changes in Power Supply Planning*;
- ✓ David Fitzgerald, Partner, Schiff Hardin LLP, *The Long March to Sharing Water Resources*;
- ✓ Joy Ditto, Director of Legislative Affairs, American Public Power Association, *Federal Legislation Impacting Public Power*;
- ✓ Fred Clark, President & CEO, AMEA, *AMEA Energy Solutions*;
- ✓ Bill Rambo, Vice President of Marketing and Business Development, Survalent Technology, *Smart Grid Development*;
- ✓ Kenneth Legg, Administrator, Southeastern Power Administration (SEPA), *SEPA Update*;
- ✓ Glenn Cannon, Consultant, *Energy Efficiency and Ethics*.

The speakers' presentations can be found in the Members Only section of the AMEA web site, www.amea.com, AMEA 2010 Power Supply Conference. You must have your username and password to access this section of the site.

A reception and dinner were held the evening of April 22 at 129 Coosa Street in the Alley Station in downtown Montgomery. Conference attendees and guests were treated to a dinner of Dreamland Barbecue. The reception and dinner were sponsored by Bradley Arant Boult and Cummings, LLC, Frazer Lanier Company, and Regions Bank. AMEA thanks these sponsors for their generous contribution to the evening.

"We are very pleased with the attendance at this year's

conference," said Fred Clark, AMEA President & CEO. "I think our attendees gained a great deal of knowledge and information from our speakers. The conference also provided ideal networking opportunities for our attendees."

Working Groups put plans into place during April meeting in Montgomery

The AMEA Joint Action Services (JASWG) and Renewable Behind The Meter Generation (RBTMG) Working Groups met prior to the AMEA Power Supply Conference April 22 in Montgomery. Ten of AMEA's 11 Members were in attendance for the two meetings.

JASWG Chairman Mark Ennis welcomed the attendees and expressed his appreciation for their participation.



Ray Phillips,
Manager of
Compliance and
Special Projects,
distributed copies
of the Master

John Miner, President, Collaboration Unlimited, facilitates the JASWG/RBTMG Working Groups meetings.

Service Agreement and Forms of Resolution for approving the Agreement. He also explained that the group would be reviewing and finalizing the initial Service Order for the infrared camera service. AMEA Members have been using the infrared camera on a trial basis and they discussed their observations and experiences with the camera during the meeting.

The group agreed that the infrared camera service should be based on two cameras. This would provide scheduling flexibility and better likelihood that at least one camera

See Working Groups, Page 3

Working Groups

Continued from Page 2

would be available on short notice for emergencies. It would also allow for each camera to circulate among Members who are close together geographically (one North and one South).

The group came to a consensus that education and training were the highest priority for Joint Action Services. The three areas of greatest interest based on Member survey responses are: Leadership and Management, Engineering/Technical (Electric Utility Focus) and Field Operations (Electric Utility Focus). It was discussed at length.

The group also briefly discussed metering systems. The three AMEA Members who are installing smart meters described what they are doing.

The RBTMG Working Group meeting followed the JASWG meeting.

Arthur Bishop, Senior Operations Engineer, reviewed the physical/technical requirements for interconnecting a RBTMG that would run parallel to a Member's electric distribution system. The two renewable options being considered in this program are solar and wind generation.

Bishop, along with Alan Williford, Manager of Planning and Engineering, explained that AMEA would have a RBTMG agreement with each Member that participates in the program and that each participating Member would have an agreement with their solar/wind generating customer. The group will continue to refine the interconnection standards.

Once drafts of these agreements are completed, Williford said he would make them available.

Plant maintenance is key to reliability

Maintenance is a key ingredient to the reliability and availability of the AMEA-Sylacauga Plant. Plant personnel use a computerized maintenance management system (CMMS) to document, schedule, track problems, and to trend our maintenance activities and cost.

Operations personnel at the Plant routinely perform and track preventative, predictive and conditioned-based maintenance activities to ensure the safe, compliant and reliable operation of the Plant.



Markus Brown, Production Specialist I, guides a turbine onto a maintenance dolly at the AMEA-Sylacauga Plant.

“Our maintenance program is a tool that we use to document our practices and procedures, to plan our maintenance activities and to make continuous

improvements, which results in managed costs and maintaining the value of the AMEA-Sylacauga Plant,” said Tim Foster, Manager of Operations.

Routine maintenance activities performed at the AMEA-Sylacauga Plant include: monitoring daily chemical treatment of the water systems; daily equipment inspections and logs; scheduled battery maintenance; infra-red measurements of electrical equipment and bearing temperatures on rotating equipment; insulation testing on cables and motors; equipment lubrications; and equipment rotation. Annual maintenance planning and scheduling activities, such as electrical testing and maintenance on the

See Plant, Page 4

Plant

Continued from Page 3

transformers and switchgear, cooling tower cleaning and inspections, chiller and gas compressors maintenance and the completion of service bulletins recommended by the equipment manufacturers, are documented and tracked using the CMMS.

The CMMS is also utilized by the Plant for tracking and documenting compliance with NERC/SERC procedures as required by federal regulation.

“The objective of our comprehensive maintenance program is to economically manage business risks and to maintain the value of the AMEA-Sylacauga Plant,” said Foster. “Our maintenance program is an integral part of the safe, reliable and environmentally compliant operation of our plant.”

Alabama Legislature ends session with no adverse legislation for electric industry

Electric Cities of Alabama (ECA) breathed a sigh of relief as the 2010 Alabama General Legislative Session came to a close on April 22.

“With record state deficits in the General Fund and the Education Trust Fund, everyone wondered how the state planned to make up the budget shortfall,” said ECA Executive Director Jonathan Hand. “We have heard from multiple sources that municipal utilities could very well be a focus during the 2011 General Session.”



Meanwhile, during the 2010 session, both the General Fund and the Education Trust Fund passed the House and

Senate and was not a focus of the final hours of this year's session. Instead, bingo played a major role and was pulled from consideration by the bill's sponsor due to the lack of support on the second to the last day of the session.

In addition to important state and education funding, there were a number of bills introduced that could impact utilities. Relatively few of these bills, however, made it before Governor Bob Riley for his signature. Included in these bills not signed into law was the One-Call legislation. ECA was instrumental in working with the bill's sponsor and related industry to ensure the current exemption for utilities which serve 10,000 customers or less were not forced to participate in the state's One-Call Program. One-Call legislation is expected to be reintroduced during the 2011 General Session.

Of particular interest to municipal utilities is House Bill 128 and Senate Bill 315. HB 128 was offered by Representative Greg Wren (R-Montgomery) and was signed into law by Governor Riley. This legislation provides for the “Codification of the Joint Legislation Committee in Energy Policy” and provides for an ongoing energy study and plan. SB 315, offered by Senator Marc Keahy (D-Grove Hill) was also signed into law this session. This bill requires the adoption of the Alabama Energy and Residential Codes by the Alabama Residential and Energy Codes Board to comply with certain federal energy and building requirements.

Meanwhile, ECA has been monitoring the recent oil leak in the Gulf of Mexico. Legislation focusing on the federal and state permitting process and safety regulations is certain to see tighter scrutiny. To address this issue, two U.S. Senators are attempting to move legislation forward which would give veto authority to new energy and climate off-shore drilling to an adjacent state. “In our case, that

See Legislature, Page 5

Legislature

Continued from Page 4

would allow Florida veto authority over any drilling that could take place off of the state of Alabama's Gulf Coast," Hand said.



If an adjacent state can prove significant negative impacts from offshore drilling they are granted

veto authority under this proposed legislation. Alabama is currently a beneficiary of multi-millions of dollars in the form of royalty payments from offshore drilling. These funds not only benefit wetland conservation projects, but aid the state in times of economic uncertainties, he said. ECA continues to work with the Alabama Congressional Delegation on this important legislation.

EPA wants federal crackdown on coal ash

Coal ash, the toxic byproduct of coal-fired power plants, would be regulated nationally for the first time under proposals recently announced by the U.S. Environmental Protection Agency (EPA).

The changes would require that coal ash ponds in Alabama and around the country be rebuilt with protective liners and, depending on which proposal EPA adopts, eventually closed down altogether.

The crackdown is a response to the 2008 Tennessee disaster when an ash pond broke open and spilled out several million cubic yards of the waste. Coal ash contains mercury, cadmium and arsenic and can threaten public health by leaching into groundwater and drinking water supplies.

"We want communities to know that the EPA believes it is very important we get on with this regulatory process," EPA

Administrator Lisa Jackson told reporters in announcing the proposals.

The federal agency will take public comments for 90 days on the two proposals before deciding which to implement.

The announcement had been delayed several weeks as industry and environmental advocates lobbied President Barack Obama's administration to try and shape the EPA proposal.

Neither rule would formally classify coal ash as hazardous waste. Jackson said industries complained that designating it as hazardous would prevent the material from being recycled by other industries to make concrete, cement and wallboard and other products.

Instead, the more strict of the two proposals would label it a "special" waste, Jackson said, but still regulate it under the section of the law dealing with hazardous wastes.

Existing coal ash ponds -- there are 10 in Alabama -- would have to be retrofitted with a liner within five years, and would eventually be phased out of use. In an explanation of the two proposals, EPA said there would be "strong incentives" to close ash ponds and transition to safer landfills that store the ash in dry form. Also, the EPA would have enforcement powers to clean up sites where there is evidence of leaching into the groundwater.

The second proposal, under a separate section of the federal law on nonhazardous waste disposal, would require existing ponds to either install a liner or stop receiving new loads of coal ash, and it would leave enforcement to states and citizens lawsuits, according to EPA.

For existing landfills, no liners would be required under

See Coal Ash, Page 6

Coal Ash

Continued from Page 5

either proposal but there would be new rules for monitoring groundwater. New landfills would require liners and groundwater monitoring. A Perry County landfill is now taking the remnants of the Tennessee spill.

Environmental organizations advocated the more rigid regulation under the hazardous waste law, especially because it can be enforced by the federal government and not left to individual states. Alabama, for example, does not regulate coal ash.

"Enforcement is what makes them real to the regulated industry and in the long run to the public health and environment," said Eric Schaeffer, executive director of the Environmental Integrity Project.

A spokesman for Alabama Power Company, which has coal ash ponds at six of its power plants in the state, said officials were still reviewing EPA's proposal, but they are strongly opposed to treating it as a hazardous waste.

"Whichever option EPA adopts, there certainly will be significant costs related to that," said Alabama Power's Michael Sznajderman. He said the coal ash disposal sites at their facilities are inspected regularly by company engineers and they've been operated safely for decades.

Source: *The Birmingham News*

Kerry and Lieberman unveil 1,000-page climate change bill

Sen. John F. Kerry (D-Mass.) ratcheted up the fight to pass legislation to combat global warming Wednesday, unveiling a bill as the Gulf of Mexico oil disaster complicates the measure's already slim chances of passage.

Kerry and Sen. Joe Lieberman (I-Conn.) took the wraps off

their bill, but a Republican supporter was conspicuously absent.

Most of the details of the bill, which aims to cut planet-warming emissions in the United States by a modest 17% in the next decade, already have been leaked.

Republican Sen. Lindsey Graham of South Carolina, who helped write the bill but withdrew from talks over the debate about immigration legislation, did not attend the ceremony.

Graham, in a statement, reiterated that he does not think this is the time to press on a climate bill because of the oil spill and talk of moving ahead on immigration.

President Obama welcomed the new bill, saying he hoped to pass it this year as the oil spill in the Gulf of Mexico underlined the need for energy legislation.

The challenges we face — underscored by the immense tragedy in the Gulf of Mexico — are reason to redouble our efforts to reform our nation's energy policies," Obama said in a statement. "I look forward to engaging with senators from both sides of the aisle and ultimately passing a bill this year."

The bill still has provisions to encourage offshore drilling but would allow states to prohibit offshore oil activity within 75 miles of their coasts.

That may not be enough to win over drilling opponents from coastal states as concerns mount over the gushing oil well in the Gulf of Mexico.

For Kerry and Lieberman to succeed this year, they will have to win over a group of moderate Democrats and Republicans who have reservations about the bill.

Source: *The Los Angeles Times*