

CASE STUDY OF EKPC J.K. SMITH PROPOSED PLANT

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BACKGROUND

- East Kentucky Power Cooperative (EKPC) is one of two G&T cooperatives in Kentucky
- G&T coops are regulated by the Public Service Commission in KY
- EKPC committed to coal: 97.4% of its electricity comes from coal fired units
- Broad coalition opposed EKPC's plans to build additional coal plant called J.K. Smith (A priest, a doctor and Wendell Berry walk into a ...)

Coalition engaged in a multi-prong attack

- Environmental (multi-media)
- Governance
- Financial



REPORTS

- Analysis for Financing of the Project by Tom Sanzillo
 - Started with a data request to EKPC
 - Talked about what EKPC's rating would be by comparing EKPC to other G&T coops
- “The Right Decision for Changing Times: How East Kentucky Power Cooperative Ratepayers Benefit from Canceling Plans for a New Coal Burning Power Plant In Clark County”

PSC Management Audit

- Found EKPC had very little internal planning process
- Found potential conflict for EKPC Board chair who also had a role with EKPC lender

REPORT ON ALTERNATIVES TO J.K. SMITH

- Report included cost and job impacts of alternatives

AN ANALYSIS OF THE ECONOMIC IMPACT OF ENERGY
EFFICIENCY AND RENEWABLE ENERGY IN THE
EAST KENTUCKY POWER COOPERATIVE REGION

William Tharp, Ph.D.

Lori Quillen

Ochs Center for Metropolitan Studies

July 2009

MULTIPLE PSC PROCEEDINGS

- Integrated Resource Plan
- Debt authorization
- Complaint to revoke Certificate of Public Necessity and Convenience

USDA INSPECTOR GENERAL

- Reached out through multiple channels

The Richmond Register

February 24, 2010

KEF asks feds to prevent co-op from borrowing

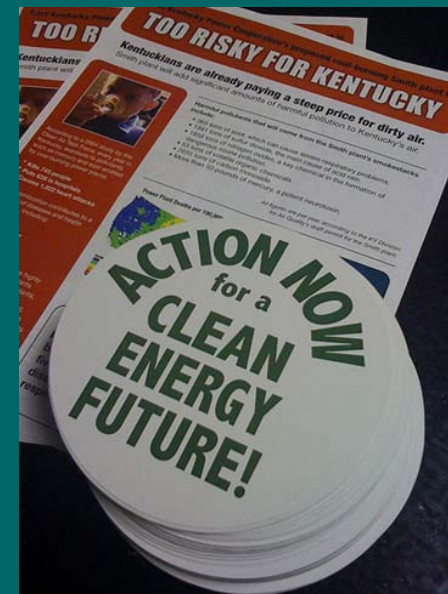
By Bill Robinson

“The Berea-based Kentucky Environmental Foundation on Tuesday petitioned the (USDA) inspector general to review the agency’s September 2009 decision to allow the East Kentucky Power Cooperative to take on up to \$900 million in additional debt.”

MEDIA



- Consistent message
- Good messenger
- Worked with media consultant



HAPPY ENDING

- EKPC cancels plant
 - Says it does not need it but if it did, natural gas would be cheaper
- Started renewables and energy efficiency collaborative