MORE ON THE MOVE

Steve Jackson, MEAG Power’s Senior Vice President and Chief Operating Officer, explains some of the latest happenings at Plant Vogtle.

**current: What’s the latest at the construction site?**

**Jackson:** The placing of the Unit 4 basemat was another big step. And we are now ready to place the containment vessel bottom head (CVBH) and the supporting CR-10 cradle, both of which are completed. Additionally, the Unit 4 turbine building foundation has been completed, and wall sections are placed that take the turbine building to grade elevation.

**current: What’s the purpose of the new Vogtle Support Center (VSC)?**

**Jackson:** The VSC will serve as the main in-processing facility for all new employees and outage workers. With four units on site, outage manpower and activities will double. All security and medical department screening will take place in this Center. Additionally, the training department will have six large classrooms for its purpose.

**EPA** The Environmental Protection Agency has reproposed the New Source Performance Standards for Greenhouse Gas Emissions for new coal and natural gas-fired plants. The American Public Power Association has responded by reiterating that this CO2 rule would preclude coal as a future electricity resource and that the EPA’s mandate is reliant on carbon capture and sequestration technology that has not been commercially proven.

**MEAG Power Personnel** Andy Sharp, formerly MEAG Power’s Director, Accounting & Financial Reporting, has been named Regional Manager for the Southern District, replacing John Giles who is now the CEO of Electric Cities of Georgia.

**Nuclear Power** The White House directive requiring that by 2020 the government must receive 20 percent of its electricity from renewable energy sources does not include nuclear power as an option, a disappointment to many who understand that nuclear is the only source of low-carbon energy that can operate 24/7.

**Spent Nuclear Storage Pools** Four of the five commissioners on the Nuclear Regulatory Commission stated that they believe storing spent fuel in pools is as safe as putting the material in dry casks.

**Quadrennial Energy Review (QER)** President Obama signed a memorandum directing agencies to get to work on the QER, a four-year policy plan that’s part of the broader climate change plan he announced in June. The purpose of the QER is to develop a comprehensive strategy and roadmap for meeting the nation’s long-term energy needs. The first report is scheduled for completion by January 2015.

**FERC** The Federal Energy Regulatory Commission has issued a final rule allowing interstate natural gas pipelines and electric transmission operators to share non-public operational information voluntarily.

**Smart Grid** MEAG Power completed a $24.5 million Smart Grid Project involving 133 substations in all 49 Participant communities. Half of the investment was funded by the Department of Energy.

“**Arctic Blast**” Utility crews from sister Participant cities, coordinated by Electric Cities of Georgia, worked shoulder-to-shoulder with the local utility professionals in those Participant communities hardest hit by the recent ice storms. Certain MEAG Power employees also stayed around the clock at our offices to give assistance.

**LOAN GUARANTEE Update**

While Georgia Power and Oglethorpe Power closed on their loan guarantees from the U.S. Department of Energy (DOE), MEAG Power anticipates that our process will not be finalized until later in the year.

MEAG Power has to complete a different process to finalize its $1.8 billion DOE Loan Guarantee Conditional Commitment which has always been anticipated would follow Georgia Power’s and Oglethorpe’s closings by approximately six to nine months. Taking this timing into consideration, MEAG Power had requested in the summer of 2013 an extension of our Conditional Commitment from the DOE to July 31, 2014, which was approved.

Given that MEAG Power financed a significant portion of its financing requirements ($2.67 billion) for the Vogtle Expansion effort in a public markets financing in 2010, the current timing of the loan guarantee process fits very well into our long-term financing plans for completion of MEAG Power’s capital requirements for this effort.

We continue to work with the DOE on negotiations in an effort to reach a mutually beneficial agreement this year.
MEET YOUR colleagues

Steve “Thunder” Tumlin, Mayor,
City of Marietta

Mayor Tumlin was elected to MEAG Power’s Board of Directors at the 2013 Annual Meeting. “Thunder” has been mayor of Marietta since 2010 and is a certified public accountant, an attorney and small business owner. He has served as a representative in the Georgia House of Representatives and has been the leader of many civic and community organizations, including chairman of the Marietta School Board. He is a graduate of Marietta High School and has degrees from the University of Georgia, University of Denver and Georgia State University.

What prompted you to volunteer as a Board member?
I felt that being close to the activities and decisions at MEAG Power would be beneficial for me and for Marietta. MEAG Power is an important part of our city's infrastructure as the provider of our wholesale electric power, and it is also an organization that we have a financial investment in.

What are you looking forward to as a new Board member?
My hope is that I can help keep all our Participant cities informed on recent developments. With so many challenges ahead for public power, I want to be an added communication resource who helps let the Participant mayors and city council members throughout the state know what MEAG Power is doing to ensure reliable, competitive wholesale electricity for their communities.

Over the years you have been involved with the city of Marietta; what makes you the proudest?
Marietta is really at a visionary stage now. My involvement in helping to secure the recent redevelopment bond for our city was something I am proud of accomplishing. Being part of efforts within Marietta and with neighboring officials to bring the new Braves stadium to our county is something I feel good about too. The increased economic activity the new Braves stadium will bring to our area could mean a lot to our city's future.

HELLO & Goodbye

MEAG Power’s communities welcomed nine new mayors and bid a fond farewell to a cadre of officials. We are extremely fortunate to have worked with these departing citizens who have tirelessly served their municipalities, and we look forward to our time with these newly elected individuals.

Cairo welcomes Bobby Burns
– says goodbye to Richard VanLandingham

East Point welcomes Jannquell Peters
– says goodbye to Earnestine Pittman

Fort Valley welcomes Barbara Williams
– says goodbye to John Stumbo

Hogansville welcomes Bill Stankiewicz
– says goodbye to Jimmy Jackson

Jackson welcomes Kay Pippin
– says goodbye to Wayne Phillips

LaFayette welcomes Andy Arnold
– says goodbye to Neal Florence

LaGrange welcomes Jim Thornton
– says goodbye to Jeff Lukken

Quitman welcomes James Brown
– says goodbye to Curtis Pickels

Whigham welcomes George Trulock
– says goodbye to Jimmie Laing

A Bit Of History

Over 30 years ago, Congress was worried that the country would run short of natural gas, which, at the time, was the heating and cooking source in many parts of the U.S. Their response was to pass the Powerplant and Industrial Fuel Use Act in 1978. The Act prohibited using natural gas for electric generation. Many generators were right in the middle of a major power plant building cycle, and the result was that more coal and nuclear facilities got the go-ahead. The Act was repealed in 1987, but by then the move to coal and nuclear generation was well underway. Now with the new reproposed EPA mandate concerning carbon dioxide emissions, electric generators are once again faced with shifting their fuel source—this time away from coal to natural gas, renewables, hydro or more nuclear.

Coal Plants WORLDWIDE

The World Resources Institute (WRI) has published some findings that indicate coal-fired generation plant construction is on the planning board in many countries. The Institute's data identified 1,200 coal-burning plants in different stages of development across 59 countries.

WRI reports that the majority of the growth, or about three quarters, will come from China and India. These countries’ fast-growing economies have a significant need for inexpensive base-load power. India currently plans to build 455 new coal plants, and there are 363 plants on the agenda in China. Once complete, the capacity of the new plants will total about 1,400 gigawatts, or about four times the coal-fired capacity of the United States.

In addition to China and India, 10 smaller developing states such as Cambodia, Guatemala, Morocco, Namibia, Senegal, Sri Lanka and Uzbekistan are planning new coal-fired power plants.
MEET YOUR colleagues

Larry Vickery, General Manager, City of Calhoun

Participants elected Larry to the MEAG Power Board of Directors at the 2013 Annual Meeting. Since 2011, he has been the City of Calhoun’s General Manager. As such, he facilitates and administers, with a staff of over 130 employees, the engineering, construction, financing and operations of the municipality’s utilities, including electric, water distribution and production, wastewater collection and treatment, and telecommunications. For nearly 15 years, Larry worked for MEAG Power as Supervisor of Power Delivery and was instrumental in seeing the agency through its early years of operation. Larry has a degree in management from Kennesaw State University.

What prompted you to volunteer as a Board member?

I value what MEAG Power brings to our communities in terms of a higher quality of life, and, as a Board member, I felt that my 40-plus years of experience in the utility industry could help MEAG Power continue this beneficial role. I believe that I can bring a meaningful perspective as we all confront today’s energy issues.

What are you looking forward to as a new Board member?

I have been in utility operations for a long time and am excited about having a part in enhancing MEAG Power policies from that standpoint. I am also eager to network and interface with our Participant municipalities and with the Electric Cities organization.

Over the time you have been involved with the city of Calhoun, what makes you the proudest?

I have worked to bring programs and processes to Calhoun that effectively let us measure and monitor the activity and accomplishments of all of our city utilities. We have mechanisms in place that seamlessly provide operational data and accountability so that we can make better decisions for our community. I encourage any and all MEAG Power Participants to take advantage of such systems.

Georgia’s 21ST CENTURY WORKFORCE

MEAG Power is proud of the fact that we are involved with the initiative by Lt. Governor Casey Cagle to develop high school- and college-level programs that train students for quality, in-demand jobs. Part of this initiative in December was the awarding of grant money to three new schools that were chosen by the State Board of the Technical College System of Georgia. The grant money will be matched with local funding. The new schools include Cairo High School College and Career Academy; Coffee County College and Career Academy; and Troup County College and Career Academy. Students at academies like these throughout Georgia enjoy graduation rates in the high 90th percentile, along with 100 percent post-secondary or job placement rates. Moreover, local businesses and communities prosper from having a skilled and well-trained workforce in the area. MEAG Power and Electric Cities of Georgia support these efforts through participation in the Georgia Energy and Industrial Construction Consortium (GEICC).

CO2 Worldwide

In 2012, U. S. carbon dioxide emissions had been declining – by 14 percent since 2000 and 16 percent since 2007. The Tyndall Centre for Climate Change Research at the University of East Anglia (UK) was forecasting that this trend would continue, but the Energy Industry Administration’s preliminary estimate is that in 2013, carbon emissions ticked up 2 percent. This is still, however, 10 percent below the 2005 level. The uptick was due, in part, to an increase in coal-fueled generation as natural gas prices rose and weather heated up.

The Tyndall Research report did estimate that global emissions overall would continue to rise by 2.1 percent in 2013. Their estimate was based on the assumption that China continues to see a rise in emissions, going up 45 percent since 2000 and 16 percent since 2007. According to the Tyndall forecast, China emits approximately twice the emissions of the second-largest emitter and, since 2000, accounts for two-thirds of the global increase in carbon dioxide emissions.

UNUSUAL PRICING

The extreme cold weather covering much of the country in January resulted in off-system sales opportunities for power and gas capacity that generated margins in excess of $15 million.

APPROVED

Vogtle Units 3&4 Maintenance and Technical Training Program

Over the past two years, the Operational Readiness organization involved with Vogtle Units 3&4 has spent countless hours on the training programs for this expansion. In November, their efforts were rewarded when the National Nuclear Accrediting Board awarded initial accreditation to their maintenance, engineering, health physics and chemistry training programs. The accreditation is another significant step in the project’s progress.
**2014 MAKE A NOTE**

**MEAG Power Board Meetings**
March 20, 2014
April 17, 2014 – Hosted by the City of Buford

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**Calhoun** Mayor Jimmy Palmer feels that the new Cherokee Mill Loft project being built with grant monies from the Department of Community Affairs will be beneficial to the city, as the funds will be paid back to the city by the developing partnership with 3 percent interest over 15 years, once the certificate of occupancy is issued for the lofts.

**Cartersville** Toyo Tire North American Manufacturing is expanding its facilities with a $371 million investment that should mean 650 new jobs when the larger plant is at full capacity by the end of 2017. Additionally, Surya Rug has plans for a $32 million operation that should bring 150-250 new employees on board over the next two to five years.

**Commerce** Ollie’s Bargain Outlet will invest $14.6 million over five years to build a Southeast distribution center in Commerce 85 Industrial Park and will eventually employ 175 workers.

**LaGrange** Troup County Commissioners approved the creation of a tax-allocation district (or TAD) in downtown LaGrange for the proposed new five-story, 100-room Marriott brand hotel. A TAD creates an area where local tax collecting agencies—in this case the city, county and school system—agree to freeze their collection on the value of a taxable property site for a set amount of time.

**Moultrie** To better manage the city’s utility system, Moultrie’s Utility Department has upgraded to a new Automatic Reading System. The new system will aid the staff with energy audits and help considerably with the theft of electric meters, a problem that can create significant safety concerns.

**Sylvania** ShriVallabh Pittie Group, an Indian textile company, is planning to build its first U.S. yarn manufacturing facility in the Screven County Industrial Park near Sylvania. The company will invest $70 million to build the plant, and the project will create 250 new jobs.

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MEET YOUR colleagues

**Peter Banks,**
Mayor, City of Barnesville

*Mayor Banks has a long history of public service. While completing law school at the University of Georgia, he was a congressional intern for U.S. Representative John Flynt, Jr. Later, he served four years in the Georgia Senate. Banks became mayor of Barnesville in 2007 and is in his second term.*

**Why did you run for mayor?**
I actually came out of retirement from my law firm to be mayor of Barnesville. My initial plan was to spend time at St. Simons on the beach. That lasted two years. I have a daughter and grandchildren in Barnesville. I came back to work for their future.

**What’s the best part of the job?**
You have to love your community and want the best for it. I feel that way about Barnesville, and as mayor I am working for its prosperous future. That’s a good feeling. I want to help Gordon College continue to be the economic engine that it is. Plus, expanding our tax base is important in order for the city to do the things we want to do. I think I can offer some leadership in these areas.

**What do you appreciate about the MEAG Power partnership?**
The partnership with MEAG Power is a great deal for us. I admire the body of knowledge within that organization. Our utility is important to our economic growth. It has served us for over 100 years and has had a solid partnership with MEAG Power for over 30 years as the supplier of our wholesale electricity.