

Another Rule May Add to Price



**MESSAGE
FROM
MANAGER
JERRY D.
WILLIAMS**

Those of you who read these local pages of Texas Co-op Power regularly have seen articles informing you about coming governmental regulations that almost certainly will drive the price of electricity higher. The president wanted a cap-and-trade bill that was supposed to reduce carbon-dioxide emissions, but it was actually just a tax on electricity. He warned Congress that if they did not vote for his bill, the Environmental Protection Agency (EPA) would come up with even worse regulations. Well, he is in the process of fulfilling his promise. Congress did not pass his bill, and now the EPA is trying to use the Clean Air Act to expand its power and punish Texas in particular.

Early drafts of some new regulations did not include Texas. Our governor has been pretty vocal about over-reaching federal regulations, and when the EPA recently enacted its Cross-State Air Pollution Rule, Texas was added at the last minute. These regulations take square aim at coal-burning power plants by mandating broad reductions in two types of emissions.

The concept behind the rule is that emissions generated in Texas don't stay within its borders, thus the federal government claims power to regulate those emissions. None of the current coal plants are exceeding the current regulations, but based on speculation, the EPA thinks the wind could possibly gather enough emissions from existing and new coal plants to cause problems for Oklahoma or Arkansas.

Burning coal to make steam to turn electric turbines produces two byproducts affected by this new rule: sulfur dioxide and nitrogen oxide, which are linked to ozone and fine particulates in the air. EPA representatives have indicated that their reasoning behind these new rules is to start regulating the emissions from coal-fired power generators to discourage companies from building any new coal plants by punishing the existing plants that are in compliance with all regulations. They took aim at Texas in particular. Despite the fact that sulfur-dioxide emissions in Texas make up only 11 percent of those emissions for states covered by the new rule, the EPA is mandating that 25 percent of the required reductions come from Texas alone.

Texas officials, including the chairmen of the Texas Commission for Environmental Quality (TCEQ) and the Texas Public Utility Commission (PUC), are questioning both the need for the rule and the economic burden it will place on the state's residents.

The new rules will hurt Texas more than any other state. Texas is dependent on coal-fired generation to supply affordable electricity. Forty percent of the electricity generated in 2010 was supplied by coal-burning power plants, according to the Electric Reliability Council of Texas (ERCOT), the grid manager for more than 85 percent of the state's electric load. ERCOT calls the new rules "unreasonable."

"A large percentage of Texas coal-fired generation is [Texas-mined] lignite or lignite blended with Wyoming coal," said then-PUC Chairman Barry Smitherman. "In fact, we have approximately 18 plants, totaling over 11,000 megawatts of generation that could be forced to add expensive equipment, further blend with more expensive out-of-state coal, or worse case, prematurely shut down."

The EPA thinks the Texas coal plants can simply switch to Wyoming

coal, and thinks it can be done in less than six months. Texas coal is lignite. Lignite loses its energy quickly after being dug out of the ground—that is why most of the power plants using lignite are located near coal mines. Lignite looks and feels a lot like black dirt, and converting a power plant from that fuel source to the high-BTU content of Wyoming coal is not an easy or quick task. The plants that have been constructed to blend local coal with Wyoming coal may be able to adjust more quickly, but the other lignite plants are facing a conversion that is about as easy as switching a diesel truck to operate on gasoline.

Smitherman & TCEQ Chairman Bryan Shaw are both concerned the EPA rule will result in significant increases in the cost of power by forcing curtailment or shutdowns of existing coal-fired plants in Texas. Other sources of electricity will not compensate for these shutdowns, especially in light of the January 2012 compliance date, according to the TCEQ. Lamar Electric Cooperative is not currently purchasing any power that is generated using coal, but if the price of electricity from coal plants goes up, it will drive the price up for everyone else. Truthfully, this regulation will not immediately affect our power cost, but the next contract we negotiate will surely have the higher price included.

This is expected to have far-reaching consequences for all Texas energy consumers, particularly elderly and low-income populations whose health and welfare depend on reliable energy. Not only will your utility bill go up, the price of almost everything else will be affected by rising electricity rates. In a nation with unemployment at more than 9 percent, the EPA's latest rule will certainly lead to the loss of many jobs. It doesn't make sense!

We are all for reducing pollution, but that concern must be balanced with economic reality. This regulation

of Power

is particularly bad because it is intended to discourage power-plant investors from building plants that are not even being proposed.

More government regulation of the power industry not only takes bites out of your budget, it encourages our manufacturing jobs to be shipped overseas, where they are not worried about regulating these gases.

The bottom line is that if every natural gas and coal-fired power generating plant in the U.S. were to shut down tomorrow, the amount of carbon dioxide, sulfur dioxide and nitrogen oxide in the Earth's atmosphere would change so little, the change could probably not even be detected.

If you are concerned about the rising price of energy, please contact your elected representatives in Washington and check out www.ourenergy.coop for information on our national program to keep power costs fair, affordable and achievable. Together, we can make our voices heard.

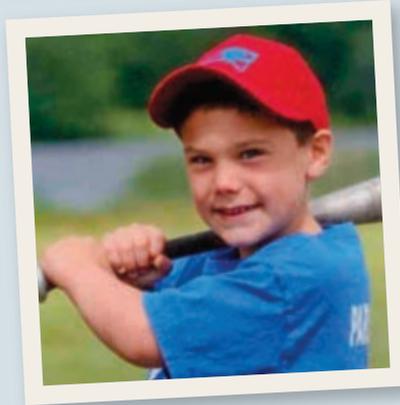


HAPPY LABOR DAY!

Lamar Electric Cooperative will be closed Monday, September 5, in observance of Labor Day.

As always, crews will be on standby in the event of an outage.

We wish you a safe and happy holiday.



ZANE CHUMBLEY

Patriots, Blossom T-Ball
Son of LEC employee Marti Chumbley



NATASHA WHIPKEY

Cougars, Paris Soccer
Daughter of LEC employee Rachael Whipkey



ADDISON CONDER

Texas Tumbling
Daughter of LEC employee Drew Conder



JULIA MCFADDEN

Fireflies, YWCA Softball
Daughter of LEC employee Delana McFadden



NOE RECENZIZ

Chisum High School Football
Son of LEC employee Jose Recenziz



WILL SCROGGINS

Prairiland FFA Green Skills Team
Son of LEC employee George Scroggins

Lamar EC All-Stars!



LAMAR ELECTRIC COOPERATIVE

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For general information and outages after hours, call (903) 784-4303 local or 1-800-782-9010 toll-free

Operating in Lamar, Red River, Delta and Fannin counties

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YOUR "LOCAL PAGES"

This section of Texas Co-op Power is produced by LEC each month to provide you with information about current events, safety, special programs and other activities of the cooperative. If you have any comments or suggestions, please contact the local office.

MEMBER BENEFITS:

- Level billing
- Automated meter reading
- Free bank draft service
- E-Bill
- Visa and MasterCard accepted

Youth Tour Winners Return From D.C.

Lori Thiessen, left, and Lucy Enns recently returned from their trip to Washington, D.C., where they participated in the 2011 Government-in-Action Youth Tour. Each June, Lamar Electric Cooperative sends two students to our nation's capital, where they see the sights and visit with their elected officials.



COUNTRY CORNER EVENTS

September 2 Cruisin' the Plaza—Around the Plaza in Downtown Paris, 5 p.m.

September 2-3 17th Annual Chaparral Square Dancers "An Evening in Paris"—Love Civic Center in Paris

September 3-4 NE Texas Travelers Car Show—Lamar County Fairgrounds in Paris. For information, call Rita at (903) 785-7971.

September 10 16th Annual Veterans Reunion, honoring all veterans—Lamar County Fairgrounds in Paris, 9 a.m.-5 p.m.

September 10 Co-Ministry Golf Tournament—Pine Ridge Golf Course in Paris, 8 a.m.

September 10 Annual Stew Cook-Off / Auction—Clarksville Fairgrounds. For information, call (903) 427-3867.

September 16 Bike Night on the Plaza—Hosted by Paris Independent Bikers Non-profit Association. Begins at 6 p.m. around the Plaza in Downtown Paris. For information, call Jeff Miller at (903) 737-4801.

September 17 Lamar County Farm Bureau and Lamar County Volunteer Fire Depart-

ment's Free Appreciation Barbecue—Love Civic Center in Paris. Everyone is invited. Starts around 10 a.m.; meal at 11 a.m. For information, call Paul Bayer at (903) 732-4563.

September 17 Red Neck Golf Tournament—Pine Ridge Golf Course in Paris. Fundraiser for Paris Habitat for Humanity. For information, call Judy at (903) 783-0599.

September 17 Diversity Task Force Block Party—Lamar County Fairgrounds in Paris. For information, call Rita at (903) 785-7971.

September 21-24 Red River County Fair—Clarksville Fairgrounds. For information, call (903) 427-3867.

September 24 Roxton Saturday Night—downtown Roxton, 10 a.m.-10 p.m.

September 24 George Robinson Memorial Chili Cook-Off—Lamar County Fairgrounds in Paris, 10 a.m.-2 p.m. For information, call Rick Poston at (903) 272-7156.

September 27-October 1 Red River Valley Fair—Lamar County Fairgrounds in Paris.

If you have any events that you would like listed for Delta, Lamar or Red River counties, please contact Marci Thompson. Information must be submitted two months in advance for the magazine. E-mail marci@lamarelectric.coop or call (903) 783-4911.



▲ LEC member Benitann Shupp of the Fulbright community does her part.

LEC member Chuck Burton of Reno donates blood. ►



LEC employee Rachael Whipkey takes time to donate. ▼



We-Pack employee Billy Newman takes time out of this day to donate. ►



◀ Paris Fire Department employee Brian Palmer donates on his day off.



LEC employee Cory May on the hot seat ▼



▲ LEC member Pat Jones of the Caviness community gives blood.



◀ Karl Puckett from the Texas Department of Transportation gives his donation.



LEC Holds Second Blood Drive for Carter Townes

Lamar Electric Cooperative, along with the Paris Fire Department, City of Paris and the Texas Department of Transportation, hosted a blood drive with Carter BloodCare for Carter Allen Townes on July 12 in the Lamar Electric parking lot. Carter was diagnosed with Precursor B-Cell Acute Lymphoblastic Leukemia (ALL) in November 2011 and will endure 3 1/2 years of treatments.

Carter is the 4-year-old son of Charlie and Timberley Townes of Clarksville. He is the grandson of Gerald and Elaine Townes of Clarksville and Tim and Darlena Shimpock of Annona.

The blood drive was a success. There were 21 units of blood donated, for which Carter will get credit. This is a prime example that giving blood does save lives.