

# Leaders Lines

*Leaders Lines is a publication of American Municipal Power-Ohio for public power officials and stakeholders*

Fall 2007

## Happy Public Power Week October 7 - 13

### Asset strategy marks fundamental supply shift

As deregulation has given way to debates on re-regulation in many parts of the country, cost certainty could prove even more elusive in a wholesale environment already full of uncertainty. The asset development plan that **AMP-Ohio** is undertaking is designed to at least partially insulate **AMP-Ohio** members from that uncertainty, increasing our reliance on owned and controlled generation rather than market power supply purchases.

As it stands, **AMP-Ohio**'s power supply strategy calls on the market for approximately 62 percent of the organization's base load requirements - the minimum needs for our members on a 24 hour-a-day, 7 day-a-week basis.

The remaining needs are currently met by locally-owned generating resources, the Belleville Hydroelectric Plant, the Richard H. Gorsuch Generating Station, the **AMP-Ohio**/Green Mountain Energy Wind Farm and other smaller projects.

While that generation mix has diversification in the form of the inputs utilized (wind, coal, hydro, landfill gas), it still relies heavily on the market, creating a great deal of uncertainty for **AMP-Ohio** and its members. Any shift in the market, positive or negative, has considerable impact on the overall power supply portfolio for **AMP-Ohio**.

Because of that uncertainty, **AMP-Ohio** has embarked on a plan to not only further diversify its power supply portfolio, but to also reduce exposure to the market so that the large price fluctuations seen on the open market do not so considerably impact **AMP-Ohio**'s member municipal electric systems and their customers. Because of the evolution of the wholesale electric market,

**Ohio** can better control its own destiny going forward with an asset-based approach rather than a market-

Emissions limits and standards are also increasingly important to generating assets in terms of both cost and complication. However, the long-term focus of asset development better suits the realities of the restructured electric market and **Ohio**'s membership's needs.

By 2013, **AMP-Ohio**'s asset development plan calls for 22 percent of the organization's base load needs to be covered by market purchases. While certainly still part of the power supply portfolio, market purchases will be greatly reduced to eliminate some of the exposure **AMP-Ohio** and its communities have to the large fluctuations in cost that can and do occur.

The cost certainly provided by owned and controlled generation assets can instead provide a solid foundation for members as they serve growing customer bases. The most significant part of that foundation will be the American Municipal Power Generating Station

(AMPGS), a proposed 1,000-MW, state-of-the-art, coal-fired generation facility along the **Ohio** River in Meigs County, **Ohio**.

The AMPGS will be one of the most advanced coal-fired facilities in the country upon its construction and will anchor the power supply portfolio for **AMP-Ohio** with reliable, stable electricity. Ninety-two public power communities took part in the planning stages of the AMPGS and while there are many challenges yet to be faced in bringing the AMPGS project to fruition, the drive to do so is powered by the belief that controlling 1,000 MW of state-of-the-art, environmentally-sound coal-fired generation will help provide stability to member communities and their customers.

While AMPGS is a large part of the future generation portfolio for **AMP-Ohio**, further diversification will be

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### Public Power Week provides chance to communicate benefits, value of utility

By Karen Ritchey  
Manager of communication programs

Each year, Public Power Week is used as a time to remind people of the benefits of living and doing business in a public power community. The American Public Power Association has long used the theme of "An American Tradition That Works" to describe public power. This year, during Public Power Week from Oct. 7 to Oct. 13, the focus is on the phrase "gear up to tell the public power story."

Engaging residents, local business and industrial customers is as important a part of Public Power Week as conveying the benefits of public power. It is an education process that involves sharing the value of a municipal electric system with the community.

both the local utility and public power as a whole.

**AMP-Ohio** will be supporting Public Power Week activities in member communities by providing a "Proud Public Power Community" banner to be displayed during Public Power Week.

Member communities are encouraged to take Public Power Week, a national program, as an occasion to show their community the considerable value of a municipal electric system.

For more information on how living in a public power community is a benefit to your business, please contact me at [kritchey@amp-ohio.org](mailto:kritchey@amp-ohio.org) or 614/337-6222.