

DECLINE IN NEW COAL POWER PLANT CONSTRUCTION

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TABLE OF CONTENTS

COAL’S UNPOPULARITY: A RISING TREND.....3

COAL PROJECTS SCALED BACK: STATE SPECIFIC EXAMPLES.....4

STATE BY STATE MAP OF RENEWABLE PORTFOLIO STANDARDS.....6

NEVADA’S POTENTIAL FOR SOLAR ENERGY.....7

NEVADA’S POTENTIAL FOR GEOTHERMAL ENERGY.....8

NEVADA’S POTENTIAL FOR WIND ENERGY.....9

COAL'S UNPOPULARITY: A RISING TREND

The following is a report highlighting trends in coal power plant construction. Detailed are instances in states where key decisions by regulators, public officials or utilities themselves have led to coal plant construction being postponed or canceled all together. In addition, the renewable portfolio standards set by each of the 20 states that have passed them are detailed as well. Finally, maps illustrating the potential for solar, geothermal and wind energy in Nevada are included.

Below are specific examples as to why, nationwide, a growing trend against coal power plant construction may be occurring.

Most Newly Proposed Coal Power Plants Are Never Built. According to the Department of Energy, proposals to build new power plants are often speculative and typically operate on “boom & bust” cycles, based upon the ever changing economic climate of power generation markets. As such, many of the proposed plants will not likely be built. For example, out of a total portfolio (gas, coal, etc) of 500 GW of newly planned power plant capacity announced in 2001, 91 GW have been already been scrapped or delayed. [Tracking New Coal-Fired Power Plants: Department of Energy, 5/1/07]

Since 2006 Nearly Two Dozen Coal Projects Have Been Canceled. According to the National Energy Technology Laboratory, a division of the Department of Energy, nearly two dozen coal projects have been canceled since early 2006. [Tracking New Coal-Fired Power Plants: Department of Energy, 5/1/07]

The Cost of Raw Materials Needed to Build Coal-Fired Plants Has Risen. One industry study showed that the cost of raw construction materials such as cement and steel is far higher than thought just two years ago. [Spokesman-Review, 9/5/07]

COAL PROJECTS SCALED BACK: STATE SPECIFIC EXAMPLES

Below are highlights from states across the country where regulators or utilities themselves have taken the lead in curbing the new coal plant construction. In each instance, the decisions made were done with an eye towards concerns over public health and climate change. While the list below is not exhaustive, it provides insight into the recent decisions that could be implemented elsewhere.

Colorado

Colorado's Xcel Energy Agreed to Supplement its Coal Power Generated Electricity With Wind Power. Even in states where coal projects are going forward, they are happening more often with a nod to environmental concerns. Xcel Energy, through its Public Service of Colorado unit, agreed to obtain 775 megawatts worth of wind power to supplement the power that will come from a 750 megawatt coal plant it is building near Pueblo. It also has agreed to install more pollution controls at existing units, and to cut energy demand by more than 300 megawatts in coming years. "It will change their portfolio in a fundamental way," says Vickie Patton, senior attorney for Environmental Defense in Colorado. [Wall Street Journal, 7/25/07]

Florida

Florida Governor Charlie Crist Celebrated the Cancellation of a Key Coal Plant Project. Florida Governor Charlie Crist backed up the symbolism of his meeting on global climate change in Miami with a stern rebuke to the future of coal-powered energy plants in the state. After Florida's Public Service Commission turned down an application for a coal plant in Glades County, Crist said the future of coal plants in the state is "not looking good." Crist said followed with "We're moving in a different direction." [Sarasota Herald-Tribune, 7/4/07]

Florida Governor Charlie Crist Said Utilities Must Stop Relying on Coal and Natural Gas Plants. After the Public Service Commission denied Florida Power and Light Co.'s request to build a coal-fired plant in Glades County, Governor Charlie Crist hailed the decision and said that utilities must stop relying on coal and natural gas plants that generate carbon dioxide, a probable cause of global warming. [Palm Beach Post, 7/4/07]

Kansas

Because of Colorado's Newly Enacted Renewable Energy Mandate, a Two Utility Companies Have Canceled a Coal Plant Project. One of the most ambitious proposals for new coal power plants in 2006 was to construct three units with a total generating capacity of 2,100 megawatts in western Kansas. The two cooperatives involved, Tri-State in Colorado and Sunflower Electric Power in Kansas, have scaled down the project to two units. One reason was that Colorado adopted a law requiring rural electric co-ops to get 10 percent of their power from renewable resources. [Washington Post, 9/4/07]

North Carolina

Due to Rising Costs Duke Energy Was Forced By the NC Utilities Commission to Cancel a Coal Plant Project. Duke Energy Inc. created a stir last year when it announced that the expected cost of a new twin-unit power plant in North Carolina had ballooned to about \$3 billion, up 50% from about 18 months earlier. That run up in cost and other factors compelled the North Carolina Utilities

Commission to nix one of the two proposed units. According to a recent press report, the plant that was approved is expected to cost more than \$1.8 billion. [Wall Street Journal, 7/25/07; Baltimore Sun, 9/4/07]

Oklahoma

Oklahoma Corporation Commission Rejected Application For Coal-Fired Plant, Opponents Argue Their Decision Will Save Rate Payers Money.

The Oklahoma Corporation Commission rejected a request from the state's three largest public utilities to proceed with plans to build a coal-fired power plant. The commission turned down the proposal by Oklahoma Gas & Electric, American Electric-Power Service Company of Oklahoma and the Oklahoma Municipal Power Authority. The \$1.8 billion dollar plant would have been built in Red Rock in Noble County, about 80 miles north of Oklahoma City. Chesapeake Energy Corp. was one of the most ardent campaigners against the coal plant. Aubrey McClendon, the company's chairman and chief executive officer, said the decision will save consumers money in the long run. "This is a win for Oklahoma ratepayers," McClendon said. "Coal is cheap today, but we believe it won't always be cheap. It's only logical that there will be a day when something that's as detrimental to the environment and to public health is priced in a different way. Coal has done wonderful things for our national economy in the 19th and 20th centuries, but this is the 21st century. Oklahoma needs to show leadership here. It is a great first step from these courageous Oklahoma Corporation commissioners to say no to what we think was an ill-conceived idea for the 21st century." Oklahoma Treasurer Scott Meacham also came out publicly against the proposal, saying he was concerned with the plant's potential impact on global warming. [Daily Oklahoman, 9/11/07]

Texas

In Order to Be Bought Out By Private Investors, Texas Utility Corporation Was Forced to Cancel Eight Coal Plant Projects.

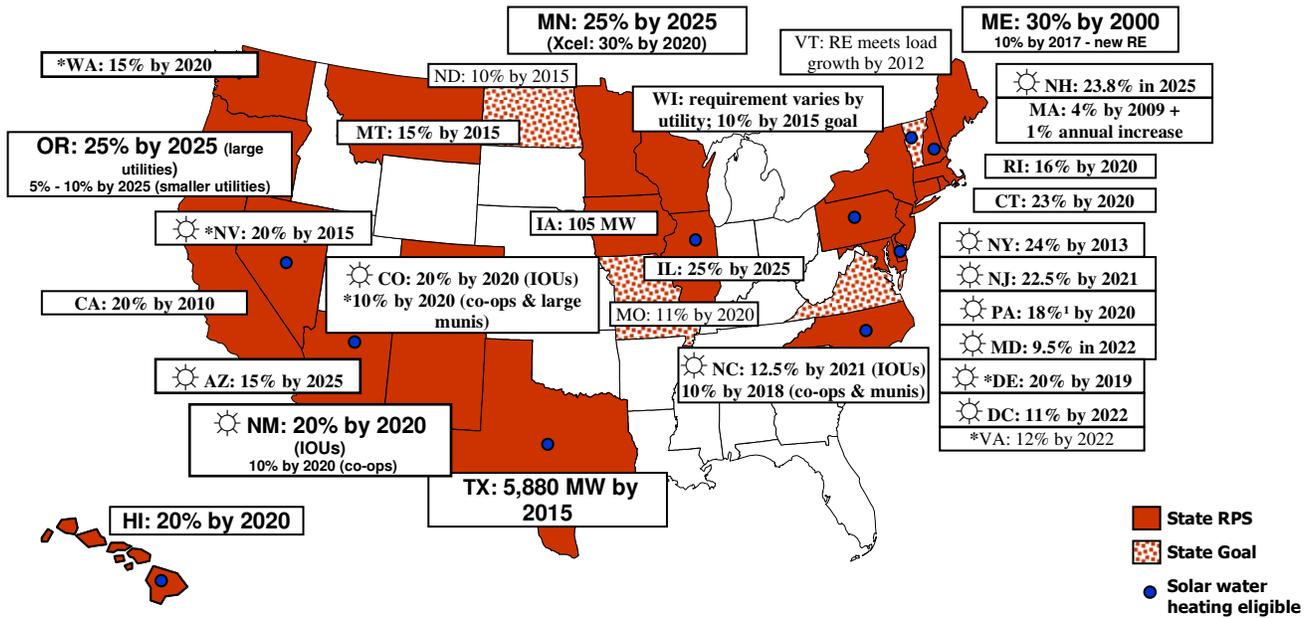
TXU Corp, the Texas energy giant, was faced with attacks from environmentalists after it proposed building 11 new coal plants in the state. The resulting legal skirmishes and investor concerns about the high cost of the plants sent its share price plummeting. As a result, a weakened TXU agreed in February to reduce the number of coal plants it planned to build from 11 to three as part of a deal to sell itself to two large private equity firms for \$45 billion. [Baltimore Sun, 9/4/07]

Washington

One Western Utility Took it Upon Itself to Shift From Coal to Renewable Energy Sources.

Avista Utilities planned to sell more electricity generated by natural gas plants and giant windmills rather than investing in new coal power plants, according to a long-term power plan released by the company. Clint Kalich, the company's resource planning manager, said he agrees with the assessment of Puget Sound Energy that the future of Northwest energy will be more "gassy, windy." Washington utilities submit 20-year power plans every other year to state regulators. The studies predict population and business growth and future energy needs. While the Northwest has long relied on river dams for generating ample megawatts, the future lies in underground gas stores and the wind. In a change from power planning in 2005, Avista this time around is ruling out new megawatts from coal plants. The company has also determined that building and partnering in a nuclear power plant is too expensive and too unpredictable. [Spokesman-Review, 9/5/07]

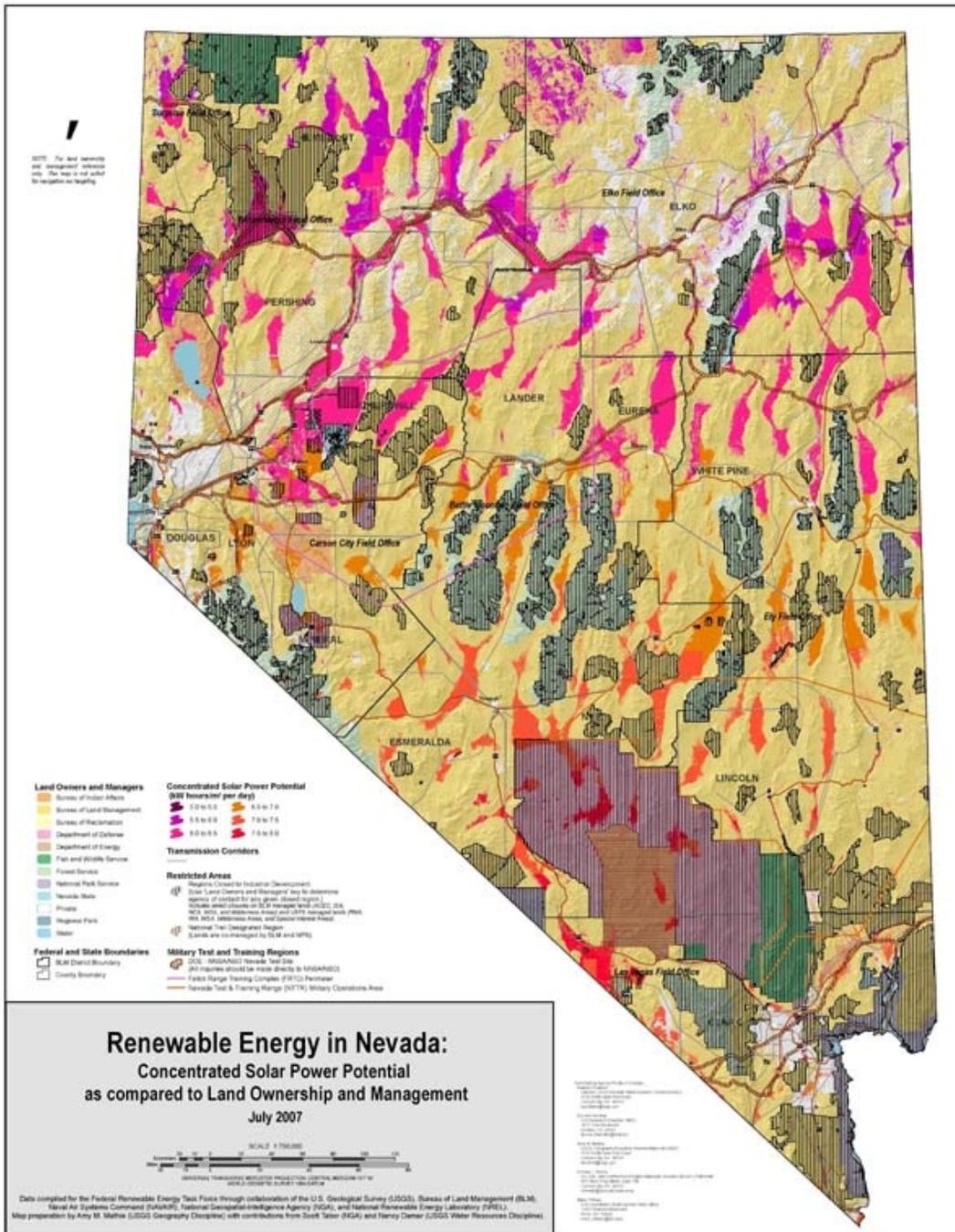
STATE BY STATE MAP OF RENEWABLE PORTFOLIO STANDARDS



(Source:)

NEVADA'S POTENTIAL FOR SOLAR ENERGY

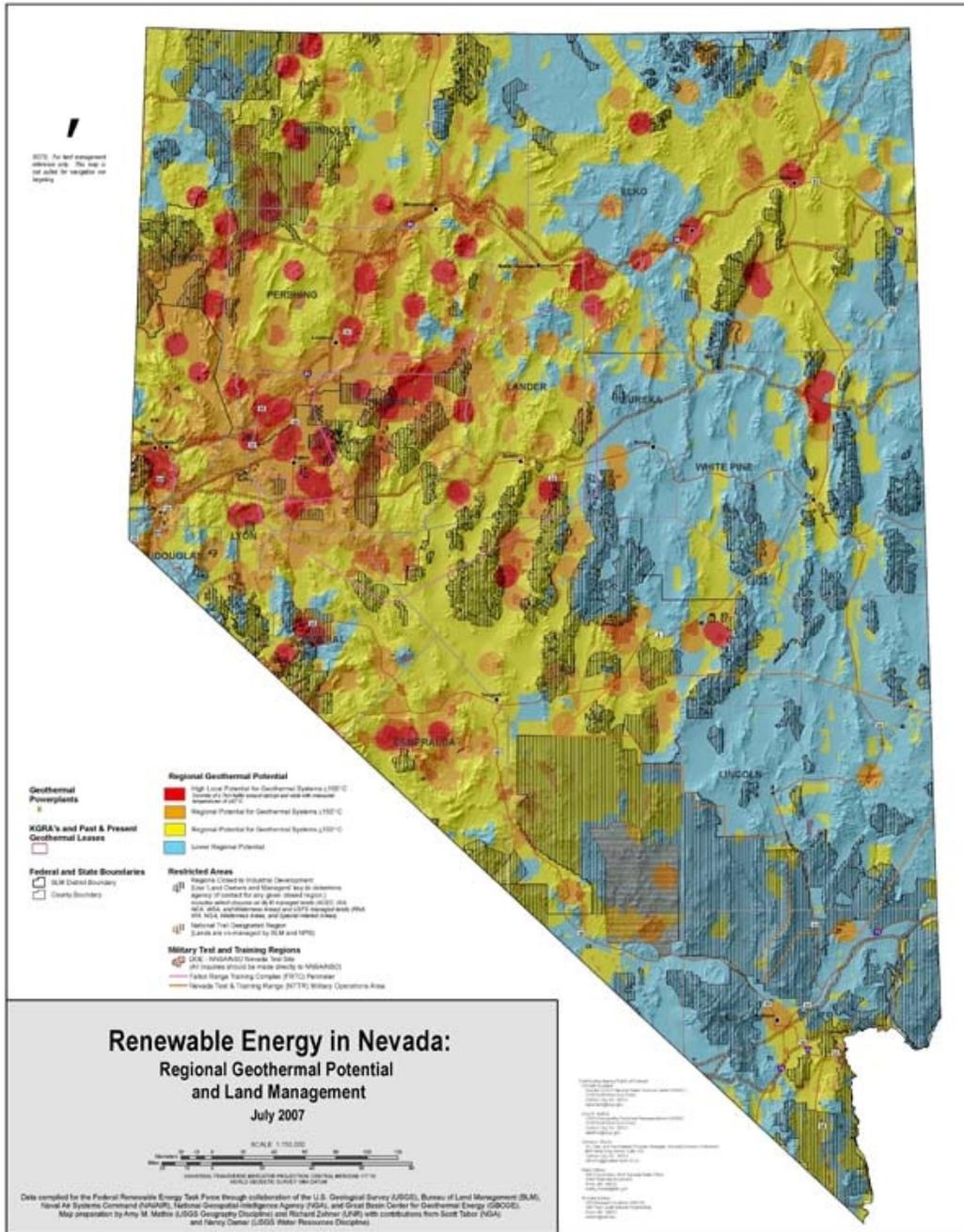
The following map illustrates Nevada's potential for solar energy.



(Courtesy of the [University of Nevada-Reno](http://www.unr.edu))

NEVADA'S POTENTIAL FOR GEOTHERMAL ENERGY

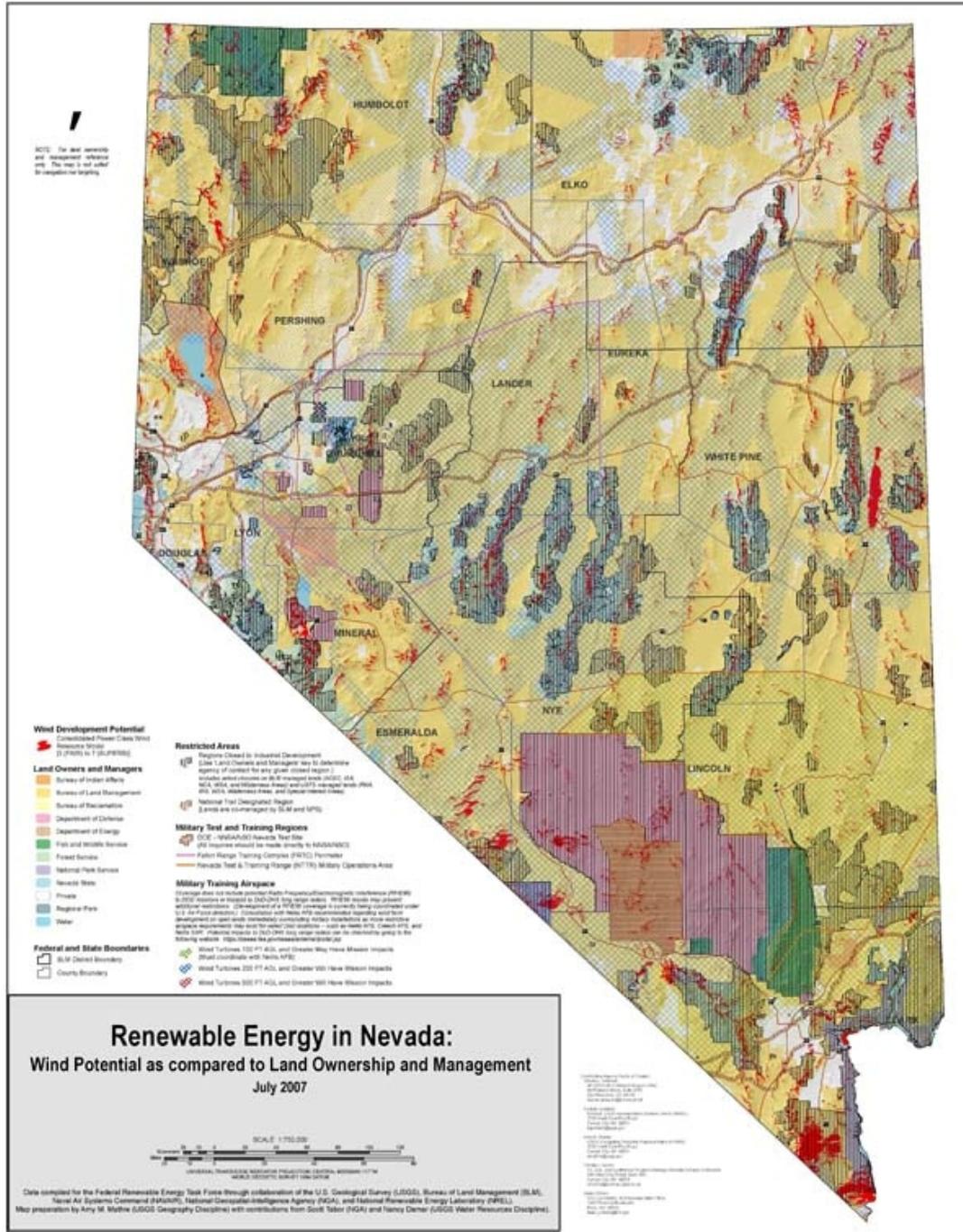
The following map illustrates Nevada's potential for geothermal energy.



(Courtesy of the [University of Nevada-Reno](http://www.unr.edu))

NEVADA'S POTENTIAL FOR WIND ENERGY

The following map illustrates Nevada's potential for wind generated energy.



(Courtesy of the [University of Nevada-Reno](http://www.unr.edu))