

DNREC Talking Points

5-23-06

- **Introduction-** I am Paul Simon, Assistant Business Agent IBEW Local 1238 and I am here with our Business Agent John Boulden to discuss the issues at hand. As mentioned, we are chartered by the International Brotherhood of Electrical Workers whom represents 220,000 utility workers in the industry. Our Local Union, 1238 represents nearly 1000 members of which 101 of them work at the Edgemoor and Mckee Run Power Plants. As a Local, we have 60 years of experience in representing utility workers & between Mr. Boulden and I; we have nearly 30 years of experience specifically in power plant work. We are members of the Delaware AFL-CIO which keeps us in touch with labor issues in the State and feel that our presence here today is necessary to give a perspective of the working men and women in Delaware and the impact that an overly aggressive environmental proposal could have on the residents here in Delaware.
- **Primarily,** we have concerns with requiring existing power plant facilities to meet “new source emission levels” that would far exceed the federal programs that are currently in place. We believe that steps should be taken to better the air quality in the state but such steps should be made incrementally as to not have a devastating impact on the working people of Delaware. We believe that this could negatively impact the residence of Delaware in several ways as in the case of Atlantic City Electric’s BL England facility in Southern, NJ. The Facility is up for sale due to the cost of having to retrofit the plant with emissions equipment. If the plant is not sold, it will be closed.
- A vacant power plant job does not require employees... and the losses don’t stop there. Each job lost at the power plant has a ripple effect in the local economy. Not only will the people employed directly by the power plant be affected, but area businesses would suffer as well. Let me explain what I mean by that:
Edgemoor Power Plant: spends 3.5-4 million dollars annually on local contractors and another 1.5-3 million dollars in purchasing stock and equipment from local vendors which equates to approx. 5-7 million dollars spent annually in our local economy. How many lay offs will a loss of \$5-7 million cause in Delaware?

- **Other Economic Effects-** By holding Delaware to a higher standard than what has been federally mandated; it negatively impacts Delaware generating facilities to be price competitive in what has become an open market since utility deregulation. What does that mean to us, the residents of Delaware? It means an inability to attract and maintain industrial facilities into Delaware which bring capital and good paying jobs into our economy.
 - **Transmission Reliability-** It is imperative to understand the delicate balance of the local transmission system and the operating parameters in which it is designed to run. Decreased capacity on the system could lead to power shortages during peak times resulting in rolling brownouts and possibly black outs.
 - **Tax Income-** I am not going to go into figures. I would just like to touch on the fact that there are State, County, and City taxes associated with operating the power plant facilities that would be lost as well.
 - **Transmission Reliability-** It is imperative to understand the delicate balance of the local transmission system and the operating parameters in which it is designed to run. Decreased capacity on the system could lead to power shortages during peak times resulting in rolling brownouts and possibly black outs.
 - **Customer Cost-** We have read the reports associated with these meetings and are concerned with what an overly aggressive environmental proposal could do to the cost of power in our area. Everyone who owns a car knows that when you go to the gas pumps, the cost just isn't what it used to be. Well, it is no different when a Company is producing power. Our local plants run on gas, oil, and coal for the most part. Of the three, at this time coal is the cheapest which translates into a savings for the utility customers in the area. Delmarva Power contracted a good portion of their power from Conectiv Energy based on cost. If Conectiv Energy did not have a bid, the alternative bids ranged up to 40% higher. Personally, I was not happy with the 59% increase in my electric bill. It scares me to think that it would have been higher had we not had local generation in place burning a cheaper fuel and passing cost savings on to the public.
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In closing, we feel that it is essential to maintain reliable electric service at a fair price in the State of Delaware. To accomplish this, we feel that it is necessary to assure the existence of our coal fired power plants and make environmental restrictions incrementally not to exceed the federal regulations. This would also insure current employment and job opportunities that our State has become known for. Thank you all for your time and we hope that you consider these points when reaching a decision on the future of coal fired facilities in Delaware.