

Utility moves on power plant plan

Critics say it's a gamble without approval

By Tony Bartelme
The Post and Courier
Friday, April 11, 2008



The Post and Courier

On the Web

Read The Post and Courier's previous stories on [Mercury](#).

Santee Cooper is busy importing and staging \$146 million in building materials near the site of its proposed Pee Dee coal-fired power plant, even though state

and federal regulators have yet to sign off on the controversial project.

Santee Cooper says that it wants to get the plant online as soon as possible and that buying and storing building materials will speed the construction process if regulators give the project a green light.

But critics say it's a \$146 million gamble, given concerns about global warming, rising costs for coal, a possible tax on carbon and the project's potential to worsen mercury pollution.

Buying materials now means the utility locks in prices at 2008 levels, "and that could save ratepayers money if they get a permit, but I think they're taking an enormous risk," said Nancy Cave of the Coastal Conservation League.

A resident near the plant, Terry Cook, had stronger words. "I'm disgusted down the line. Santee Cooper has continued to do what they darn well please. You don't spend \$146 million on something unless you're sure it's going through."

Santee Cooper is seeking government permits to build two 600-megawatt generators along the Great Pee Dee River near the tiny town of Pamplico.

The \$1.25 billion project has strong support in business and manufacturing circles but faces vigorous opposition from citizens and environmental groups.

In 2006, Santee Cooper's board set 2012 as its target for the Pee Dee plant to go online, said Laura Varn, vice president of corporate communications.

The utility then began making arrangements to acquire building materials and began seeking state and federal permits. But because of delays in the permitting process, the materials are arriving now, even though Santee Cooper can't use them.

The utility plans to spend \$146 million, mainly for several thousand tons of structural steel, Varn said. The steel is being imported from South Korea and other countries, moved through the port of Georgetown and then transported to a company in Johnsonville, a few miles from the Pee Dee site.

Varn said Santee Cooper won't do anything with the materials until the utility gets all its permits, adding that "should something change with the permit, we are confident we can sell the material and recoup the money. China, for example, is having a new power plant come online (every) week."

Varn said none of the materials will be stored on the grounds of the Pee Dee site.

Santee Cooper and many other utilities have long depended on coal to provide low-cost, year-round power.

But amid rising construction costs and concerns about global warming and mercury pollution, utilities canceled or postponed more than 45 projects in 2007, a new analysis by the U.S. Energy Department found.

In light of these cancelation, "I think it's a \$146 million gamble," said Blan Holman of the Southern Environmental Law Center. State and federal regulators are still debating how to meet the region's energy needs, he said, "and their decision may be that it's not a coal-fired power plant. So I think they're putting the cart before the horse."

*Reach
at 37-5554 or
tbartelme@postand
courier.com.*

Tony Bartelme

Copyright © 1997 - 2007 the Evening Post Publishing Co.