

2008-00252



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JAN 06 2009
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Statement of the Greater Louisville Sierra Club on the LG & E Rate Increase

By Wallace McMullen
Conservation Chair
January 5, 2009

We are here today primarily because LG & E decided to build an expensive new coal burning power plant. If they had not decided to spend approximately \$1.5 billion on the Trimble II plant, they would not now need an electric rate increase of the magnitude that they are seeking.

If the utility had made a serious commitment to curtailing the growth in electric load with efficiency programs back when they started planning the new plant, it would not be needed. Now, we recognize that efficiency programs also have a cost, but they cost much less than expensive new generating installations.

Further, when one invests in energy efficiency, less coal is burned to generate electricity, there is less air pollution, and there is less global warming pollution. Also, there is less demand for Mountain-Top Removal, and other forms of destructive mining, and less potential for the kind of massive damage from coal combustion waste that we have just seen in Tennessee.

We know that LG & E is heavily dependent on coal-fired electric generation. We also know that global warming means that we are moving into a carbon-constrained economy. Coal is the fuel which emits the most global warming pollution.

We submit that LG&E must get serious about employing energy efficiency and diversifying its types of generation sources if it is to avoid huge rate increases in the foreseeable future. The future will bring major penalties for carbon emissions, and that is what the utility is locked into at the moment.

We urge the Public Service Commission (PSC) to use its powers to steer LG&E toward more use of efficiency as a way to avoid the need for additional generating capacity in the future. We also urge the PSC to steer LG&E toward diversifying its generation mix, with more use of clean, sustainable resources such as hydroelectric generation and solar water heating.

This is the only way we in the LG&E service area will be able to avoid huge rate increases when carbon regulation is fully implemented to address the increasing problem of climate change.

On another issue, we urge the PSC to require LG&E to build a robust distribution system in the Louisville area, sturdy enough that we don't get hit with another extended outage and another \$35 million bill next time there is a big wind storm. Global warming is happening, and there will be more severe weather in the future. Good planning processes recognize this probability, and we believe that the appropriate steps should be taken by you, the regulators, so that we have an electric system in place that can withstand more severe weather in the future.

Thank you for your attention to these comments.