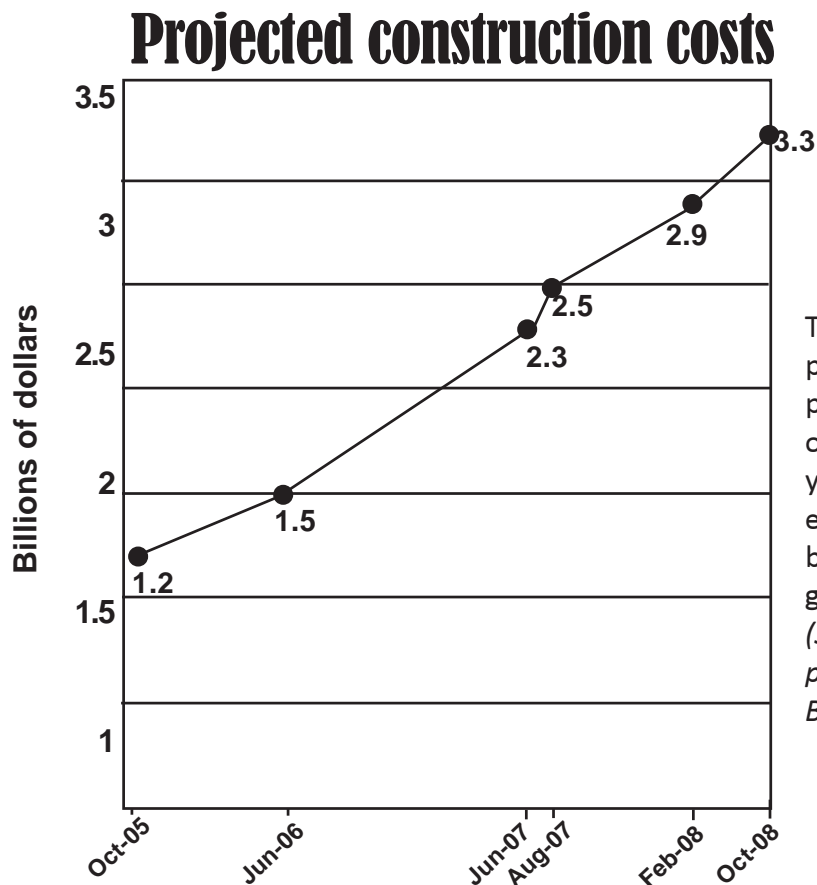


The proposed AMP-Ohio coal plant: A bad deal for electric customers and a financial risk JPMorgan Chase should not take

American Municipal Power (AMP)-Ohio is proposing to build a new 1000 Megawatt coal-fired power plant in Meigs County, Ohio. They call it a “clean coal” plant, but there is nothing clean about it. This is an old-fashioned pulverized coal burning plant, like the ones that contribute to the asthma, emphysema heart disease, and lung cancer so many Ohioans already suffer from.

There is no set price for the plant. The original estimated price tag for this plant was \$1.2 billion — it has now risen to at least \$3.25 billion, plus financing.



The cost of the proposed AMP-Ohio plant has already risen over \$2 billion in three years. The cost, now estimated at \$3.25 billion, could very well go even higher. (Source: AMP-Ohio press releases and RW Beck feasibility studies)

AMP-Ohio convinced its member communities to sign 50-year “take or pay” contracts which would lock in residents and businesses to pay for the costs of building this plant until 2057. The take or pay contract means that electric ratepayers will have to pay for the plant no matter what it ends up costing and no matter what better alternatives become available.

Given the economic condition of Ohio and surrounding states, building this plant on the backs of struggling municipalities raises serious financial questions. In fact, a consultant hired by Cleveland City Council warned that Cleveland Public Power’s participation in this plant could “quickly lead to the ‘death spiral’ most utilities feared would come from deregulation in the 1990’s.” (Ion Consulting, February 22, 2008). This is because Cleveland, the largest Ohio municipal participant in the coal plant, is in direct competition with a private utility, whose rates could go below the public utility’s, eroding the customer base.

The plant can still be canceled

Under the terms of the contract, AMP-Ohio communities can make a joint decision to cancel the plant any time up until AMP-Ohio goes into the bond market. The date for this has frequently slipped, and is now estimated as some time in 2010.

At least 90 coal plants have been scrapped across the country in the past two years. AMP can reconsider and choose not to build this plant, and instead invest in better alternatives.

AMP-Ohio plans to use mountaintop removal coal

According to its feasibility studies, AMP-Ohio is planning on using coal from Central Appalachia, which arrives in Ohio as a mixture of mountaintop removal coal and underground coal. Mountaintop removal is a radical form of coal mining where entire mountains are literally blown up — devastating communities throughout Appalachia, polluting drinking water and destroying rivers. Coal companies have already destroyed 500 Appalachian mountaintops.

JPMorgan Chase should not fund the AMP-Ohio coal plant

AMP-Ohio plans to seek a \$3.94 billion bond issue, which JPMorgan Chase has said it will finance. In a letter to the President of AMP-Ohio on February 7, 2008, a representative of JPMorgan Chase said, “Please allow me to reiterate JPMorgan’s strong support for AMP-Ohio and our commitment to AMP-Ohio’s various projects, including the Prairie State Energy Campus Project, AMPGS [the Meigs County plant] and the Hydroelectric project.”

Please tell JPMorgan Chase CEO Jamie Dimond:

- JPMorgan Chase should not fund the proposed AMP-Ohio coal plant. It is a huge financial and public health mistake.
- JPMorgan Chase should stop underwriting underwrite Massey Energy, one of the biggest and most mountaintop removal coal mining companies in the country.

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