



Public Service Commission of Wisconsin

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For Immediate Release – November 6, 2008

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PSC Rejects Wisconsin Power and Light's Proposed Coal Power Plant

MADISON – In a unanimous decision today, the Public Service Commission of Wisconsin (PSC) denied Wisconsin Power and Light's plan to build a new 300 megawatt coal-fired electric generation facility at either their Nelson Dewey Generating Station property in Cassville or the Columbia Energy Center in Portage.

The PSC decided that the \$1.26 billion project was too costly when weighing it against other alternatives such as natural gas generation and the possibility of purchasing power from existing sources. Concerns over construction costs and uncertainty over the costs of complying with future possible carbon dioxide regulations were all contributing factors to the denial.

The PSC acknowledged that Wisconsin Power and Light's effort to burn up to 20 percent renewable biomass at the Nelson Dewey sit was laudable, but it found that the cumulative costs and risk associated with the project were unacceptable to the utility's ratepayers.

"We are at a unique juncture in this country, and in Wisconsin, and decisions regarding new sources of electric generation need to account for the likely future costs of complying with constraints on carbon emissions," said Chairperson Eric Callisto. "The costs of this plant in relation to its risk and the more affordable options currently available to Wisconsin Power and Light were important factors in my decision. Cheaper, cleaner options are out there, and I encourage the utility to move on them quickly. I look forward to reviewing other projects in Wisconsin that take advantage of the state's biomass resource without the risk associated with this project."

"Having attended the hearing in Cassville, I know how important this proposal is to the people of that community" said Commissioner Lauren Azar. "However, a community's desire for this plant cannot overcome the fact that the Nelson Dewey proposal is not cost effective, is inconsistent with Wisconsin's energy priorities and does not provide the flexibility we need to deal with our uncertain energy future."

"The proposed plant it is not in the public interest," said Commissioner Mark Meyer. "The record clearly demonstrates that there are alternatives that are more economically and environmentally sound. I look forward to WP&L keeping its commitment to energy efficiency, renewable energy and biomass fuels as it seeks to meet the energy need demonstrated in this case."

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Wisconsin Power and Light filed an application with the PSC for permission to build the new 300 megawatt coal-fired electric generation facility in early 2007. The utility identified two possible locations for the power plant – their Nelson Dewey Generating Station property in Cassville and the Columbia Energy Center in Portage. The PSC has the authority to approve, deny or modify any electric construction project proposed by a utility. The PSC held public hearings on the project in September and offered opportunity for the public to comment on all aspects of the proposal.

Documents associated with WP&L's application can be viewed on the PSC's Electronic Regulatory Filing System at <http://psc.wi.gov/>. Type case numbers 6680-CE-170 in the boxes provided on the PSC homepage, or click on the Electronic Regulatory Filing System button.

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