

Proposed Site Improvement Project Overview/Narrative

1. Scope of Work

The American Municipal Power Generating Station (AMPGS) project in Letart Township in Meigs County is unique in that it is the first coal-fired power plant proposed to be newly constructed in Ohio in approximately 30 years. The proposed power generating station will use pulverized coal and the latest emission control technology to ensure the plant meets or exceeds environmental regulations and emissions limitation requirements. This facility is expected to be one of the cleanest facilities of its kind in the nation. When complete, the approximately 1,000 megawatt power plant will consist of two electric generating units and combined will generate approximately 6.7 million megawatt-hours annually. In addition, the proposed plant plans to utilize an ammonia-based scrubber system licensed by Powerspan. The scrubber will produce ammonium sulfate, which can be processed to produce a high-grade fertilizer product, thus reducing byproduct waste. The use of Powerspan also has co-benefits for the control of mercury and particulate matter, and shows great promise in its ability to efficiently capture carbon dioxide emissions.

The project will bring an estimated 1,000 construction jobs to the region, and ultimately, the finished plant will employ approximately 165 full time equivalent (FTE) people to operate the plant and associated fertilizer facility. It is conservatively projected that the development of the AMPGS will bring more than \$20 million into the area economy annually. The proposed project has received strong support from the elected officials in Meigs County, as well as various state and federal officials.

The project as a whole consists of several components including planning, land acquisition, infrastructure improvements and building construction. Based on the size of the power plant facilities, current estimates suggest that the entire AMPGS project will likely cost more than \$2.5 billion. The proposed grant-funded portion of the project, which will include land acquisition of property within the roughly 1,600-acre project area; however, is expected to cost approximately \$18,000,000. Of this amount, \$13,000,000 (72%) will be supplied through private match and \$5,000,000 (28%) will be requested from the State as part of this application.

Proposed Grant-Funded Project Activity

AMPO has executed options on the land within the project area with local property owners. As part of the proposed grant-funded activities, AMPO, Inc. will complete the land acquisition portion of the project. It is expected that the purchase of the land covered by the options will be complete within the proposed grant cycle.

2. Short Narrative Regarding Need for JRS Funds

The proposed project is to be located in Meigs County, in an area of the state long-known for its depressed economic conditions. If completed, AMPGS will be the largest economic development project in the county's history and will bring significant tax revenue to the area.

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AMP-Ohio is unique when compared to other project developers because the organization is owned and governed by member municipal electric systems. The project is being undertaken to meet the energy needs of approximately 90 public power systems that are part of the developmental phase of the project (75 of those located in Ohio), and we continue to work towards full subscription for the project. While AMP-Ohio is moving ahead with permitting activity for AMPGS, AMP-Ohio recently committed to a 368 MW share of the Prairie State Energy Campus in Illinois and other such alternatives exist in the region. While the unique nature of AMP-Ohio is beneficial to the outlook of the project from the standpoint of an end-use customer base and long-term financing options, municipalities do not have the same access to cash that private entities do when it comes to the expenditure of funds for the property acquisition.

3. Description of Development Obstacles

In addition to the need for funding to help offset the costs for property acquisition as noted above, there are significant infrastructure needs that will accompany development in the region.

The proposed project location will require site and infrastructure improvements to prepare for development of the power plant facilities. Water and sewer improvements will be needed to support additional water and wastewater demands. Currently, 4" waterlines are adjacent to the site and service Letart Township and surrounding properties. The project area is not currently served by wastewater treatment. Although specifics for wastewater treatment are being considered, it is likely that a wastewater treatment facility, within or adjacent to the project area, would be needed.

Road improvements will also be a necessary component of site preparation. State Route 124 is adjacent to the project area. To support additional truck traffic that will be generated by the AMPGS, turn lanes are proposed for SR 124 where necessary. Road resurfacing and realignment of Township roads may occur to accommodate heavy equipment and traffic.

Barge loading and unloading facilities are proposed adjacent to the site on the Ohio River. While separate ports are located at various points along the river in Meigs County, these sites do not have both loading and unloading facilities. With a new port adjacent to the AMPGS site, it is expected to contribute to additional economic development in the region.

In addition to the above-mentioned infrastructure needs, a number of permits are required from state and federal agencies before construction can proceed. These include: PSD Air Permit, landfill permit, NPDES permit, 401 water quality permit, Section 10/404 permit and Ohio Power Siting Board certificates.

Organizations Involved

American Municipal Power - Ohio, Inc. & AMPO, Inc.

American Municipal Power - Ohio (AMP-Ohio) is a non-profit corporation that was organized in 1971 to provide for the generation, transmission and distribution of electric power and energy to customers, and to own and operate electric facilities. AMP-Ohio purchases and generates wholesale electric power and energy, and sells it to its members based on the purchase price, dispatch fees, and a small service fee. The organization develops alternate power resources to meet member's short and long-term needs. AMP-Ohio provides for a wide variety of other services on a cooperative, nonprofit basis for the benefit of all its member communities. AMP-Ohio membership includes 81 public power communities in Ohio, 27 in Pennsylvania, five in Virginia, two in West Virginia, seven in Michigan and one in Kentucky. AMPO, Inc. is a for-profit corporation that is a wholly-owned subsidiary of AMP-Ohio.

The AMP-Ohio organization is governed by the Board of Trustees. The Board consists of 16 communities, and each designates a representative. Currently, 15 of the 16 Board members are from Ohio. Each trustee community is selected by fellow public power communities in each of eight service areas within and outside Ohio. The remaining eight are elected at-large. The president/CEO and general counsel of the corporation are ex officio trustees and appointed by the Board. The other officers, chosen from among the trustee communities' representatives, include: chairman of the board, vice chairman, secretary and treasurer.