

**NOTICE OF PURPA CONSIDERATION
AND HEARING PROCESS TO ALL
ELIGIBLE PARTICIPANTS**

Issued: May 30, 2009

Clay Electric Cooperative, Inc. (the "Cooperative") hereby gives its members notice regarding the process to be followed in implementing the statutory directives in the Energy Independence and Security Act of 2007 (EISA 2007), which amended the Public Utilities Regulatory Policies Act of 1978 (PURPA). EISA 2007 established new Federal standards under Section 111(d) of PURPA, which each non-regulated electric utility (such as the Cooperative) is required to consider and to "make a determination whether or not it is appropriate to implement such standard[s]" within certain defined time lines based on evidence collected from interested persons after public notice and hearing. A complete public notice issued May 30, 2009 providing a description of the PURPA amendments and the procedures to be followed by the Cooperative in carrying out the mandate of EISA 2007 is available on the Cooperative's website at www.clayelectric.com or can be obtained by calling the Cooperative at (352) 473-8000. The schedule of key events is as follows:

- Notice of Public Hearing and Procedural Schedule – issued May 30, 2009.
- Initial Comments – to be submitted on August 14, 2009.
- Reply Comments – to be submitted on or before August 31, 2009.
- Notice of Intent to Participate in Public Hearing – to be submitted on or before September 10, 2009.
- Public Hearing – to be held on September 24, 2009, commencing at 8:30 a.m. at Cooperative's headquarters located at 225 West Walker Drive, Keystone Heights, Florida 32656.
- Determination - to be rendered on or before December 19, 2009.

Should any change occur in the above schedule, it will be posted on www.clayelectric.com.

**Got something to sell? Try
our two Trading Post options**

Clay Electric's Trading Post offers a variety of items for sale or rent by Clay Electric members. The Trading Post is available online, and in the Kilowatt newsletter, which is read by over 164,000 members in North Florida.

Members are entitled to post a non-commercial ad in the Trading Post - either online or in the Kilowatt - at no cost, and anyone can shop. If you're shopping, you'll find all kinds of treasures there, but if you see something you like, you better act fast. Trading Post ads tend to get quick results.

If you would like to place an ad in the Kilowatt Trading Post, please mail your written ads to P. O. Box 308, Keystone Heights, FL 32656 attn: Trading Post, or drop your ad off at your nearest district office. The Kilowatt newsletter is published six times per year - January, March, May, July, September and November.

To post an item for sale on the online Trading Post, visit www.clayelectric.com/trading-post.aspx and follow the instructions.

Power Line is an informational publication of Clay Electric Cooperative, Inc. It is distributed monthly with members' billing statements. If you have questions or comments about the Power Line publication, contact Editor Wayne Mattox at P. O. Box 308, Keystone Heights, FL 32656; e-mail: WMattox@clayelectric.com.

Clay Electric also publishes the Kilowatt six times a year (January, March, May, July, September and November). The Kilowatt is the official voice of Clay Electric and has been published continuously since 1948 as an informational and educational service for co-op members.

Clay Electric's web site (<http://www.clayelectric.com>) offers lots of online services such as payments, and information about the co-op's programs and services. Members can also write their own ads online to be published on the web site's Trading Post. To enter your ad on the Trading Post, you must use your Clay Electric customer number which is printed on your electric bill statement.

Clay Electric's Board of Trustees will meet on June 30 and July 30 beginning at 12:30 p.m. in Keystone Heights.

The Clay Electric Cooperative, Inc. _____

Power Line

June 2009

How to report a problem with an outdoor light

If you are aware of an inoperative or malfunctioning outdoor light on Clay Electric Cooperative's lines, call 1-800-224-4917 to report the problem, or visit www.clayelectric.com and fill out the online form.

When reporting the problem, you will need to provide the following information so the co-op can make the appropriate repair, and contact you should there be any questions:

- (1) *Specific street address where the outdoor light is located.*
- (2) *A description of where the outdoor light is located on the property.*
- (3) *A description of the nature of the malfunction or failure of illumination of the outdoor light.*
- (4) *Sufficient contact information to include your name, address, telephone number, customer number (if a Clay Electric Cooperative member) and email address (if using the online form).*



This information is printed in compliance with Florida Statue 768.1382.

 **Clay Electric Cooperative, Inc.** _____

A Triadstone Energy Cooperative

Florida lawmakers drop renewable energy plan; hearings underway on national cap & trade bill

The Florida Legislature wrapped up its 2009 session last month and a renewable energy plan was not passed.

Lawmakers were considering proposals that would have required generating utilities to obtain 20 percent of their generation from renewable sources by the year 2020. This proposal died in the Legislature last year. This year the House of Representatives leadership did not make it a priority because of more pressing matters, like making major cuts in the state budget. Some legislators also expressed concern that requiring utilities to use more expensive renewable energy sources would drive up the cost of electricity for the state's consumers. Passing legislation that would lead to higher power bills during a time of economic distress would not be a popular move.

IT'S WELL DOCUMENTED that electricity generated from renewable energy sources like wind turbines and solar arrays is considerably more expensive compared to conventional generation sources like natural gas and coal. It's also an intermittent energy source, meaning simply the sun and wind aren't always available for generation purposes. Our wholesale power provider - Seminole Electric Co-op - meets 4 percent of its members' energy needs with a portfolio of renewable energy - one of

Report from the manager

Ricky Davis

General Manager/CEO



the largest percentage portfolios in Florida. Much of that power comes from biomass generation, which is one of the most reliable forms of renewable energy. Seminole tells us they're committed to growing their renewables portfolio in a cost effective way that will help hold the line on member energy costs.

AS THE TECHNOLOGY of renewable energy advances, and its costs come down, utilities will use more renewable energy sources. Forcing utilities to depend upon less efficient and more costly renewable energy sources results in consumers paying more for electricity. Meanwhile, conservation and energy efficiency improvements can help slow the growth in energy demand that drives the need to build new power plants. Such efforts, however, are not expected to preclude the need to add new generating capacity in future years. Everyone relies on having electricity available around

the clock, and that means baseload generation provided by natural gas, nuclear and coal fueled plants. That's simply the reality of power generation.

IN WASHINGTON, hearings are currently underway (as of mid-May) on the Waxman-Markey American Clean Energy and Security Act, otherwise known as a cap and trade bill. This bill would set a cap on the amount of carbon-based emissions that industries - including electricity generators - can emit into the atmosphere, and it would establish a cost for emissions credits that industries could buy and trade. The government would auction or sell these emissions credits, and the cost of these credits would go up over time.

Proponents of cap and trade say it will force industries to move toward the use of cleaner fuels, which they say would address the issue of climate change. Opponents say it will do nothing to help the planet but it will impose across-the-board price hikes on many forms of energy, like electricity and gasoline. This would lead to higher prices in groceries, many manufactured items, and a long list of goods and services.

Regarding this cap and trade issue, many of you have responded to Our Energy, Our Future campaign by signing Contact Your Legislators cards. This effort enables citizens to let their legislators know they're concerned about how cap and trade legislation could increase their cost of electricity. Over 10,000 of our members are currently participating in this effort. We thank each of you for your involvement. We believe it is important our members understand their electric bills could go up considerably if a cap and trade bill is passed.

As events unfold in Washington concerning cap and trade, we'll strive to keep you informed about this legislation.

Clay Electric encourages energy conservation

Clay Electric encourages energy conservation through its communications resources and its Energy Rebate and Energy Loan programs.

In 2008 Clay Electric distributed nearly \$150,000 in rebates with an estimated annual savings of over 3.2 million kWh. The energy rebates include ceiling insulation, and installation of high efficiency heat pumps and solar water heating systems. Energy conservation loans amounted to over \$500,000 in 2008.

Members can borrow up to \$7,500 for improvements such as high efficiency heat pumps, insulation, certain high efficiency appliances, high reflectance metal roofing, solar thermal water heating and solar pool heating. We believe these programs have been a huge encouragement to our members to use electricity wisely and efficiently.