

## Utilities, industry in Ala. form Energy Institute

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*A who's who of Alabama's electric utilities, industry leaders and politicians have formed a new energy group for the Yellowhammer State.*

The Energy Institute of Alabama wants to be the "go-to" source about the energy industry, said Seth Hammett, the group's chairman. The group will not lobby but is working with two major trade groups in Alabama that have significant political and business sway.

"We want to make sure our elected officials understand our industry," said Hammett, a veteran lawmaker and former Alabama House speaker. Hammett is a well-connected and influential Democrat who also served as Republican Gov. Robert Bentley's chief of staff until last October.

He is the energy development vice president for PowerSouth Energy Cooperative, a transmission and distribution cooperative.

Hammett told EnergyWire that the group wants to encourage support for the energy industry and how important it is to the state's economy. The group did not form to tackle a particular problem or a perceived one, he said.

"There's not a single set of circumstances or a single act that caused us to form this group," Hammett said.

Alabama is already home to several pro-utility or pro-business groups, some of which lobby for energy policies in the Southeast or nationwide. The well-organized groups argue that they are looking out for consumers and their wallets.

The new group is affiliated with the Business Council of Alabama, essentially the state's chamber of commerce, and Manufacture Alabama, Hammett said. Both have energy committees, but that is not their central focus, he said.

Manufacture Alabama's president is a co-founder of the JobKeeper Alliance, a Montgomery-based, union-linked group that is a heavy supporter of Southern Co.'s next-generation coal project in Mississippi.

Alabama is a central figure in the Southeast's transition away from coal toward clean sources of electricity. The state's largest employers also are two energy powerhouses: Drummond Co. Inc. and several units of Atlanta-based Southern.

Southern's nuclear and wholesale power operations also are based in Birmingham, along with Alabama Power and Southern Company Services Inc.

Even with Drummond's presence, coal use halved in Alabama between 2007 and 2015, according to the U.S. Energy Information Administration (ClimateWire, April 29). Alabama

Power and the Tennessee Valley Authority operate nuclear reactors there, and natural gas has a growing presence.

Alabama Power executives said this week that coal will remain an important part of the company's fuel mix even though many coal-fired units have been shuttered or converted to run on natural gas.

Coal makes up about 50 percent of the company's fuel mix, down from almost 80 percent in the late 1990s, according to a report on AL.com.

The state continues to lag in renewable energy, even though Alabama Power has some wind and now utility-scale solar on the grid. The Alabama Public Service Commission agreed to a tariff for Alabama Power customers with rooftop solar, which environmental advocates say is a deterrent to customers who want to invest in panels.

EIA's senior policy advisers include academics and consultants, most of whom have previous ties to Southern Co., TVA, the Alabama PSC or the nuclear industry. The group has a keen interest in the future of nuclear because it is an emissions-free source, Hammett said.

The group has a real interest in the progress of Georgia Power's Plant Vogtle expansion project, Hammett said.

"We think what happens in the United States with nuclear will be determined by how successful or whether it is successful as these units come online in 2019 and 2020," he said.

Alabama is one of more than two dozen states suing U.S. EPA over the Clean Power Plan, which aims to cut carbon emissions from existing power plants. Hammett said his group is leaving it to the courts to sort out the Obama administration's signature rule.

Alabama's major electric companies make up the EIA board. This includes Alabama Power, the state's only regulated electric utility, and the state's municipal utilities and electric cooperatives. TVA, which serves part of Alabama, and PowerSouth also are members.

The group's website includes testimonials from a wide range of congressional and state-elected or -appointed officials, including the governor and the state's Department of Commerce secretary.

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