

# Our Wholesale Energy Supplier



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**Seminole Electric Cooperative, headquartered in Tampa, is your Cooperative's wholesale energy supplier. It is the second largest generation and transmission co-op (G&T) in the United States in terms of revenues and one of the largest in the U.S. in terms of total Members' meter connections and energy demand.**

**Seminole is owned by 10 electric distribution cooperatives that serve member-owners from the Georgia border, west into the Panhandle, and south to the Everglades, in 46 of Florida's 67 counties. Its 10 Members provide electricity to more than 1.6 million individuals and businesses across the state.**

**Seminole is governed by a 30 member Board of Trustees, consisting of two voting trustees and one alternate from each Member system, including your Co-op. It is responsible to its Members and committed to its mission: To be its Members' preferred provider of wholesale energy services.**



## Seminole deals with bulk power supply issues at the wholesale level

Seminole operates power plants and negotiates short- and long-term contracts with other energy producers and marketers at the wholesale level. Seminole owns and maintains transmission lines that connect Seminole's system to Florida's bulk electrical transmission system (the Florida Grid). Seminole represents its Members' interests on wholesale matters that come before the Florida Public Service Commission and the Federal Energy Regulatory Commission. It also represents its Members in bulk power supply issues that come before the North American Electric Reliability Council (NERC) and its Florida affiliate, the Florida Reliability Coordinating Council (FRCC).

Seminole's job is to make sure that a reliable supply of electricity is delivered to our Cooperative.

Seminole works with your Cooperative to forecast electricity demand on a short- and long-term basis so power production facilities can be built, or purchased power contracted, to ensure reliable service at the lowest possible wholesale cost. Seminole's strategy is to maintain a diverse mix of resources, including a diverse fuel mix, to minimize the impacts of those factors that affect the availability and cost of our wholesale energy.

## Seminole's Resources

### Seminole Generating Station

- Two 650 megawatt (MW) generating Units (Units 1 and 2) put into commercial service in 1984, with subsequent emissions control upgrades.
- Unit 3 planned to go into service in 2012 (750 MW)
- Located in northeast Florida in Putnam County, about 60 miles south of Jacksonville
- Powered by coal, delivered by rail, purchased primarily from mines in southern Illinois and western Kentucky; permitted to burn petroleum coke (up to 30% blend), a byproduct of the oil refining industry
- Full compliance with emissions permits and other applicable regulations
- Scrubber system waste (500,000+ tons/year) converted to synthetic gypsum, sold to Lafarge Gypsum for local wallboard production under a long term contract
- Other by-products recovered and marketed to additionally offset net energy costs
- Professional and skilled workforce (approximately 280 employees)
- Extensive community involvement

### Payne Creek Generating Station

- A 500 megawatt (MW) combined cycle generating facility put into commercial service in 2002
- Additional 310 MW of aero derivative gas turbines to go into service in December 2006.
- Intermediate capacity to meet member needs during high demand periods
- Located in Hardee County, south of Lakeland, northwest of Wauchula
- Powered by natural gas; Station is served by Florida Gas Transmission and Gulfstream Natural Gas System

### Crystal River 3 Nuclear Plant

Seminole owns a 14 megawatt share of Progress Energy Florida's Crystal River 3 nuclear plant.

## Contract Resources

Seminole has contracts and interchange agreements with more than 50 utilities, independent power producers, and power marketers. Its goal is to maintain a varied portfolio of resources in terms of fuel and geographic diversity, with staggered contract periods, to maximize supply flexibility while ensuring a reliable supply of energy to meet demand. Seminole works with a power marketing group to both purchase and market energy.

## Seminole's Transmission System

Seminole Generating Station is connected to the Florida Grid by eight 230 kilovolt (kV) transmission lines. These lines deliver station energy to Seminole's Silver Springs North switching station, as well as to other substations. Seminole also owns 90 miles of 230 kV line connecting Payne Creek Generating Station to three substations in southwest Florida.

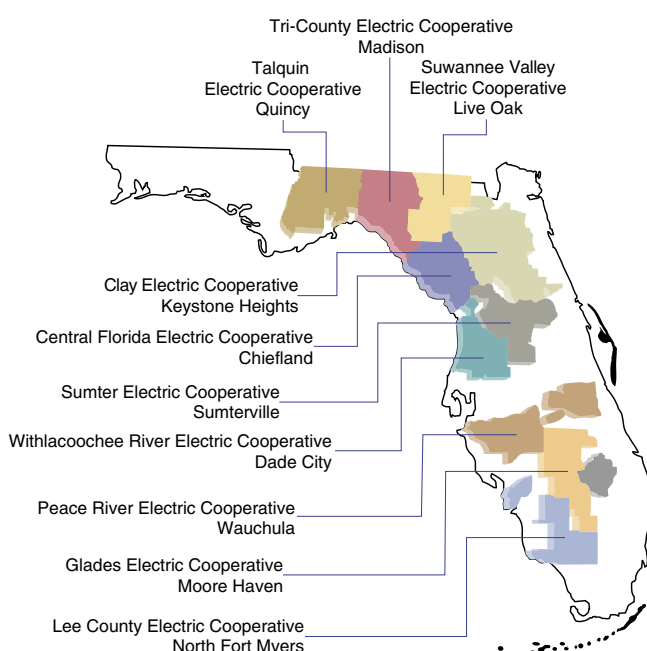
Seminole tracks and investigates all outages that affect any Member delivery point. Specific improvements are evaluated and implemented as required to help improve the overall reliability of energy supply.

## Not for Profit

Seminole is a not for profit Cooperative that was established in 1948 to aggregate the wholesale energy needs of its Members. It provides wholesale energy at cost to its Members. Plant fuel costs are the major driver of wholesale energy rates. Seminole uses fuel hedging and other techniques to hold down generating fuel costs.

Seminole is required to retain a small margin of revenues by its primary mortgage holder, the Rural Utilities Service (RUS). Any excess funds are returned to Members as capital credits under a plan defined by Seminole's Board of Trustees. More than \$17 million in capital credits has been returned to the Members since 1987 (year end 2004).

## Membership Map



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