

MEETING OF THE EXECUTIVE-CORPORATE PLANNING COMMITTEE
WAMPEE CONFERENCE CENTER
PINOPOLIS, SOUTH CAROLINA
MONDAY, JANUARY 23, 2012 – 9:15 A.M.

Committee Members Present: Chairman O. L. Thompson, III, Directors William A. Finn, J. Calhoun Land, IV, Cecil E. Viverette and Barry D. Wynn

Other Directors Present: Kristofer Clark, W. Leighton Lord, III, Peggy H. Pinnell, James R. Sanders, Jr., David F. Singleton, and David A. Springs

Staff Members Present: Lonnie N. Carter, President and Chief Executive Officer; Bill McCall, Jr., Executive Vice President and Chief Operating Officer; Elaine G. Peterson, Executive Vice President and Chief Financial Officer; R. M. Singletary, Executive Vice President, Corporate Services; James E. Brogdon, Executive Vice President & General Counsel; Terry L. Blackwell, Senior Vice President, Power Delivery; L. Phil Pierce, Senior Vice President, Generation; Marc R. Tye, Senior Vice President, Customer Service; Mike C. Brown, Vice President, Wholesale and Industrial Services; Glenda W. Gillette, Vice President & Controller; Thomas L. Kierspe, Vice President, Environmental, Property & Water System Management; Richard S. Kizer, Vice President, Government & Community Relations; Suzanne H. Ritter, Vice President, Planning, Rates & Risk; Laura G. Varn, Vice President, Corporate Communications & Media Relations; Pamela J. Williams, Vice President, Administration & Corporate Secretary; Sam Bennett, Manager, Economic Development; Elizabeth H. Warner, Associate General Counsel, Litigation & Environmental Affairs; Stephen C. Spivey, Manager, Renewable Energy; and Pamela M. Gaskins, Assistant Corporate Secretary

Also in attendance were Ronald J. Calcaterra, President & Chief Executive Officer of Central Electric Power Cooperative; James P. Howle, Chief Executive Officer & Executive Vice President of Horry Electric Power Cooperative; and Dennis M. Boyd of Nucor

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website on Thursday, January 19, 2012.

Chairman Thompson presided, and Ms. Gaskins kept the minutes.

Upon motion by Director Wynn, seconded by Director Land, the Committee unanimously voted to waive reading of the minutes of the December 12, 2011, meeting of the Executive-Corporate Planning Committee and adopted the minutes as submitted.

Mr. Singletary reviewed the 2011 Water Systems Report (Exhibit ECP 1-1-12), which was provided in the meeting materials. Both water systems were successful in meeting its contract demands, and the quality of the water produced exceeded the standards set forth by the state and federal drinking water regulations. The Moultrie facility treated and delivered a total of 6,164 million gallons of water. The system experienced a new all-time daily peak in June 2011 by delivering 27.2 MGD. The Marion facility treated and delivered a total of 130 million gallons of water to the Town of Santee during 2011. Progress continues toward providing service along Highway 301 to Matthews Industrial Park and into the Town of Bowman. The Lake Marion Agency currently has limited funding due to decreased federal support. Santee Cooper staff and consultants have curtailed activity on the planning and development of the Marion transmission system until additional funding can be secured.

Mr. Singletary gave an update on Environmental Protection Agency (EPA) Utility MACT (Exhibit ECP 1-2-12). He reported that EPA Utility MACT has been renamed MATS (Mercury & Air Toxics Standards). The final rule was released December 21, 2011, becoming effective 60 days after official publication in Federal Register. These standards apply to all coal and oil-fired utility boilers in the United States. Utilities are expected to be in compliance by 2015, possibly one additional year with State-approved consent agreement. Compliance requires stack monitoring for mercury, with options for surrogates for metals & acid gases [Particulate Matter (PM) and Sulfur Dioxide (SO₂)]. He reviewed the impact of these new standards on Santee Cooper's generating units and preliminary estimated capital investments needed in order to be in compliance. He stated that many states and industry will likely appeal the rule. Efforts to invalidate or delay the final MATS rule will continue in the House and Senate. It is unlikely Congress will pass any legislation that blocks or delays the rule during 2012.

Chairman Thompson requested an Executive Session for the Committee to discuss contract negotiations with regard to industrial and wholesale power contracts; renewable energy power purchase agreement; new nuclear generation; and legal advice concerning proposed Environmental Protection Agency regulations. Upon motion by Director Wynn, seconded by Director Viverette, the Committee voted unanimously to enter Executive Session for the purposes stated with the Board, Mr. Carter, Mr. McCall, Ms. Peterson, Mr. Singletary, Mr. Blackwell, Mr. Pierce, Mr. Tye, Ms. Ritter, Ms. Warner, Mr. Brown, and Mr. Spivey in attendance. Mr. Spivey left during Executive Session.

Mr. Tye gave a presentation on proposed Renewable Energy Power Purchase Agreements (Exhibit ECP 1-2-12) for 25 MW of renewable energy to be produced from bio-gas derived from anaerobic digesters at various farm locations located within cooperative served areas. The proposed project agreement has a twenty-eight year term. In addition to having environmental benefits, the project also promotes economic development job creation and fuel diversification. Mr. Tye reported that management recommends approval of the project and requests authorization to execute an agreement for the project with Green Energy Solutions, Inc.

The Committee returned to Regular Session. Chairman Thompson noted that no action was taken in Executive Session.

Ms. Gillette entered the meeting following Executive Session.

Upon motion by Director Viverette, seconded by Director Wynn, the Committee voted unanimously to recommend the attached resolution entitled "Renewable Energy Power Purchase Agreement" (Exhibit ECP 1-3-12) to the full Board for approval.


There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,



Pamela M. Gaskins
Assistant Corporate Secretary

Approved:



O. L. Thompson, III
Chairman