

TransAlta Centralia

Frequently Asked Questions

Who is TransAlta?

TransAlta generates energy to power cities, heat homes and fuel cars. As a leading global energy company, we are committed to establishing cleaner, sustainable sources of energy to meet the growing demand for electricity.

TransAlta operates the Centralia Coal Plant, Washington State's largest base-load power source with a net capacity of 1,376 megawatts (MW). The Centralia plant provides 10 percent of Washington State's power - a reliable and steady supply of electricity that is essential for keeping the west-coast electrical grid stable.

Centralia Gas, or Big Hanaford Plant, is a 248-megawatt natural gas combined-cycle facility that is located at the same location as the Centralia coal-fired plant.

TransAlta is one of the largest employers in Southwest Washington, employing approximately 300 workers, as well as more than 400 contractors.

Where does the electricity produced at the Centralia facility go?

Washingtonians consume between 50 and 90 percent of Centralia plant's electricity every day. During peak demand of electricity, the Centralia plant provides a reliable source of base-load power for the State and the west-coast electrical grid.

More than half the electricity produced at the Centralia facility is produced for use by Washingtonians:

- In 2010, over 90 percent of our generation was sold to wholesale customers at substations within Washington. TransAlta customers within the state include investor-owned utilities, public utility districts and other wholesale marketers.
- More than 50 percent of Centralia generation served Washington load in 2010. Approximately 35 percent served Oregon load and the remaining 15 percent went elsewhere.

What economic benefits does the Centralia facility provide to Washingtonians?

In addition to powering one out of every 10 homes and businesses in Washington, the Centralia plant provides a great deal of economic benefit to Lewis County and the State.

- TransAlta has one of the largest business enterprises in Southwest Washington, injecting \$100 million into the local and state economy every year.
- TransAlta is a significant tax contributor to Lewis County and the state of Washington. In 2009, we paid over \$4 million in sales taxes and \$5.2 million in property tax. Over \$100 million in goods and services are purchased by TransAlta each year.
- We employ approximately 300 workers at the coal plant, 178 of whom are union employees. We also employ more than 400 contractors, making us one of the largest employers in the county. TransAlta pays average annual wages of \$88,000 in a community with more than 13 percent unemployment and where average family wages are less than \$34,000.

Why is the Centralia Coal Plant being discussed in the State Senate?

A bill was introduced in the State Senate on February 9, 2011 calling for TransAlta to shut down the Centralia Coal Plant by 2020. Another bill in the House sets the date as early as 2015.

What effect would shutting down the Centralia facility have on the area?

The Centralia plant accounts for more than 10 percent of the electricity generated in Washington. If it is shut down four years from now, it would compromise our ability to provide power to one out of every 10 homes, businesses and public facilities in the state. It could also substantially affect what Washingtonians pay for electricity.

A hasty transition would have an undue impact on our employees and local communities. Approximately 300 employees work at the Centralia facility. These are family wage jobs with salary and benefits that are more than 2.6 times the average in Lewis County. We also employ more than 400 contractors each year, many of whom are from the local area.

Does TransAlta have a preferred solution for transitioning away from coal?

We would like to achieve a low-carbon future by way of a smooth transition that benefits all Washingtonians ensuring access to cleaner, affordable and reliable electricity while minimizing any undue economic impact to our employees, local communities and company.

We are looking at a range of options to transition away from coal, including diversifying our portfolio in the Pacific Northwest with hydro, geothermal and natural gas; however, these will take time.

We are committed to working collaboratively with Governor Gregoire and legislative leaders to achieve a realistic, achievable timeline that will end the use of coal in Washington State. A fair and practical transition takes time, and must be approached in a manner that makes sense for Washington and for TransAlta. We believe we would be able to accomplish a transition by 2025.

What about the environment? Isn't coal dirty?

Some believe that coal is 'dirty' and that coal-fired generation should be eliminated.

We believe we play a key role in providing power for essential services. Coal remains the most affordable and reliable means of generating power today. TransAlta continually seeks new technologies that will reduce environmental impacts, including the impact of coal-fired generation. At Centralia alone, we have invested \$300 million in new pollution controls and operational improvements, making the plant one of the clean coal facilities in North America.

In addition to meeting current emissions standards, we have voluntarily agreed to reduce mercury emissions by 50 per cent by 2012 - in advance of any state or federal regulations. As part of that commitment, TransAlta will deploy state-of-the-art sorbent enhancement additive injection technology beginning in May. The Centralia facility will become one of the first in the world to use the technology.