



Air Quality Benefits of Recent Utility Settlements



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Indiana Environmental Health Summit
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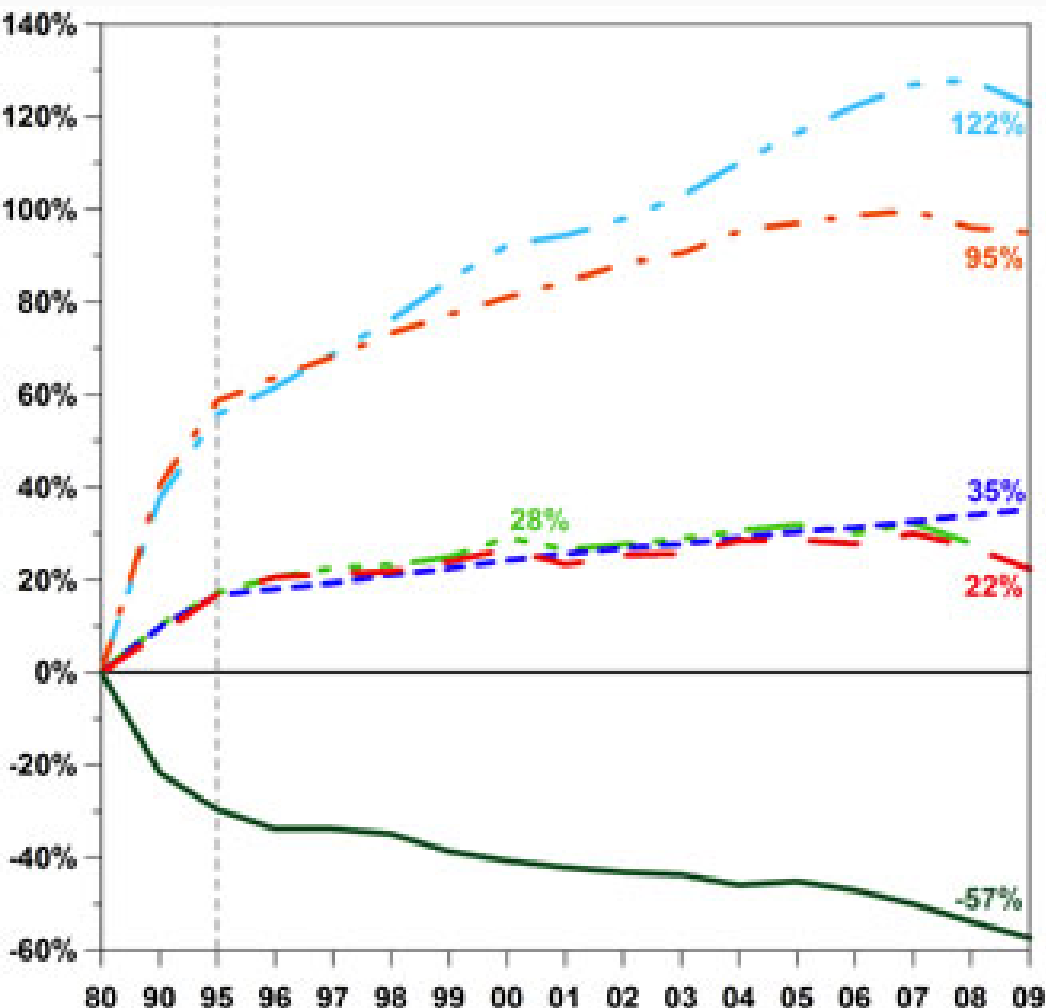


EPA Administrator Lisa Jackson's Priorities

1. Taking on Climate Change
2. Improving Air Quality
3. Assuring the Safety of Chemicals
4. Cleaning up Our Communities
5. Protecting America's Waters
6. *Expanding the Conversation on Environmentalism and Working for Environmental Justice*
7. *Building Strong State and Tribal Partnerships*



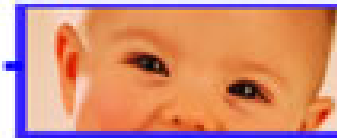
Effectiveness of Air Programs: 1980 -2009



Gross Domestic Product



Vehicle Miles Traveled



Population



CO₂ Emissions



Energy Consumption



Aggregate Emissions
(Six Common Pollutants)



EPA National Enforcement Initiatives for 2011-13

1. Keeping Raw Sewage and Contaminated Stormwater Out of Our Nation's Waters
2. Preventing Animal Waste from Contaminating Surface and Ground Waters
3. Cutting Toxic Air Pollution that Affects Communities' Health
4. ***Reducing Widespread Air Pollution from the Largest Sources: Coal-Fired Utilities, Cement, Glass, and Acid Sectors.***
5. Reducing Pollution from Mineral Processing Operations
6. Assuring Energy Extraction Sector Compliance with Environmental Laws



Coal-Fired Utilities in Region 5

- EPA Region 5 covers 6 States (Illinois, Indiana, Minnesota, Michigan, Ohio, and Wisconsin)
- Region 5 has more large coal-fired power plants than any region
- Coal-fired power plants are the largest contributor to SO_2 and NO_x emissions than any other industrial source.
- SO_2 , PM and NO_x have adverse health affects.



EPA National Coal-Fired Utility Initiative

Chicago Tribune: January 13, 2011

**Federal deal on Indiana coal plants aims to clear
Chicago's air**





EPA Coal-Fired Utility Initiative Results

- 21 National Settlements
 - > 2 million tpy of reductions of SO₂ and NO_x (upon full implementation)
 - > \$13 billion – injunctive relief
 - > \$70 million – civil penalties
 - > \$268 million – mitigation projects
- Most Recent Region 5 Settlements
 - NIPSCO (Lodged 1/13/2011)
 - Hoosier Energy (Entered 11/5/2010)
 - AMP-Gorsuch (Entered 10/12/2010)

Hoosier's Merom Generating Station





Hoosier Energy

- In July of 2011, the US settled with Hoosier Energy, a rural electric coop
- The settlement will require the installation and upgrade of pollution control technology at its two coal-fired power plants in Indiana (Merom and Ratts)
- Annual SO₂, Nox, and PM reductions in excess of 24,500 tons per year
- Penalty of \$950,000 and \$5 million in environmental mitigation projects.



Northern Indiana Public Service Company (NIPSCO)

- In January 2011, the US settled with NIPSCO.
- Settlement will result in:
 - Permanent retirement of the Dean Mitchell Station
 - Installation of three new flue gas desulfurization systems (FGDs)
 - Upgrade of existing FGDs and SCRs at three stations.
 - Installation of an SNCR
 - Over 64,000 tons per year in SO₂ and NO_x emissions.
 - \$9.5M in environmental mitigation
 - \$3.5M in penalty



Current EPA Utility Litigation

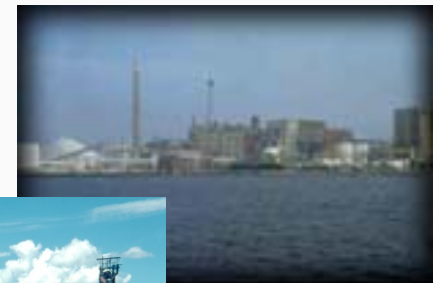
- Alabama Power Company
- Cinergy (Duke Energy Indiana and Duke Energy Ohio)
- Louisiana Generating – Big Cajun 2 (filed February 2009)
- Midwest Generation (filed August 2009)
- DTE Energy (filed August 2010)



Region 5 FY2010 Air Enforcement Results

Total Emission Reductions = 152,992,306 lbs/yr

- 70,136,060 lbs/yr Sulfur Dioxide
- 12,581,092 lbs/yr Nitrogen Oxides
- 7,596,380 lbs/yr Carbon Dioxide Equivalents
- 930,846 lbs/yr Volatile Organic Compounds
- 563,982 lbs/yr Hazardous Air Pollutants
- 192,142 lbs/yr PM-10 /Particulate Matter
- 29,040 lbs/yr Carbon Monoxide
- 20 lbs/yr Mercury
- 10,649 lbs/yr CFCs





Region 5 FY2010 Air Enforcement Results

Environmental Benefit from SEPs

- Portion of Environmental Benefit from Supplemental Environmental Projects (SEPs)
 - SEP Emission Reductions (523,771 lbs/yr)
 - 379,940 lbs/yr Nitrogen Oxides
 - 52,660 lbs/yr Particulate Matter/PM-10
 - 30,130 lbs/yr Hazardous Air Pollutants
 - 29,040 lbs/yr Carbon Monoxide
 - 23,569 lbs/yr Volatile Organic Compounds
 - 5,372 lbs/yr CFCs
 - 3,060 lbs/yr Sulfur Dioxide



FY2010 Air Enforcement Results

Health Benefits of Region 5 Clean Air Act Settlements Based on PM2.5 and PM2.5 Precursors

Monetized Value	\$2.4 - \$5.9 Billion
Premature Mortality	290 – 740
Chronic Bronchitis	190
Non-fatal Heart Attacks	460
Hospital Admissions, Respiratory	71
Hospital Admissions, Cardiovascular	150
Emergency Department Visits	280
Acute Bronchitis	450
Work Loss Days	37,000
Asthma Exacerbation	4,900
Minor Restricted Activity Days	220,000
Upper and Lower Respiratory Symptoms	9,400



Summary

- Utilities are a national and regional priority.
- Region 5 has developed and maintained an active enforcement program.
- Region 5 settlement impacts have been and will be effective in producing significant air quality benefits.