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FOR IMMEDIATE RELEASE

**Real Mercury Reductions Needed That Do Not Threaten Electric Reliability, Jobs,
Electric Prices**

Option to Go Beyond Federal Requirements Rejected by DEP

Harrisburg, Pa (October 17) -- The Electric Power Generation Association expressed its support for a plan to significantly reduce mercury emissions from coal-fired power plants in a way that balances environmental and economic interests, but disappointment in the Department of Environmental Protection (DEP) for rejecting a plan that goes beyond federal requirements.

“The issue is not whether to reduce mercury emissions, but how to do it,” said Douglas L. Biden, President of the Electric Power Generation Association (EPGA). “The plan we proposed is good for the environment and good for jobs and electric customers. It significantly reduces mercury emissions within Pennsylvania, but in a way that does not threaten electric reliability, jobs or cause significant increases in electricity costs.”

The proposal goes beyond the federal Clean Air Mercury Rule by requiring the installation of state-recommended mercury emissions control technology on every coal-fired power plant in Pennsylvania to reduce emissions by 80 percent by 2010 and 90 percent by 2015; the same deadlines and reductions required by DEP.

Any further reductions required to meet a federal mercury emissions cap could then be achieved through market-based emissions allowance trading, similar to the allowance pool created by DEP to make these additional reductions.

“This alternative was presented by our labor and business coalition because the rule proposed by DEP and considered by the Environmental Quality Board today would impose an additional \$1.7 billion in costs on electric generators and electric customers with no increase in environmental or health benefits over our proposal,” said Biden.

The DEP proposal would also reduce the use of Pennsylvania coal by an estimated 14 percent annually, threaten to close smaller power plants needed to meet peak electricity demands and provides no incentives to over-control mercury emissions on larger power plants.

Facts about the impact of the proposed DEP rule were gathered from five public hearings held by the Senate and House Environmental Resources and Energy Committees and in presentations to the DEP’s own Mercury Rule Work Group.

“We were disappointed DEP rejected this proposal based on the legal position they’re taking in a lawsuit over the federal mercury rule where a decision may be years away, rather than on an analysis of the impact this plan will actually have on Pennsylvania’s environment,” said Biden.

“We are also puzzled why DEP is pursuing a proposal that imposes such high costs on electric generators and customers, and at the same time testifying before the Public Utility Commission expressing concern about the high price of electricity when the rate caps come off in 2010,” said Biden. “These inconsistencies are remarkable, especially considering their proposal has no added environmental or health benefits.”

“We will continue to work to enact a mercury reduction plan that does not threaten electric reliability, jobs or cause unnecessary increases in electricity costs to achieve our shared objective of significant reductions in mercury emissions from power plants.”

For more information on reducing mercury emissions from power plants, visit www.PaEnergyNews.com .

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The Electric Power Generation Association is a regional trade association of electric generating companies with headquarters in Harrisburg, Pennsylvania. Member companies own and operate more than 122,000 megawatts of electric generating capacity in the United States.