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DEP Mercury Emissions Reduction Rule Jeopardizes Jobs, Imposes Twice the Cost on Customers and Electric Generators with No Added Benefits

Proposal Also Threatens Electric Reliability and Would Cause Plants to Close Early

Harrisburg, Pa. (September 12) – Pennsylvania power plants have announced nearly \$3 billion in new pollution controls, but a Department of Environmental Protection’s proposed rule would more than double the ultimate cost of reducing mercury emissions with no added environmental or health benefits, according to Douglas L. Biden, President of the Electric Power Generation Association.

“The question is not whether to reduce mercury emissions, but how,” Biden told the House Environmental Resources and Energy Committee, which held an informational meeting today on the costs and benefits of DEP’s proposed rule.

“A new report shows DEP’s proposed rule would more than double the cost of removing mercury from power plant emissions because it would not allow Pennsylvania to join the national mercury reduction program adopted by EPA,” said Biden. “And neither DEP nor any group has provided credible information demonstrating that these increased costs to generators and consumers will buy us significant additional health or environmental benefits over joining the federal program.”

Biden pointed out medical and health risk experts that testified before previous hearings by the Senate and House Environmental Committees said, “Any claims that Pennsylvania’s state-specific proposed rule will protect high consumers of Pennsylvania fish any better than will the federal rule are not scientifically supportable.”

The health threat from mercury comes from people eating fish containing mercury, not from direct exposure to mercury emissions.

“DEP itself came before the committees and said they have no studies showing any correlation between mercury emissions from power plants and local health impacts,” said Biden. “DEP also said it has no studies showing a link between specific power plants emissions and where mercury is being deposited in Pennsylvania.”

In fact, Biden noted, power plants in Pennsylvania already have reduced mercury emissions by 33 percent from 1999 to 2004, yet this significant reduction did not even register on the state’s Mercury Monitoring Network. These results clearly show that mercury comes from a variety of natural and manmade sources, not just power plants, Biden said.

“In addition, studies show up to 3,400 megawatts of Pennsylvania’s coal-fired electric generating capacity is at risk of shutting down as a result of DEP’s proposal,” said Biden. “Without this capacity, there is considerable doubt whether we could have met the record peak demand for

electricity we experienced during the August heat wave without imposing unacceptable costs on consumers.”

Biden also pointed to concerns raised by the PJM Interconnection, the operator of the regional electric grid, about the potential impact on electric reliability due to plant retirements of state-only mercury rules like DEP’s.

“Not only would family-sustaining jobs be lost if power plants shut down,” said Biden. “Studies show there will be an annual 14 percent drop in demand for Pennsylvania-mined coal as a result of these plant retirements.”

“Electric generators recognize their responsibility to further reduce their mercury emissions, but they need the ability to do so in a cost-effective way. Joining the federal mercury reduction effort, with its cap-and-trade program, will reduce mercury emissions and costs,” said Biden. “We can trade allowances or we can trade jobs to other states. Adopting the DEP command and control approach would mean trading jobs to other states.”

A cap-and-trade program, like the one included in a recently adopted national mercury reduction program, would allow power plant owners to over-control mercury emissions at one plant to make up for other plants where maximum reductions may not be technically feasible or cost -efficient.

The Electric Power Generation Association is part of a labor, business and coal industry coalition supporting legislation adopting a mercury reduction plan that would reduce mercury emissions by 86 percent from Pennsylvania power plants.

The coalition includes: the United Mine Workers of America, International Brotherhood of Electrical Workers, Pennsylvania Coal Association, Electric Power Generation Association, Pennsylvania Chamber of Business and Industry, Pennsylvania Manufacturers Association, Pennsylvania Chemical Industry Council, Associated Petroleum Industries of Pennsylvania, and the Pennsylvania Conference of Teamsters.

“We believe good public policy demands that as we protect the environment and public health, we also need to protect jobs, consumers and Pennsylvania’s economic future,” said Biden. “We think we can create a win-win for everyone, but not with DEP’s proposal as it currently stands.”

For more background on proposals to reduce mercury emissions from power plants, visit the www.PaEnergyNews.com website.

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