



Department of Justice



ENVIRONMENTAL PROTECTION AGENCY

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LOUISIANA GENERATING TO INSTALL POLLUTION CONTROLS AND PAY \$14 MILLION IN PENALTIES AND PROJECTS TO RESOLVE CLEAN AIR ACT VIOLATIONS

Marks 24th Settlement Under United States' Power Plant Enforcement Initiative and Largest Clean Air Act Settlement in Louisiana History

WASHINGTON – Louisiana Generating, an electric generating company owned by NRG Energy Inc., has agreed to a settlement at its Big Cajun II coal-fired power plant in New Roads, La., which will result in the elimination of over 27,300 tons of harmful emissions per year, the Department of Justice and U.S. Environmental Protection Agency (EPA) announced today. The settlement, lodged in federal court today in Baton Rouge, will require Louisiana Generating to spend approximately \$250 million to reduce air pollution and also requires the company to pay a civil fine of \$3.5 million and spend \$10.5 million on environmental mitigation projects.

Louisiana Generating will achieve these reductions through a combination of new pollution controls, natural gas conversion and annual emission caps at all three units at the Big Cajun II plant. Emissions of sulfur dioxide (SO₂) will be reduced by approximately 20,000 tons and nitrogen oxides (NO_x) by about 3,300 tons. Louisiana Generating will spend an estimated \$250 million in capital costs to comply with the consent decree through the end of 2015. Louisiana Generating also has agreed to further air pollution reductions by 2025, which will reduce SO₂ by at least an additional 4,000 tons each year.

The state of Louisiana joined in the settlement and will receive \$1.75 million, one-half of the \$3.5 million civil penalty.

The Clean Air Act, federal and Louisiana regulations require owners and operators of power plants to obtain permits and install best available control technology after major modifications are made to power plants. The governments alleged that Louisiana Generating violated federal and state law by continuing to operate Big Cajun II Units 1 and 2 without getting the required permits and installing modern air pollution controls after the largest boiler modifications in the history of the plant were made at the facility.

“The Big Cajun II Power Plant is the largest source of illegal air pollution in Louisiana. This settlement will secure substantial reductions in harmful emissions from the plant which will have a beneficial impact on air quality for residents of Louisiana and downwind states, including low-income communities who have been historically overburdened with pollution,” said Ignacia S. Moreno, Assistant Attorney General for the Justice Department’s Environment and Natural Resources Division. “Louisiana Generating will install modern air pollution controls that will significantly reduce harmful emissions and also will perform environmental projects that will conserve energy.”

“This settlement represents a big win for the people of Louisiana and surrounding states, showing that we can both protect public health and the environment without taking away the electricity and jobs essential to our community,” said Donald J. Cazayoux, Jr., the U.S. Attorney for the Middle District of Louisiana.

“This settlement continues our important enforcement initiative to reduce harmful illegal air pollution from the largest sources of emissions,” said Cynthia Giles, assistant administrator for EPA’s Office of Enforcement and Compliance Assurance. “Pollution from these sources can cause severe respiratory and cardiovascular impacts, and EPA is committed to making sure that they all comply with the law.”

“Louisiana continues to see the positive effects from emission reductions from facilities across the state,” said Peggy Hatch, Secretary of the Louisiana Department of Environmental Quality. “The reduction in air emissions from this settlement will be beneficial to our citizens. The health of Louisiana’s environment is the best it has been since the creation of the Clean Air and Clean Water Acts. Reductions such as these will only continue that trend. We’ll continue to work with our local, state and federal partners to protect human health and the environment.”

Louisiana Generating will spend \$10.5 million on environmental mitigation projects that will further reduce emissions and benefit communities adversely affected by pollution from the Big Cajun II plant as follows:

- Install solar photovoltaic panels at local schools, government-owned facilities or buildings owned by nonprofit groups;
- Restore and protect land, watersheds, vegetation and forests;
- Fund creation of one or more charging stations for electric vehicles in the South Louisiana area that are supplied with zero emission renewable energy sources;
- Mitigate nitrogen loading in the False River, which will have the co-benefit of reducing phosphorus loading and preventing harmful algal blooms;

- Conduct energy efficiency projects, which could include voltage optimization, residential energy efficiency and assistance with commercial or industrial energy efficiency improvements; and
- Pay \$1.5 million to the state of Louisiana to implement projects which could include the following: retrofitting vehicles with pollution controls, truck stop electrification, purchase and installation of photo-voltaic cells on buildings, building energy conservation and efficiency, buyback programs for dirty old motors and removal or replacement of oil-fired home heaters with ultra-low sulphur oil and outdoor wood-fired boilers.

The settlement marks the federal government's 24th settlement under its national enforcement initiative to reduce emissions from coal-fired power plants under the Clean Air Act's New Source Review requirements. SO₂ and NO_x, two key pollutants emitted from power plants, have numerous adverse effects on human health and the environment. These pollutants are converted in the air to fine particles of particulate matter that can cause severe respiratory and cardiovascular impacts, and premature death. SO₂ and NO_x are also significant contributors to acid rain, smog and haze. In addition, air pollution from power plants can drift significant distances downwind, thereby affecting not only local communities, but also communities in a much broader area.

The proposed settlement will be lodged in the U.S. District Court for the Middle District of Louisiana is subject to a public comment period and final court approval. The consent decree can be viewed at the Department of Justice website: www.justice.gov/enrd/Consent_Decrees.html.

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