

# New Jersey to Receive \$714,000 for Anti-Pollution Programs as Result of Participation in Multi-State Legal Settlement with Midwest Utility

Monday, February 25, 2013 Tags: [Other](#)

## *Ohio-Based Company Must Reduce Coal-Fired Emissions That Spread East to New Jersey*

**Trenton, NJ** - Reinforcing the Christie Administration's commitment to fighting aging western coal plants whose dirty emissions foul New Jersey air, Governor Chris Christie, Attorney General Jeffrey S. Chiesa, and Department of Environmental Protection (DEP) Commissioner Bob Martin announced today a settlement that will result in cleaner air for New Jersey plus the receipt of approximately \$714,000 from a multi-state legal action against Ohio-based American Electric Power (AEP).

In addition to the financial terms of settlement, AEP is required to reduce the amount of air pollution flowing to New Jersey and other downwind states from its plants.

"This is another big win for New Jersey and our neighbors in the Northeast who took a stand against these aging coal plants and their suffocating emissions that sail away from western states and come right to New Jersey," said Governor Christie. "We've done well in improving our air quality in New Jersey, and these plants were a hindrance to our overall, long-term efforts to make our environment and our air clean and breathable for everyone."

"This is an important settlement for New Jersey, not only because of the dollars, but because it will result in a reduction in the amount of air pollutants being carried to New Jersey from power plants in the Midwest. We remain committed to working in partnership with the Department of Environmental Protection to improve the quality of the air New Jersey residents breathe," said Attorney General Chiesa.

"We are committed to protecting the health of New Jersey's residents by improving the quality of our air, and that includes taking aggressive actions to deal with out-of-state sources of air pollution," said DEP Commissioner Martin. "By working with our partner downwind states to modify the previous consent decree, we have secured significant additional reductions in air pollution that will benefit the air quality in New Jersey for years to come."

Overall, AEP has agreed to pay a total of \$6.5 million to eight downwind states including New Jersey, Connecticut, Maryland, Massachusetts, New Hampshire, New York and Rhode Island and Vermont. The money will be used in New Jersey to fund beneficial environmental projects.

The eight participating states, the U.S. Environmental Protection Agency and a number of citizens' groups joined together to negotiate a revised Consent Decree that improves upon a 2007 air pollution settlement with AEP.

Governor Christie's Administration had a similarly significant victory in 2010, when the federal Environmental Protection Agency approved New Jersey's Clean Air Act petition to force a Pennsylvania coal-fired power plant to dramatically reduce harmful air pollutants. The Christie Administration's Section 126 Petition, filed in March 2010, will reduce air emissions from the GenOn Energy power plant in Portland, Pennsylvania, which currently spews more than 30,000 tons of sulfur dioxide (SO2), plus mercury and many other contaminants into the air across the Delaware River and directly onto residents living in communities in Warren County, and negatively impacting air quality in Morris, Sussex and Hunterdon counties. DEP's and EPA's air quality modeling analyses had shown that the level of sulfur-dioxide in the air was exceeding the national air quality standard and that the Portland plant was the main source of emissions. The plant was required to reduce emissions by 60 percent within 12 months and 81 percent within 3 years. This is the first single-source 126 Petition the federal agency has granted -- the first time it has granted a petition for a power plant bordering another state.

If the modified AEP Consent Decree, filed with the U.S. District Court in Ohio today, is entered after a public comment period, AEP and its subsidiaries must meet more stringent standards for reducing sulfur dioxide (SO2) emissions carried from its plants east of the Mississippi River to the Middle-Atlantic and New England.

Under terms of the Consent Decree, AEP must reduce its total sulfur dioxide emissions approximately 90 percent by 2029 from its baseline emissions before the original 2007 settlement. The annual reduction would be akin to removing from the atmosphere the sulfur dioxide emissions of 28 million homes that burn home heating oil in cold-weather areas such as New England.

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In addition to paying the eight downwind states to fund air pollution mitigation programs, AEP has also agreed to provide \$2.5 million in mitigation funds to citizen groups in Indiana for projects that may include diesel vehicle retrofits, health and safety home repairs, solar water heater installations, replacement of dirty outdoor wood boilers, and/or land acquisition projects.

Sulfur dioxide contributes to the formation of sulfates and fine particulates that can cause or exacerbate respiratory illnesses in the most vulnerable populations, including, the elderly and small children. SO<sub>2</sub> is also the principal contributor to acid rain, which can damage forests, destroy plant and animal life in lakes and other water bodies, deteriorate buildings and monuments, and affect the condition of farm land.

The original consent decree required AEP to reduce annual SO<sub>2</sub> emissions from its plants west of the Mississippi to 450,000 tons by 2010. The modified Consent Decree requires AEP to reduce SO<sub>2</sub> emissions from these plants to a much more stringent 145,000 tons a year by 2016.

AEP will be permitted to use alternative SO<sub>2</sub> removal technology at its power plant in Rockport, Indiana, for several years, saving the company more than \$1 billion in installation costs.

In light of these savings, AEP will later be required to install state of the art SO<sub>2</sub> controls and meet much more stringent emission limits at the plant. AEP also has agreed to enter into new contracts to purchase 200 megawatts of wind energy from facilities located in Indiana or Michigan over the next two years to help advance efficiency and renewable resources, and to promote cleaner air.

Enforcement efforts directed at polluting power plants began in 1999, largely in the Midwest and Southeast where plants operated without proper controls in violation of the federal New Source Review (NSR) program under the federal Clean Air Act. According to original complaints filed against AEP in 1999 and 2004, AEP violated the Clean Air Act by undertaking modifications without obtaining required permits or installing modern pollution controls.

The case with AEP is the largest and most comprehensive NSR enforcement case to have been brought and settled nationwide.

Deputy Attorney General Jon Martin, assigned to the Division of Law's Environmental Enforcement and Homeland Security section, handled the AEP matter on behalf of the State.

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**Press Contact:**

Michael Drewniak  
Kevin Roberts  
609-777-2600



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Office of the Governor  
PO Box 001  
Trenton, NJ 08625  
609-292-6000