

# **U.S. ANNOUNCES LARGEST SINGLE ENVIRONMENTAL SETTLEMENT IN HISTORY** Historic pollutant reductions will save \$32 billion in health costs annually

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(Washington, D.C. – Oct. 9, 2007) American Electric Power has agreed to cut 813,000 tons of air pollutants annually at an estimated cost of more than \$4.6 billion, pay a \$15 million penalty, and spend \$60 million on projects to mitigate the adverse effects of its past excess emissions. The record settlement was announced today by the Department of Justice and the Environmental Protection Agency.

This is the single largest environmental enforcement settlement in history by several measures. For example, it is the largest settlement in terms of the value of injunctive relief, and will result in the largest amount of emission reduction from stationary sources, such as power plants and factories.

“Today’s settlement will save \$32 billion in health costs per year for Americans,” said Granta Nakayama, Assistant Administrator for EPA’s enforcement and compliance assurance program. “Less air pollution from power plants means fewer cases of asthma and other respiratory illnesses.”

“The AEP settlement will have an unprecedented impact on air quality in the eastern United States,” said Ronald J. Tenpas, Acting Assistant Attorney General for the Justice Department’s Environment and Natural Resources Division. “This settlement is a major victory for the environment and public health, and it demonstrates our continued commitment to vigorous enforcement of the Clean Air Act.”

An unprecedented coalition of eight states and 13 citizen groups joined the United States government in today’s settlement. The agreement imposes caps on emissions of pollutants from 16 plants located in five states. The facilities are located in Moundville (2 facilities), St. Albans, Glasgow, and New Haven (2 facilities), W. Va; Louisa, Ky; Glen Lyn and Carbo, Va.; Brilliant, Conesville, Cheshire, Lockburne, and Beverly, Ohio; and Rockport and Lawrenceburg, Ind.

The AEP will install pollution control equipment to reduce and cap sulfur dioxide and nitrogen oxide emissions by more than 813,000 tons per year when fully implemented. By installing these pollution control measures, the plants will emit 79 percent less sulfur dioxide and 69 percent less nitrogen oxides, as compared to 2006 emissions.

The settlement resolves a lawsuit filed against AEP in 1999, alleging the company violated the New Source Review requirements of the Clean Air Act.

The company will spend an additional \$60 million to finance and conduct projects to mitigate the impact of past emissions. Of the total, \$24 million for these projects will be allocated among the states that joined the settlement. The remaining \$36 million will be spent on mitigation projects identified in the settlement agreement.

The following eight states joined as plaintiffs in the case: New York, New Jersey, Massachusetts, Vermont, Connecticut, New Hampshire, Maryland, and Rhode Island.

The following citizen groups also joined the settlement as plaintiffs: Natural Resources Defense Council, National Wildlife Federation, Sierra Club, United States Public Interest Research Group, Izaak Walton League of America, Ohio Citizen Action, Citizens Action Coalition of Indiana, Hoosier Environmental Council, Ohio Valley Environmental Coalition, West Virginia Environmental Council, Clean Air Council, Indiana Wildlife Federation, and the League of Ohio Sportsmen.

The AEP settlement was lodged today in the U.S. District Court for the Southern District of Ohio and is subject to a 30-day public comment period. A copy of the consent decree is available on the EPA Web