



PROPOSED EPA REGULATIONS

- HAPs/MACT
- 316(b) – Cooling Water Intake Structures
- Clean Air Transport Rule

Bill Constantelos: Managing Director, Environmental Services

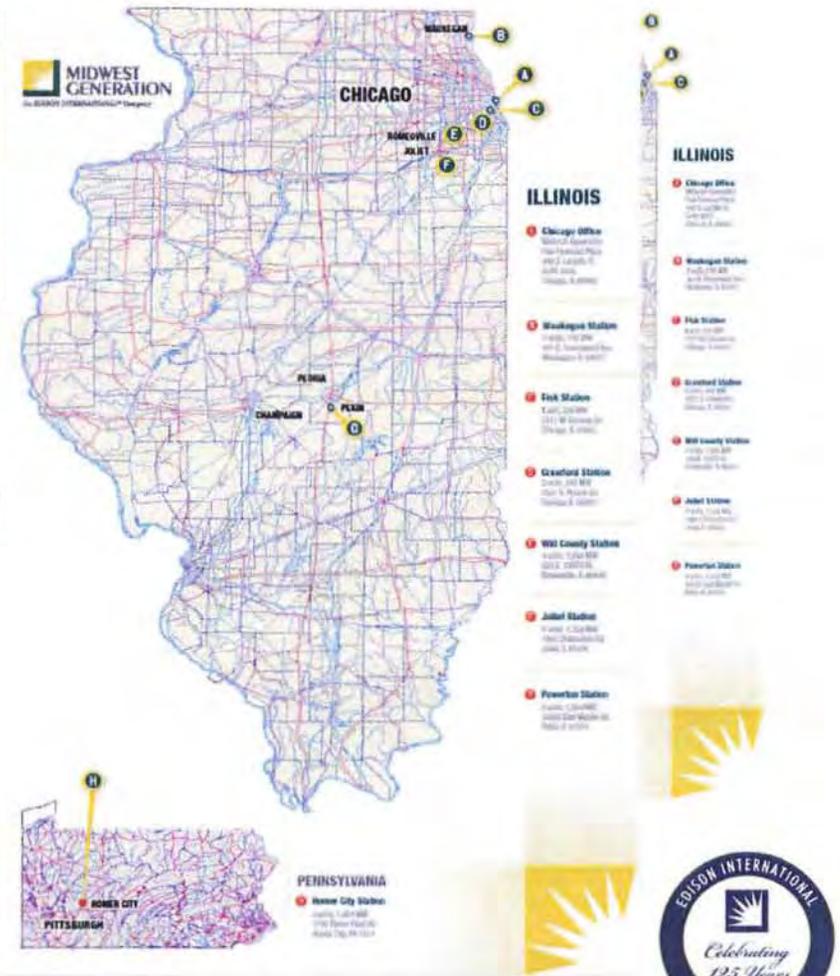
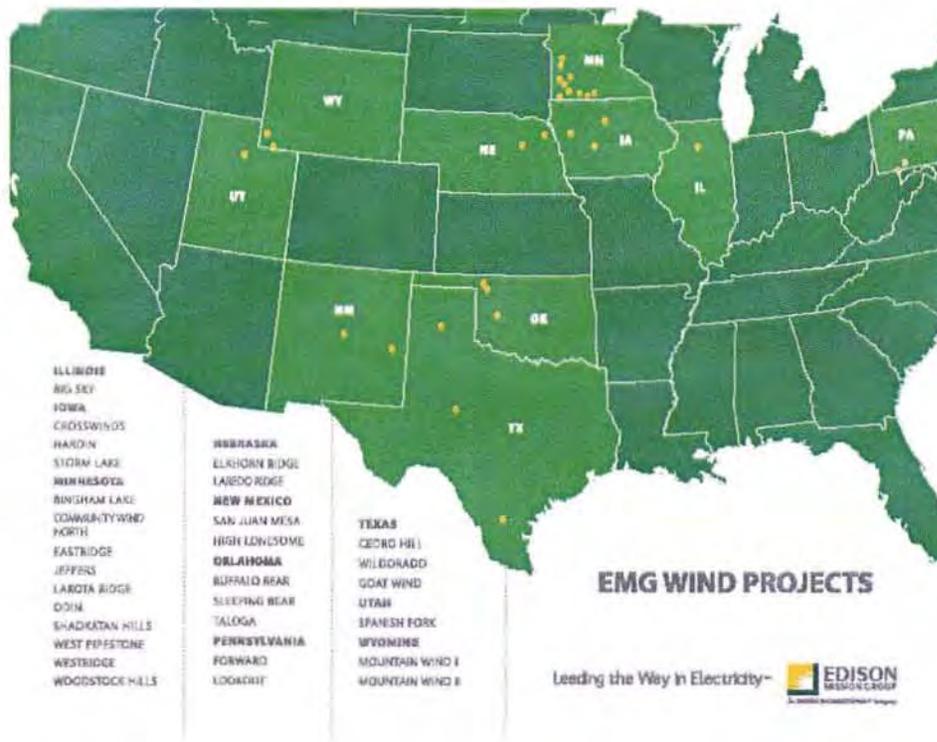
Matt Hill: Manager, Federal Affairs



Edison Mission Group (IPP)

Wind Fleet: 1800 MW

Coal Fleet: 7400 MW



Illinois Combined Pollutant Standard (CPS)

In 2006, Edison entered into a legally binding agreement with the State of Illinois to either install comprehensive emission controls on its coal fleet or shut down:

- Mercury: Edison's Illinois units were totally controlled for mercury in 2009, using Activated Carbon Injection (ACI) technology. EIX was among the few companies that helped pioneer the technology.
- NO_x: Will install Selective Non-Catalytic Converters (SNCR) to achieve a 66% fleetwide reduction by 2012. This equates to a 0.11 lb/mmBtu fleetwide emissions rate.
- SO₂: Will use Trona to reduce SO₂ by 78% between 2013 and 2018.
- Retirements: As part of CPS, Edison has already shut down three units (two at Will County and one at Waukegan).



HAPs/MACT

- Acid Gases: HCl should be an optional surrogate to accommodate western coal-using units that will utilize dry sorbent injection to comply with SO₂ standards.
- Non-mercury metals: PM should be focused on metals removal without being a *de facto* technology standard:
 - Recent NSR settlements are a separate standard but demonstrate current acceptable PM rates:
 - Northern Indiana Public Service Company Air Act Settlement (01/13/11):
 - ESPs - 0.03 lbs/mmBtu ; Baghouse - 0.015 lbs/mmBtu
 - Hoosier Energy Rural Electric Cooperative, Inc. (07/23/10)
 - ESPs - 0.03 lbs/mmBtu; Baghouse - 0.015 lbs/mmBtu
 - Westar Energy, Inc. Settlement (01/25/10)
 - ESPs - 0.03 lbs/mmBtu
 - Kentucky Utilities Company (02/03/09)
 - ESPs: 0.03 lbs/mmBtu



316(b)

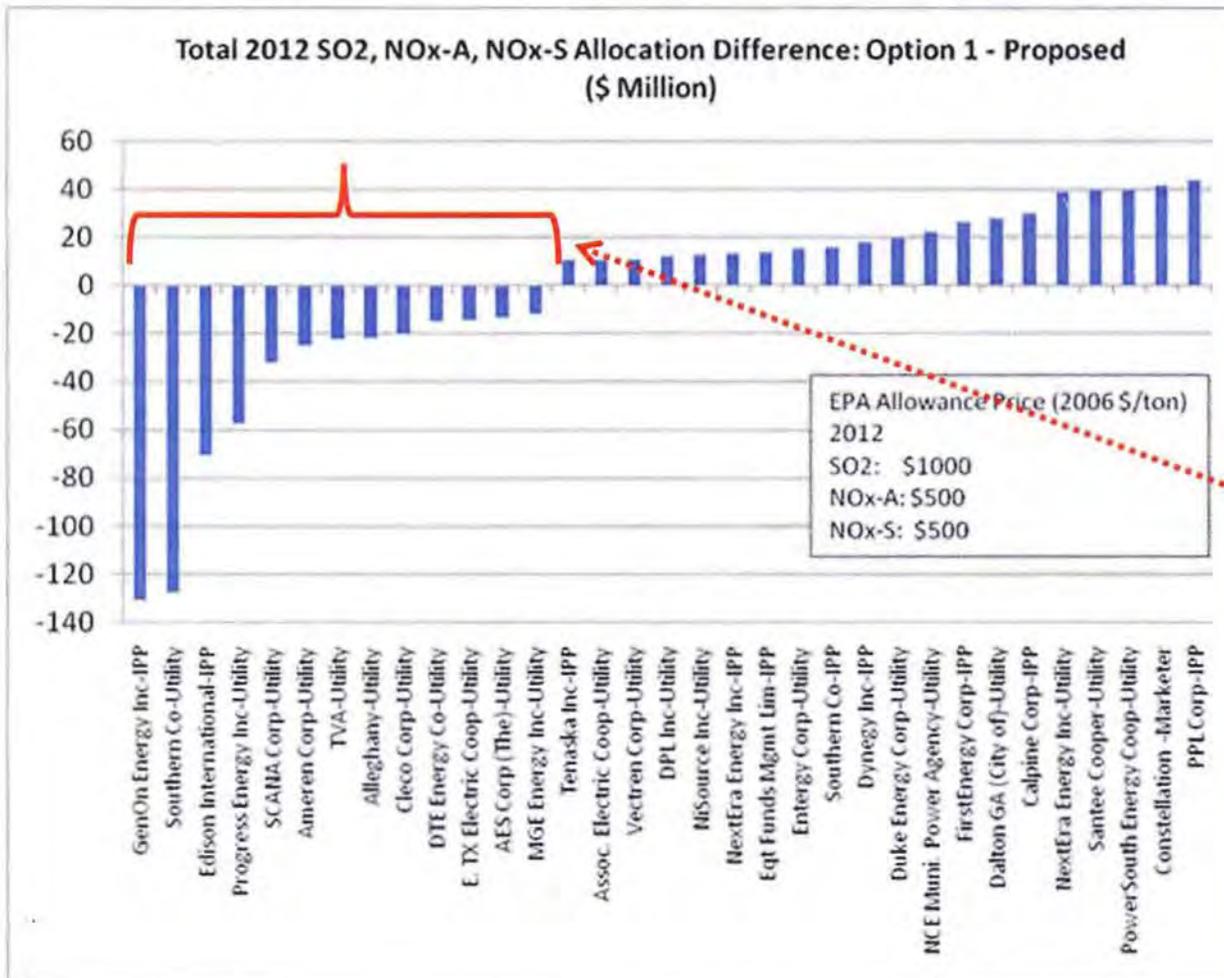
Cost-Benefit Analysis: Critical to preventing over-regulation.

- > \$100 million per facility to retrofit for closed-cycle cooling
 - Joliet, Waukegan, Will County, Crawford, Fisk
 - One of Edison's Illinois power plants:
 - Cost of Cooling Towers: \$232-269 million
 - Benefit to fish: \$72,000
 - Cost-to-benefit ratio of **4000-to-1**

Different water bodies: "Sensitive" versus Chicago Sanitary & Ship Canal:



CLEAN AIR TRANSPORT RULE



Changing the allocation to a heat-input basis is punitive forcing companies to pay their competitors **\$770 million** -- with no environmental benefit.

