Clean-Air Regulations May Force Shutdowns

TERRY WALLACE,Associated Press

DALLAS (AP) — The major electric power provider for much of North and West Texas is considering how to respond to new federal clean-air regulations, including closing or reducing operations at some of its coal-fired plants and coal mines, according to a regulatory filing Wednesday.

In a filing with the U.S. Securities and Exchange Commission, Energy Future Holdings Corp. said it was considering the shutdowns or slowdowns, as well as seasonal or temporary shutdowns. The Dallas-based owner of Luminant Generation Co. also said it was considering the option of installing scrubbers to remove sulfur dioxide from plant emissions, or even switching fuels to fire the furnaces that generate the steam used to generate electric power.

It was unclear from the filing in which direction the company was leaning and which plants were likeliest to be affected. Luminant spokesman Allan Koenig said there was no timetable for the decisions.

"We have made no decisions about our operations and are still analyzing the rule to determine how we will comply," he said in a statement.

The company said it was entitled to petition the U.S. Environmental Protection Agency to reconsider the new clean-air provision, even to sue to stop it, but "we cannot predict whether we would be successful in a legal challenge," the filing said.

The EPA's new Cross-State Air Pollution Rule requires Texas and 26 other states to improve air quality significantly by reducing power plant emissions that contribute to ozone and fine particle pollution in other states. The rule takes effect Jan. 1.

Energy Future Holdings also owns Oncor, which transmits and delivers the electricity Luminant generates, and TXU Energy to market and retail the electric service.

Environmentalists urged the company to simply retire the plants permanently instead of spending the money to update them.

"Instead of throwing away billions trying to upgrade debt-ridden, obsolete old coal technology, Luminant instead should permanently retire their dirtiest Texas coal plants Monticello, Martin Lake and Big Brown," said Eva Hernandez of the Sierra Club's Beyond Coal Campaign in Texas. The three East Texas plants have a combined capacity of nearly 5,400 megawatts, or two-thirds of Luminant's coal-fired capacity, and have long been targets of Sierra Club criticism.

"We expect that there will be more coal plants going the same way in Texas because of the new tougher regulations," said Tom "Smitty" Smith, director of the

Texas office of the consumer activist group Public Citizen.

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