Settlement Binds Power Company to Stop Burning Coal

DINA CAPPIELLO,Associated Press

WASHINGTON (AP) — One of the largest U.S. electricity producers will stop burning coal at two of its power plants and make deeper pollution cuts at more than a dozen others under a legal settlement reached with the Environmental Protection Agency, eight states and several environmental groups.

American Electric Power agreed late Friday in federal court in Columbus, Ohio, to retire or switch to natural gas two coal-burning units at the Muskingum River power plant in Ohio and the Tanners Creek power plant in Indiana by the end of 2015.

In exchange, AEP changed the conditions of an earlier court settlement and will use equipment at the Rockport power plant in Indiana that will not reduce sulfur dioxide as much. A limit placed on 16 of its power plants in Ohio, Indiana, West Virginia, Virginia and Kentucky was also made more stringent as part of the renegotiated deal, but the company said it would have to make cuts in sulfur dioxide pollution anyway to comply with another EPA rule. Sulfur dioxide forms lung-damaging soot and smog, and has been linked to an array of respiratory problems.

Cheap natural gas and environmental regulations are causing utilities to shut down coal-fired power plants.

AEP had previously announced it would stop using coal at the Muskingum River plant and switch it to natural gas. The company had already planned to retire another coal-fired power plant in Kentucky that is covered by the settlement, even though it was not required to stop using coal.

"We haven't committed to specifically retire any unit," said Melissa McHenry, an AEP spokeswoman.

The company also said Monday that while the cuts required are more than the initial agreement, it was planning to do them to meet a new EPA regulation aimed at reducing mercury and other air toxics from the nation's power plants.

Environmentalists said the deal will ensure the company doesn't change its mind.

"This is the first official commitment they are making to stop burning coal at these units," said Nachy Kanfer, a deputy director for the Sierra Club's Beyond Coal Campaign.

The states involved in the lawsuit included New York, Connecticut, Massachusetts, Maryland, New Hampshire, New Jersey, Rhode Island and Vermont.

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