



## TVA to upgrade coal plants in 3 states under settlement

**(CNN)** -- The Environmental Protection Agency on Thursday said it had reached a settlement with the Tennessee Valley Authority to resolve alleged violations of the Clean Air Act at 11 of its coal-fired power plants in three states.

Under the settlement, TVA will be required to invest \$3 billion to \$5 billion, by its own estimate, to install new and upgraded pollution controls. The controls "will prevent approximately 1,200 to 3,000 premature deaths, 2,000 heart attacks and 21,000 cases of asthma attacks each year, resulting in \$27 billion in annual health benefits," the EPA said in a statement.

The plants are in Alabama, Kentucky and Tennessee.

In addition, TVA will invest \$350 million on clean energy projects aiming to reduce pollution, save energy and protect public health and the environment, the EPA said. Those will include retrofitting low-income housing with the more cost-effective energy efficiency technology aimed at reducing pollution, energy use and saving residents money, according to the agency.

"This agreement will save lives and prevent billions of dollars in health costs," said EPA Administrator Lisa P. Jackson in the statement. "Investments in pollution control will keep hundreds of thousands of tons of harmful pollutants out of the air we breathe, and help create green job opportunities that will reduce pollution and improve energy efficiency."

Asked by reporters whether the settlement will drive up power bills, Jackson said, "TVA has made estimates and says they do not expect this settlement to impact rate payers in their service district."

When fully implemented, the actions will address 92% of TVA's coal-fired plant capacity, reducing emissions of nitrogen oxide by 69% and sulfur dioxide by 67% from TVA's 2008 emissions levels, the EPA said. "Uncontrolled releases of harmful air pollution like sulfur dioxide from power plants can affect breathing and aggravate respiratory and cardiovascular diseases, especially in sensitive populations like children and the elderly," the agency said in its statement.

TVA also will provide \$1 million to the National Park Service and the National Forest Service to "improve, protect or rehabilitate forest and park lands that have been impacted by emissions from TVA's plants, including Mammoth Cave National Park and Great Smoky Mountains National Park," according to the EPA.

"I think one thing to emphasize here is that what TVA has done is look ... across their entire fleet, (and) made a business decision that they want to move to cleaner, more efficient, newer technology and in doing that, save lives and make people healthier," Jackson told reporters.

TVA operates 59 coal-fired boilers at the 11 plants, and provides wholesale power to 155 municipal and cooperative power distributors and direct service to 56 large industrial and government customers, who supply power to about 9 million people in Alabama, Kentucky, Mississippi, Tennessee, and small portions of Georgia, North Carolina and Virginia, the EPA said.

"The message here," Jackson told reporters, "is that we don't have anything against coal, but we have to reduce the pollution that comes from coal to our air, to our water and on our land."

The settlement also requires TVA to pay a \$10 million civil penalty, with Alabama and Kentucky receiving \$500,000 each and Tennessee receiving \$1 million.

As part of the settlement, a consent decree will be filed in federal court, the EPA said. The states of Alabama, Kentucky, Tennessee and North Carolina, along with the National Parks Conservation Association, the Sierra Club and Our Children's Earth Foundation were involved in developing the settlement and are signatories to the consent decree.

**CNN Radio's Shelby Erdman contributed to this report.**

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