



Dynegy, Illinois OK clean air accord

By [Ken Leiser](#)

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Houston-based Dynegy Inc. became the second utility to strike a deal with Gov. Rod Blagojevich's administration by agreeing to an aggressive timetable for reducing mercury and other harmful emissions at its five coal-fired power plants in Illinois.

The proposed deal with Dynegy, the state's third-largest electricity provider with power plants in Alton and Randolph County, is similar to an agreement reached earlier this month with Ameren Corp.

The utility intends to spend \$118 million from 2009 to 2015, in addition to the \$675 million it has budgeted for projects throughout the state under a 2005 settlement with the state and the federal government, said Dynegy spokesman David Byford.

This latest deal would speed up installation of the pollution controls mandated in that consent decree.

"This agreement with Dynegy means that now, two of the state's largest power companies have signed on to dramatically cut harmful emissions and help protect the health of the people of Illinois," Blagojevich said in a prepared statement. "We are reducing pollution in our air, lakes, rivers and streams throughout the state."

Dynegy said the proposed deal would place Dynegy's five coal-burning plants among the cleanest in the country.

Earlier this year, Blagojevich announced he would seek new rules giving operators of coal-fired power plants until 2009 to reduce mercury emissions by 90 percent. Like the proposed deal with Ameren, Dynegy would get additional time to achieve the mercury reductions at all of its plants.

Mercury is a toxin that can damage the human nervous system. Developing fetuses whose mothers eat mercury-tainted fish from contaminated lakes and rivers can suffer a series of health problems, ranging from mental retardation to cerebral palsy to blindness.

The agreement also would result in lower emissions of sulfur dioxide and nitrogen oxides than is required by the federal government. Dynegy, like Ameren, would not be able to trade emissions credits to comply with sulfur dioxide or nitrogen oxides standards.

"The investments outlined in today's announcement, combined with our previously announced efforts, provide significant benefits to Illinois that include a cleaner environment, while continuing to provide reliable, affordable electricity and quality jobs for Illinois," Dynegy Chairman Bruce A. Williamson said in a statement.

Dynegy has coal-fired plants in Baldwin, Alton, Hennepin, Oakwood and Havana.

Illinois EPA Director Doug Scott said the agreements with Ameren and Dynegy will aid the prospects of Blagojevich's mercury rule, and make significant gains on two other power plant pollutants.

Midwest Generation, with six coal-fired power plants in Illinois, has had a number of conversations with Illinois officials, but the company starts in a different place than the other two utilities, said spokesman Doug McFarlan. Ameren, he said, had months of private negotiations before its deal was announced publicly, and Dynegy is largely working off the consent decree.

"We are trying to fully understand how the state sees these other agreements applying to us," McFarlan said.

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