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EPA Backs Voluntary Power Plant Emissions Cuts

By REUTERS

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WASHINGTON (Reuters) - U.S. environmental regulators are proposing letting utilities make voluntary cuts in air emissions at aging, coal-fired power plants, abandoning the Clinton administration's policy of vigorous enforcement, green group sources said on Monday.

The plan, outlined by the Environmental Protection Agency in documents submitted to the White House's Office of Management and Budget, marks a shift away from aggressive prosecution of utilities that refuse to install costly new anti-pollution equipment.

It is the latest in a series of environmental actions by the Bush administration which included easing limits on road building in national forests, giving mining firms more flexibility to dig for gold and copper on public lands and cutting back energy efficiency standards for air conditioners.

The EPA's new plan for coal-fired utilities emphasizes voluntary cooperation to fight air pollution, the environmental sources said.

An EPA spokesman was not immediately available to comment.

The Washington Post reported on Monday the administration wanted to encourage voluntary action, but would seek legislation to force cuts in pollution at plants that do not cooperate.

At issue is how far a U.S. utility can go to enlarge or upgrade an old coal-fired plant before it must invest in expensive new air pollution technology to control smog, acid rain and soot. The Clinton administration sued nine Midwestern and Southern utilities in November 1999 to enforce the so-called "new source review" rule of the Clean Air Act.

Utilities complain that the current rule is unfair and would require new investments of billions of dollars.

PART OF ENVIRONMENTAL ROLL BACK?

Green groups see the proposed rule change as part of a larger administration agenda to roll back protection for air, land and water in the 1970 Clean Air Act. Unchecked emissions from coal plants mean people with asthma and other respiratory illnesses are likely to get sicker, they say.

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“The EPA may have split the new source review changes into pieces,” said Frank O'Donnell at the Clean Air Trust. “It may be trying to dribble out the changes in sequence to avoid the appearance that they're gutting new source review”.

The EPA was under orders from the Bush administration to submit at least some of its planned changes to the new source review rule to the Office of Management and Budget last Friday, environmental sources said.

The OMB could spend several weeks reviewing the EPA proposal before it is released for public comment.

Environmental sources said the changes proposed by the EPA included creating a plant-wide applicability limits program, which would allow power plant owners to take voluntary action to reduce emissions.

The EPA plan would also create a “clean-unit exemption” to give a 15-year break from emission regulations to power plants that upgraded their pollution controls over the last 15 years.

POLITICAL ISSUE IN MINING STATES

The Bush administration ordered a review of the new source review program as part of a national energy plan it unveiled last May. The new source review rules were bitterly contested by several utilities as costly and unfair.

President Bush has repeatedly called for the United States to boost its use of domestically produced coal, a position popular among such politically crucial mining states as Kentucky, Tennessee and West Virginia.

White House officials denied that a final decision on new source review rules had been reached.

“We have not received any final reports (from EPA). The administration continues to pursue enforcement actions,” an administration source told Reuters.

In February, the administration announced its so-called “Clear Skies” initiative which calls for utilities to cut emissions of three major pollutants by 70 percent by 2018 using a cap-and-trade system.

The rule exempts power plants and oil refineries built before 1977 from installing modern pollution controls unless major modifications are made to the plants.

The industry, which has bitterly opposed the pollution rule, claimed the regulations prevented power plants from being expanded and limited energy supplies.

A senior EPA official said last week the administration would veto any legislation to control power plant emissions that does not eliminate the new source review rule. Jeff Holmstead, EPA assistant administrator for air, made the remarks at an American Bar Association conference in Colorado.

“The Bush administration has finally revealed their intentions: to repeal Clean Air Act protections,” said John Stanton, vice president of the National Environmental Trust.

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