

**The Electric Industry Can Comply with the Proposed Toxics Rule with Existing, Cost-Effective Pollution Control Technologies and Compliance Will Not Compromise the Reliability of the Electric System**

**Washington, D.C. – March 25, 2011** - Upon our initial review, the Clean Energy Group's Clean Air Policy Initiative believes that EPA's recently proposed Toxics Rule, on the whole, is balanced and reasonable. The proposal fulfills EPA's obligations under the Clean Air Act (CAA) and will establish the first national emissions standards for hazardous air pollutants for electric utility generators. While we will continue to review the proposed rule and will be submitting comments with recommendations for the final rule, we expect compliance with the rule will promote economic growth, innovation, competitiveness, and job creation, all without compromising the reliability of our electric system.

"We appreciate EPA's efforts to engage with the electric industry in a transparent way in order to develop an effective rule consistent with requirements of the CAA," said Michael Bradley, Executive Director of the Clean Energy Group. "We also appreciate efforts to include several elements that allow for compliance flexibility such as the ability to average among units at a facility. This option will enable companies to implement cost-effective compliance solutions while still ensuring the environmental benefits. We anticipate EPA's continued engagement with stakeholders so that the final rule is legally and technically sound."

Since 2000, the electric industry has been anticipating that EPA would regulate hazardous air pollutant emissions, and as a result, many companies have already taken steps to install control technologies that will allow them to comply with requirements of the rule on time. The technologies to control emissions at coal-fired power plants, including mercury and hydrochloric acid, are available and cost-effective. However, if additional time is needed to install control technologies, EPA has the authority to authorize a plant up to one additional year to comply.

"We've made significant investments in technology at our plants, and they are now some of the cleanest coal plants in the U.S.," said Ralph Izzo, Chairman, President and Chief Executive Officer of Public Service Enterprise Group. "The work we did reduced hazardous air pollutants and even stimulated important economic activity. We can move forward with this rule without compromising the reliability of the electric system."

"We recently completed the installation of a major air quality control system, including scrubbers, a baghouse, and other equipment at one of our major coal facilities in Maryland," said Mayo Shattuck, Chairman, President and Chief Executive Officer of Constellation Energy Group. "Construction took 26 months, employing nearly 1,400 skilled workers. Our new system is not only reducing our SO<sub>2</sub> and NO<sub>x</sub> emissions in compliance with state and federal requirements, but is already helping us to achieve the other emission reductions that we anticipate will be required under the Toxics Rule."

Many companies are already making plant retirement decisions independent of the Toxics Rule due to fundamental economics related to lower electricity demand and lower natural gas prices.

"The electric industry has a proven track record of adding generating capacity and transmission solutions when and where needed and coordinating effectively to address reliability concerns," said Jack Fusco, President and Chief Executive Officer of Calpine Corporation. "In addition, existing natural gas-fired power plants have significant unutilized power production capacity to help meet demand as owners elect to retire plants or schedule outages to install pollution control systems, thereby easing reliability concerns."

We look forward to working with EPA during the public comment period to ensure the timely finalization of this important rule as well as its effective implementation.

The Clean Energy Group  
Clean Air Policy Initiative

The Clean Energy Group's Clean Air Policy Initiative is a coalition of electric power companies dedicated to responsible energy and environmental stewardship. The member companies are some of the nation's largest generators of electricity, with over 170,000 megawatts of electric generating capacity (including 110,000 megawatts of fossil generating capacity) throughout the U.S., and serve nearly a fifth of all U.S. electric customers. The members include Austin Energy, Avista Corporation, Calpine Corporation, Constellation Energy, Exelon Corporation, National Grid, New York Power Authority, NextEra Energy, PG&E Corporation, Public Service Enterprise Group, Inc., and Seattle City Light.

**CONTACT**

Michael J. Bradley  
M.J. Bradley & Associates LLC  
(978) 369-5533  
mbradley@mjbradley.com

Elie Jacobs  
Sloane & Company  
(212) 446-1874  
ejacobs@sloanepr.com