

**ADIRONDACK COUNCIL TAKES POSSESSION OF 1,925 SULFUR DIOXIDE POLLUTION ALLOWANCES VIA SIERRA CLUB SUIT vs. OHIO POWER PLANT**  
***Adirondack Council to "Retire" the Pollution Allowances to Prevent Them From Being Used by Coal-Fired Power Plants to Worsen Acid Rain & Smog***

For more information:  
John F. Sheehan  
518-432-1770 ofc  
518-441-1340 cell

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ELIZABETHTOWN, N.Y. – The Adirondack Council today announced that it had received 1,925 government-issued air pollution allowances from a co-owner of a coal-fired power plant in Ohio that violated the federal Clean Air Act. The pollution allowances were issued by U.S. Environmental Protection Agency as part of the EPA's Acid Rain control program.

The pollution allowances were surrendered to the Adirondack Council as part of the settlement of a lawsuit brought by the Sierra Club's Ohio chapter. By handing over the pollution allowances, the power company gave up the right to emit 1,925 tons of acid rain-causing sulfur dioxide (SO<sub>2</sub>) air pollution.

Because EPA-issued pollution allowances never expire, the Adirondack Council agreed to hold them in trust forever, never reselling them or giving them away. Thus, they are permanently retired, unused, and the permission to emit the pollution is effectively extinguished. The Council has retirement programs for sulfur and carbon-based air pollution allowances.

The Council agreed to retire the allowances as part of a 2008 settlement of a lawsuit brought against the J.M. Stuart Generating Station in Dayton, Ohio, by the Sierra Club. They were relinquished by Dayton Power and Light (DPL), who own and operate one-third of the plant, along with Cinergy and American Electric Power.

"We applaud Sierra Club for its excellent work in forcing this Ohio power company to comply with the federal Clean Air Act," said Brian L. Houseal, Executive Director of the Adirondack Council, a not-for-profit organization dedicated to protecting the Adirondack Park's ecological health and wild character. The Adirondack Park is the largest American park outside of Alaska. It contains the world's largest, intact deciduous forest, thousands of lakes and ponds and more than 30,000 miles of rivers, brooks and streams. It has suffered the worst damage from acid rain of any region of the U.S.

The Adirondack Council will ensure these pollution allowances can never be used to pollute the Adirondack Park, or any other area of the Northeast, where this power plant's smokestack pollution usually falls to earth, Houseal explained. Acid rain has been a persistent scourge to the Adirondacks, wiping out most life in hundreds of lakes and ponds, killing plants and trees and worsening mercury contamination in the food chain.

"These 1,925 tons of pollution, carried by prevailing winds, would have turned into sulfuric acid the clouds above our mountains, lakes and streams and would have fallen on us as acid rain, acid snow or acid fog," he said. "If it was emitted in the summertime, it would have caused lung-harming particulates in smog from Buffalo to the Atlantic Coast, too. That won't happen now."

"We filed this lawsuit because the Bush Administration wouldn't prosecute the plant's owners for blatant violations of the Clean Air Act," said Marilyn Wall, Chair of Miami Group, for Sierra Club's Ohio Chapter. "It is not legal to keep rebuilding parts of a power plant that is so old it is exempt from modern clean air standards. Once you decide to prolong the plant's life, you have to curb its emissions. DPL didn't do that."

This suit helped to make the air cleaner around Dayton, and has far-reaching benefits that include the Adirondacks.

“We are happy that the Adirondack Council helped us with a mechanism that would make sure the allowances were permanently retired,” continued Wall. “The Council has a strong history of fighting against acid rain, for more than thirty years, and its allowance retirement program that has already prevented thousands of tons of sulfur dioxide from ever leaving a smokestack.”

Sulfur dioxide pollution allowances are issued by the US Environmental Protection Agency (EPA) to every power plant with a smokestack. Each company receives one allowance for each ton of sulfur dioxide it is allowed to emit under the federal Acid Rain Program. Those who reduce their emissions faster than the law requires can sell leftover allowances to those having trouble meeting their goals, or those who wish to open a new plant. Those whose emissions exceed the number of their allowances must pay stiff fines.

The first sulfur dioxide allowances sold at auction by EPA brought \$56 each. By 2002, prices had risen as high as \$1,400 per allowance (per ton), as power companies resisted EPA pressure to clean up their emissions. Now that most of the nation’s dirtiest plants have installed pollution controls or switched to cleaner fuels, prices have fallen to about \$70 each for current-year allowances. Futures are trading lower than that. The EPA-enforced penalty for emitting a ton of sulfur dioxide pollution without an allowance is \$2,000.

“Using cap-and-trade to control acid rain resulted in the least expensive and most successful pollution control program in American history,” Houseal said. “Adirondack water chemistry is beginning to return to normal after a century of constant punishment. Once our soil and water chemistry returns to balance, we will see a biological recovery as many of our native plants and animals return to their native ranges. Some unique fisheries are gone forever. Others appear to be resilient enough to bounce back. Until recently, they never had a chance.

“Cap-and-trade allowed the EPA’s acid rain program to reach its goals two years ahead of schedule and for about five percent – only one twentieth -- of the costs estimated by the power companies in 1990, when Congress created the program,” Houseal said. “Every additional ton we take out of the air now means we will achieve biological recovery that much sooner.”

Houseal noted that the Adirondack Council had retired nearly 10,000 tons' worth of sulfur dioxide pollution allowances to date. Some were donated to the organization by a power company, some were ordered to be retired via government enforcement actions and some via private lawsuit settlements.

The settlement was approved by the U.S. District Court and reviewed by the EPA and the US Department of Justice.

Founded in 1975, the Adirondack Council carries out its mission through research, education, advocacy and legal action. The Adirondack Council’s members live in all 50 United States.