



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

**ALABAMA POWER COMPANY PLANT MILLER SETTLEMENT  
FACT SHEET**

**Overview**

On April 25, 2006, the U.S. Environmental Protection Agency and the Department of Justice announced a Clean Air Act (CAA) New Source Review Program (NSR) settlement with Alabama Power Company (APC) to resolve alleged CAA violations at two units at its James H. Miller, Jr. coal-fired power plant (Plant Miller) near Birmingham, Alabama.

Under the consent decree between the parties, APC will spend approximately \$200 million between now and 2012 to install pollution controls to substantially decrease emissions from Plant Miller Units 3 and 4. This agreement requires APC to install state-of-the-art air pollution controls on both units and to upgrade and run existing controls on a year-round basis. Upon full implementation, the agreement will cause APC to reduce approximately 28,000 tons per year of emissions of harmful sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) from Plant Miller. The consent decree also requires APC to purchase and retire SO<sub>2</sub> pollution emission allowances, and to pay a \$100,000 civil penalty to the United States.

**State and Citizen Participation**

The State of Alabama has not been involved in this case or these negotiations. The Alabama Environmental Council and the Southern Environmental Law Center have been active participants throughout the settlement negotiations and are signatories to the agreement.

**Company**

APC is a private for-profit corporation doing business in the southeastern United States, with many coal-fired power plants located throughout Alabama. APC is part of the Southern Company system and is involved in not only generating electricity, but also with controlling the distribution of electric capacity and energy throughout the Southeast. APC owns and operates six coal-fired power plants in Alabama. Plant Miller is one of the largest coal-fired power plants operated by APC, and includes four coal-fired boilers, each with a capacity of approximately 700 megawatts.

## **Power Plants Enforcement Effort**

The Department of Justice, at EPA's request, has filed lawsuits against several coal-fired electric utilities for alleged violations of the Clean Air Act. This series of cases seeks to bring the coal-fired power plant industry into full compliance with the New Source Review (NSR) and Prevention of Significant Deterioration (PSD) requirements of the Clean Air Act. This settlement with APC represents the eleventh judicial settlement under the power plants enforcement effort. EPA has reached similar settlements with Illinois Power Company and Dynegy Midwest Generation, Alcoa Rockdale, TX, facility (an industrial boiler), PSEG Fossil, Southern Carolina Public Service Authority (Santee Cooper), Southern Indiana Gas and Electric Company (SIGECO) Culley Station, Tampa Electric Company (TECO), Virginia Electric Power Company (VEPCO), Wisconsin Electric Power Company (WEPCO), Ohio Edison Company (Ohio Edison), and Minnkota Power Cooperative and Square Butte Power Cooperative.

## **Clean Air Act Violations**

Based on information received from the company, EPA alleges that at Plant Miller APC violated the CAA by commencing construction activities that increased pollution at some units without first applying for the required permit. A permit would have required APC to take steps to reduce emissions at the time of the construction activities.

## **Environmental Benefits**

This agreement requires APC to install state-of-the-art air pollution controls on Plant Miller Units 3 and 4, and to run existing controls on a year-round basis, to reduce emissions of NO<sub>x</sub>, SO<sub>2</sub>, and PM. In 2005, Miller Units 3 and 4 emitted approximately 23,990 tons of SO<sub>2</sub> and 10,200 tons of NO<sub>x</sub>. Under this CD, starting in 2009 APC will reduce the number of tons of NO<sub>x</sub> emitted per year by approximately 4,940 tons, and starting in 2012 APC will reduce the number of tons of SO<sub>2</sub> emitted per year by 22,790. The settlement also requires APC to purchase and retire \$4.9 million worth of SO<sub>2</sub> emission allowances.

**NO<sub>x</sub>:** Nitrogen oxides cause a variety of health problems and adverse environmental impacts, such as ground-level ozone, acid rain, particulate matter (PM), global warming, water quality deterioration, and visual impairment. Nitrogen oxides play a major role, along with volatile organic chemicals, in the atmospheric reactions that produce ozone.

**SO<sub>2</sub>:** High concentrations of sulfur dioxide affect breathing and may aggravate existing respiratory and cardiovascular disease. Sensitive populations include asthmatics, individuals with bronchitis or emphysema, children, and the elderly. Sulfur dioxide is also a primary contributor to acid deposition, or acid rain.

**PM:** Health effects of PM include increased hospital admissions and emergency room visits, increased respiratory symptoms and disease, decreased lung function, and alterations in lung tissue and structure and in respiratory tract defense mechanisms and premature death. PM also is the major cause of reduced visibility in many parts of the nation.

## **Settlement Terms**

### ***Injunctive Relief***

- Achieve reductions of SO<sub>2</sub> and NO<sub>x</sub> and PM.
- Reduction of 22,790 tpy of SO<sub>2</sub> from existing units by 2012.
- Reduction of at least 4,940 tpy of NO<sub>x</sub> from existing units by 2009.
- Monitor emissions of mercury with the installation of continuous emission monitoring systems (CEMS).
- Purchase and surrender SO<sub>2</sub> allowances.
- Incorporate proposed Consent Decree requirements into enforceable permits.

### ***Civil Penalty***

- APC will pay a \$100,000 civil penalty.