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EPA finds proposal for EKPC coal-burning plant inadequate
*Agency raises concerns about air pollution, water quality and financing;
Says co-op failed to consider cleaner options than coal*

WINCHESTER, Ky. – On the heels of the EPA’s objection to the air pollution permit for East Kentucky Power Cooperative’s proposed coal-burning power plant in Clark County, the agency also now says the project doesn’t meet other standards required by the National Environmental Policy Act (NEPA).

In EPA’s 26-page letter to the U.S. Army Corps of Engineers, which is scheduled to hold a public hearing on the proposed Smith plant on Tuesday, EPA officials cite numerous concerns about potential air pollution from the plant, water contamination, and they even raise questions about EKPC’s financial standing. They also say that EKPC failed to properly assess less-polluting options like natural gas, energy conservation and renewable energy.

“EPA is right to call out EKPC as failing to justify this expensive, unnecessary coal plant,” said Lois Kleffman, ratepayer to Jackson Energy, one of EKPC’s distribution member co-ops. “There are cleaner, better ways to meet energy demands that won’t force EKPC to saddle its customers with a billion dollars in debt that they’ll be paying off for generations. EKPC should stop wasting taxpayers’ and ratepayers’ dollars and start pursuing cleaner options now.”

NEPA requires federal agencies to conduct an assessment of environmental impacts and alternatives to a project like a coal-burning power plant. After reviewing the environmental impact statement for the Smith plant, which was drafted by the Corps of Engineers, EPA determined that the project has “significant environmental impacts that must be avoided.”

EPA said the type of coal-burning plant EKPC wants to build “would result in significantly more emissions during its lifespan than more environmentally friendly preferred options,” and that resources such as wind, solar and energy efficiency “could reduce or even eliminate the need for new baseload capacity.” In comparison to other energy resources, EPA said it didn’t believe “that the cost differential justifies selection of a power plant design that would generate substantively greater emissions.”

“This letter from EPA hit the nail right on the head,” said Kyle Beck, a University of Kentucky student majoring in business. “Just because EKPC says Smith is the best option doesn’t make it so. There’s an important hearing next week on a water permit, and now there’s recognition that in addition to all the pollution problems with the plant, there are also serious financial hurdles that raise doubts about the project.”

While environmental impact statements almost always focus solely on a project’s potential harm to air, land, water, wildlife and other resources, in a rare move, EPA also notably made repeated reference to financial aspects of the Smith plant. Last month, an audit ordered by the Kentucky Public Service Commission determined that EKPC is in dire financial condition and that its continued push to build the nearly billion-dollar Smith plant is moving the co-op toward financial collapse.

“As a customer who will have to pay the steep price for this plant, it is frustrating that EKPC and its member co-ops are constantly raising our rates and missing the mark on basic environmental regulations, and then still claiming that the Smith plant is the best option,” said Steve Wilkins, a customer of EKPC member co-op Blue Grass Energy. “I’m grateful that EPA recognized EKPC’s financial and mismanagement issues along with the environmental and health deficiencies.”

EPA also noted that some aspects of the NEPA review by the Army Corps of Engineers are based on outdated data from a completely separate coal gasification project that EKPC proposed and abandoned years ago. “Procedurally, EPA is concerned that significant portions of the information relied upon ... are out-dated (sometimes 20-years or older),” the letter says.

The Army Corps of Engineers will host a public hearing next week to take comments on impacts the Smith plant would have on water and wetlands, including plans for the disposal of millions of tons of toxic coal-ash waste in and near streams that feed directly in drinking water supplies for Lexington and Winchester. The hearing will take place at 7 p.m. on Tuesday, June 8 at the Cooperative Extension office in Winchester.

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www.kftc.org/stop-smith • www.kyenvironmentalfoundation.org/cleanair.html •
www.sierraclub.org/coal/ky/