

PPL to Invest \$630 Million in Voluntary Pollution Controls at Three Generating Units

Projects Will Improve Competitiveness of Key Plants, Create Jobs

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PPL Corporation will invest an estimated \$630 million in pollution control equipment for three coal-fired generating units in a project that will further reduce air emissions, create jobs and improve the competitiveness of key generating plants in Pennsylvania.

The projects were announced at a news conference today (2/23) by PPL executives and Pennsylvania Environmental Protection Secretary Kathleen A. McGinty.

PPL will install "scrubbers" on the two generating units at its Montour power plant north of Danville and on the largest unit of its Brunner Island power plant south of Harrisburg. Construction will begin early next year and is expected to be completed in 2008 for Montour and 2010 for Brunner Island.

The scrubbers will remove nearly all of the sulfur dioxide now emitted from these units. Sulfur dioxide is formed from the combustion of coal and other fossil-fuels and contributes to acid rain.

"We are not making this investment because it is required. We are already in compliance with air emission regulations at these plants and we have significantly reduced emissions over the past decade," said William F. Hecht, chairman, president and chief executive officer. "We are making this investment because it makes good business sense, and because it's the right thing to do."

Scrubbers will make the plants more competitive because the cost of installing scrubbers is less than the anticipated future cost of buying required emissions allowances to operate the plants.

Additionally, the project is expected to lead to a significant economic development benefit for the region around the Montour plant. PPL is negotiating with a potential partner regarding the beneficial reuse of byproducts from the scrubbers. PPL and its potential partner hope to make an announcement about this innovative, environmentally sound and job-creating proposed venture soon.

"This scrubber installation is much more than an environmental project," said Hecht. "It demonstrates that what's good for the environment also can be beneficial for a company and its shareowners."

"This is an investment in Pennsylvania and in the communities where we do business," Hecht said. "It's an investment in new jobs and in the long-term competitiveness of these power plants. It confirms PPL's long-term commitment to these plants and the economic value they bring to their communities and this state."

"This project is just one more example of the way PPL provides reliable and economic electricity in an environmentally responsible manner," he said.

During a time when demand for electricity has increased significantly, PPL has continued to make emissions reductions. Since 1990, the company's fleet of power plants has cut nitrogen oxide emissions by almost 60 percent, sulfur dioxide emissions by almost 40 percent and carbon dioxide emissions by about 15 percent.

At both Montour and Brunner Island, particulate collection equipment removes 99 percent of the ash that would otherwise be emitted from the stacks. Nearly 100 percent of that is processed and beneficially used as construction material.

Additionally, between 60 percent and 90 percent of those plants' nitrogen oxide emissions are removed through the use of low nitrogen oxide burners and selective catalytic reduction systems.

"Reducing emissions, however, is only part of PPL's environmental story," Hecht said. "We maintain thousands of acres of land in our environmental preserves to provide a refuge for wildlife and restore endangered species

and habitats. Additionally, we provide environmental education opportunities and programs that serve hundreds of thousands of people each year."

State Environmental Protection Secretary McGinty applauded PPL for its foresight in installing pollution control equipment voluntarily.

"PPL's scrubber project is a terrific example of what the Rendell administration has said for several years - that environmental protection can be a driver for economic growth," McGinty said during her visit to the site. "In fact, what we have here with this project is a triple win, one for the power industry, one for the local economy and a very big one for the environment."

An additional environmental aspect of the scrubber installations is that all of the byproducts of the scrubbers will be beneficially reused and not landfilled. Scrubbers use pulverized limestone in a chemical process that removes sulfur dioxide from flue gases.

The project will create jobs at both power plants because operating the scrubbers will require more employees. Also, the major construction projects to install the scrubbers will create hundreds of jobs over a five-year period.

"These are our largest coal-fired generating units in Pennsylvania, and they account for the vast majority of our sulfur dioxide emissions," said Hecht. "These scrubbers will be a major improvement in air quality, and will provide significant other benefits for the economy and for PPL."

PPL Corporation (NYSE: PPL), headquartered in Allentown, Pa., controls more than 12,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to nearly 5 million customers in Pennsylvania, the United Kingdom and Latin America. More information is available at <http://www.pplweb.com/>.

Statements contained in this news release, including statements with respect to future capital expenditures, market costs, construction, pollution control, competition, growth and new ventures, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: energy market conditions; competition in retail and wholesale power markets; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corporation and its subsidiaries; environmental conditions and requirements; generating performance and operating costs; development of new projects, markets and technologies; performance of new ventures; political, regulatory or economic conditions; receipt of necessary governmental permits and approvals; capital market conditions; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such factors and in conjunction with PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

SOURCE: PPL Corporation

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