

PPL to Significantly Reduce Sulfur Dioxide Emissions Through Voluntary Agreement; Will Donate Emissions Allowances to Nonprofit Group

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MARTINS CREEK, Pa.

PPL Corporation (NYSE: PPL) today announced that it would significantly reduce sulfur dioxide emissions from its Martins Creek power plant when a voluntary agreement with the New Jersey and Pennsylvania Departments of Environmental Protection is finalized.

The agreement would resolve the New Jersey Department of Environmental Protection's challenge of a 2001 air permit that was approved for PPL's Lower Mount Bethel Energy power plant, a 600-megawatt natural gas-fired facility being constructed adjacent to the Martins Creek plant. When the agreement is finalized, the Pennsylvania Environmental Hearing Board would dismiss the permit challenge.

Under the agreement, PPL would shut down or repower the plant's two coal-fired generating units by September 2007 and reduce sulfur emissions from those units as well as the plant's two oil-fired units beginning next year. In addition, the company would donate to a nonprofit organization 70 percent of the sulfur dioxide and nitrogen oxide emission allowances that result from shutting down the coal units.

"This is another example of PPL's willingness to work with others and find innovative solutions to environmental challenges," said Tom Eppehimer, plant superintendent at Martins Creek. "In addition to our discussions with the regulatory agencies, we are grateful for the valuable input that community leaders provided to us as we examined these issues during a series of open houses and public meetings last year. The steps we are taking will address many of the concerns they expressed during that time."

Starting next year, the company would reduce by 20 percent the permitted sulfur content in the coal used at Martins Creek by its two coal-fired units, which can generate up to 300 megawatts. The company also will reduce by 30 percent the permitted sulfur content in the oil used to fuel the two other units at Martins Creek, which are capable of producing more than 1,600 megawatts.

Eppehimer said the emission allowances will be donated to the Pennsylvania Environmental Council, an organization approved by the Pennsylvania Department of Environmental Protection.

"We strongly support the Lower Mount Bethel Energy project, a clean-burning, state-of-the-art generating facility, and are confident that the Environmental Hearing Board would have upheld the validity of the air plan approval that we issued for the construction of this project," said DEP Acting Secretary Kathleen A. McGinty. "Nonetheless, we applaud PPL for choosing to make voluntary emission reductions at its neighboring facility. These reductions will provide greater protection of public health and the environment. We also are happy that the Pennsylvania Environmental Council, an organization that works diligently to protect and enhance the environmental quality of the Commonwealth, will be the recipient of the donations."

PEC President and CEO Andrew McElwaine said, "PPL and the two departments have taken a leadership role to help improve air quality throughout the region. Under this agreement, PEC will permanently retire - on PPL's behalf - 70 percent of the SO₂ and NO_x reduction credits generated by its implementation. By allowing us to take them out of circulation, the agreement ensures that air quality will be permanently improved. PPL has gone the extra mile with this agreement, and they deserve a lot of praise for bringing this solution forward."

Eppehimer said PPL monitored the air quality in Warren County, N.J., for several years during the 1990s. The monitoring showed that sulfur dioxide levels in the region were well below the standards of the federal Clean Air Act.

The company also recently donated \$100,000 toward new air monitors in the area. The Roche Vitamins

Community Advisory Panel, in conjunction with the Warren-Northampton Regional Air Quality Advisory Panel, oversees the new air monitoring program that also has shown sulfur dioxide levels that are significantly lower than levels permitted by federal standards.

Eppehimer noted that PPL has a long history of involvement in New Jersey. The company is a co-owner of the 650-acre Merrill Creek Reservoir in Warren County where thousands of visitors each year come to fish, boat and hike. It also owns more than 600 acres of land along the Delaware River that are used for farms, privately owned cabins and natural areas. The company is in the early stages of installing two cutting-edge fuel cell projects in the state and held environmental education training for more than 50 Warren County teachers in the last year.

"We are always gathering input from our neighbors," Eppehimer said. "In addition to a shared border, we all share the same environment. This agreement considers air quality, while providing PPL with the ability to continue generating much-needed electricity for this region."

PPL, the New Jersey Department of Environmental Protection and the Pennsylvania Department of Environmental Protection must still negotiate a final agreement.

PPL Corporation, headquartered in Allentown, Pa., controls about 11,500 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to customers in Pennsylvania, the United Kingdom and Latin America.

SOURCE: PPL Corporation

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