

Air pollution: Chicago-area coal plant to shut down earlier than expected

State Line Power Station to close by March instead of 2014

By Michael Hawthorne, Chicago Tribune reporter

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After deciding it isn't worth cleaning up one of the nation's dirtiest power plants, the owners of an aging coal-burner along the southwestern shore of Lake Michigan are shutting it down sooner than expected.

In its latest financial documents, Virginia-based **Dominion Resources** says it will shutter the State Line Power Station by March instead of 2014, a move that will scrap one of the Chicago area's biggest sources of lung- and heart-damaging air pollution.

Sandwiched between Lake Michigan and the Chicago Skyway at the Illinois-Indiana border, the plant has a Hammond address but is surrounded by Chicago on two sides. It emits more lung-damaging nitrogen oxide than two other former ComEd plants in the city and churns more smog-forming sulfur dioxide and toxic mercury into the air than either plant, according to a Tribune analysis of federal records.

Dominion, which bought the plant in 2002 amid a rush of interest in dirty-but-plentiful coal, opted earlier this year to withdraw State Line from an auction for long-term electricity contracts. If it had included the plant in its bid, the company said, it would have needed to spend several million dollars installing new pollution controls to meet federal rules requiring cleaner air in the Midwest, Northeast and South.

The prospect of spending more money on State Line — combined with shrinking profit margins and a federal complaint alleging the plant was illegally upgraded to extend its operating life — led Dominion to join other power companies that are closing dozens of coal plants built in the middle of the last century. ComEd built State Line in the 1920s and installed its latest electric turbines in the 1950s and '60s.

In an email response to questions, Jim Norvelle, a Dominion spokesman, said cheaper natural gas and more expensive coal are "challenging the profitability of the station." About 110 employees at the plant will work through June to complete the shutdown, Norvelle said, then will be offered chances to apply for jobs at other Dominion sites.

Closing State Line portends new uses for prime lakefront property tucked between Chicago's **Calumet Park** and a Hammond bird sanctuary. Dominion is studying what it would take to clean up the site.

"Now that they're on the path to shutting down, the question is how soon the site will be ready for redevelopment," said Howard Learner, president of the Environmental Law and Policy Center. "We have an opportunity to replace a dirty clunker with an extension of open space along Lake Michigan."

The Tribune **reported last year** that State Line had largely been ignored during a decades-long effort to clean up Chicago's smog- and soot-choked air. During the 1970s, federal and state regulators exempted dozens of old coal plants like State Line from the toughest provisions of the Clean Air Act after utilities said they wouldn't be running much longer.

Rules pushed first by President George W. Bush's administration and later by the Obama administration are prompting energy companies to finally abandon their oldest, dirtiest power plants. During the past

two years, utilities have retired nearly 300 coal-fired units across the nation, clearing the way for more cleaner-burning natural gas plants and pollution-free wind and solar power, according to federal records reviewed by the Sierra Club.

Illinois and Indiana alone added more than 800 megawatts of wind energy last year, substantially more than the electricity generated by the 515-megawatt State Line plant.

The changing landscape also is increasing financial pressure on Midwest Generation, owner of coal plants in Chicago's **Pilsen** and **Little Village** neighborhoods and in suburban **Joliet**, **Romeoville** and **Waukegan**. Under a deal with Illinois officials, the company has pledged to clean up or shut down the former ComEd plants by 2018, but environmental groups and Mayor **Rahm Emanuel** are pushing for an earlier deadline.

This month, Illinois **House Speaker Michael Madigan** killed a deal that would have required the state to sign a long-term contract to buy electricity from a new Midwest Generation wind farm in return for closing the Chicago coal plants next year. The company is searching for ways to pay off a \$190 million loan it secured to finance its wind project.

Another regional utility, Northern Indiana Public Service Co., is closing an idled coal plant in Gary and spending \$600 million to clean up three others along or near Lake Michigan. The project is expected to create hundreds of construction jobs and preserve hundreds of others at the power plants.

mhawthorne@tribune.com