

## TXU's 20% Pledge: Smoke, mirrors, and fuzzy math

As part of its pitch for 11 coal-fired power plants across Central and East Texas, TXU has touted its plan to reduce emissions of nitrogen oxides (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>) and mercury by 20% -- the so-called 20% pledge. The company has positioned these cuts as voluntary, and has expressed frustration in the press that its plan has attracted criticism instead of congratulations.

According to TXU executive Mike McCall, he's the Rodney Dangerfield of Texas: He gets no respect. "I don't think we've gotten enough credit about the offset program that we put forward," he told the *Dallas Morning News* (12/17/06.) "It almost comes under the heading no good deed goes unpunished."

Texans shouldn't line up to thank TXU. In fact, they should be quite upset. TXU's "20% pledge" is misleading at best and patently false at worst. It's not really voluntary and it's not enough to meet federal mandates. TXU's reductions could be sold to another polluter for profit. Local communities with new plants won't experience any reductions at all. And the "20% pledge" doesn't include global warming pollution, as the company's quotes and media responses imply.

### It Depends on What You Mean by "Voluntary"

The proposed cuts are not voluntary. The federal government's Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule (CAMR) require TXU to significantly reduce its existing emissions of NO<sub>x</sub>, SO<sub>2</sub> and mercury or pay other power generators to do so. This obligation is mandatory and applies to TXU's total emissions for all its plants, no matter how many new plants it builds.

In its signed response to Environmental Defense's discovery request, TXU admitted that CAIR and CAMR require much more severe reductions of SO<sub>2</sub> (67%) and mercury (70%) than the company's "20% pledge" would achieve, and that NO<sub>x</sub> would have to be reduced 16%.

Using TXU's own numbers, the table below shows that the company's "20% pledge" is neither voluntary nor adequate to meet federal law. The company HAS TO make cuts, and it has to make more cuts for SO<sub>2</sub> and mercury than it has promised.

|  | NO <sub>x</sub> (tons) | SO <sub>2</sub> (tons) | Mercury (pounds) |
|--|------------------------|------------------------|------------------|
| TXU Emissions (2005)   | 42,100                 | 273,100                | 5,000            |
| Allowable emissions under CAIR and CAMR  | 35,500                 | 90,800                 | 1,500            |
| Projected emissions under TXU's "20% Pledge"                                   | 33,700                 | 218,500                | 4,000            |
| <b>Additional TXU reductions needed to meet federal CAIR and CAMR mandates</b> | <b>(1,800)</b>         | <b>127,200</b>         | <b>2,500</b>     |
| % Reduction mandated by CAIR and CAMR  | 16%                    | 67%                    | 70%              |
| % Reduction under TXU's "20% Pledge"   | 20%                    | 20%                    | 20%              |

## **TXU's Reductions Could Be Sold to the Highest Bidding Polluter**

When responding to the fact that the "20% pledge" is not voluntary, TXU counters that it will make these reductions FASTER than CAIR and CAMR would require. Such a commitment would be positive, since it would achieve faster pollution reductions. However, the table above shows that the company will have quite a way to go to meet SO<sub>2</sub> and mercury standards. Also, TXU executive Mike McCall stated that if the company makes those early reductions, it could then sell "allowances" to another company that wants to pollute more. TXU refused to guarantee that it would not sell those allowances which, if sold, would result in no net reduction in pollution.

## **Super Secret Reduction Plan**

TXU refuses to disclose at which plants its proposed reductions will be made or what technology will be used to achieve them. As a result, Texas regulators and legislators will simply have to take TXU's word that its reductions will be achieved, in the same way that they took TXU's word that electric deregulation would result in lower electric rates for consumers.

## **New Plant Locations will Increase Pollution Levels**

TXU claims that its emission plan will be good for all Texans. But even accounting for TXU's proposed reductions, most Texas communities that will receive one of TXU's new coal plants will experience a net increase of pollution. TXU's power plants will pollute. No one disputes that. So how can a community with no coal plant get a reduction of air pollution through the construction of a coal plant? It can't. Of TXU's 11 proposed coal plants, 7 of them would be built in communities that do not already have a coal plant (Valley unit, two Tradinghouse units, Lake Creek unit, two Oak Grove units and Morgan Creek unit).

In addition, most of the promised reductions are in Northeast Texas and most of the emission increases will be in Central Texas. Depending on prevailing winds on ozone season days, TXU's plants will mean more air pollution for Dallas-Ft. Worth, Austin and Waco.

## **TXU is Ignoring the Global Consensus on Global Warming**

TXU's "20% pledge" doesn't include carbon dioxide, the primary greenhouse gas. TXU knows this, yet when asked by reporters about the potential increase in global warming pollution, executives and spokespeople site the 20% pledge as proof of the company's environmental stewardship.

Texas is the number one emitter of carbon dioxide. TXU is the biggest emitter in the state, and these new plants would more than double its carbon dioxide emissions from 55 million tons a year to 133 million tons per year. So TXU might be bragging about its environmentalism, but the company is ignoring the significant role it already plays in global warming and skirting the issue with the press.

In the last week, TXU has FINALLY acknowledged the global scientific consensus on global warming (...a company spokeswoman told the *Star-Telegram* that "we acknowledged that there is a consensus in the scientific community," *Star-Telegram* 1/25/07). And they acknowledge that other utilities see future carbon regulation as an economic reality. Still, the company plans to be part of the problem, not part of the solution.

## **For More Information:**

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