

EPA fines Campbell Soup plant \$72,500

Agency cites company for air pollution violations at south Stockton location

By Dana Nichols

[Stockton Record, Tuesday, March 8, 2005](#)

STOCKTON -- Campbell Soup Co. will pay a \$72,500 fine for air pollution released by steam generators at its tomato processing plant on Industrial Drive in south Stockton.

The U.S. Environmental Protection Agency announced the fine in a statement released Monday.

Campbell Soup spokesman John Faulkner said Monday that the firm has made corrections to equipment at the Stockton plant to prevent further violations. He said the settlement between Campbell Soup and the EPA was far below the \$200,000 maximum fine that was possible.

"We think it is a fair, reasonable settlement for the alleged violation," Faulkner said.

Steam from the plant's two generators is used to extract water from the tomatoes and to cook them. Faulkner said the plant operates about 100 days a year. Campbell Soup operates a second tomato processing plant in Dixon, he said.

The steam generators at the Stockton plant malfunctioned and released excessive amounts of nitrogen oxides on 44 days in 2002 and six days in 2003, said Anthony Presto, a spokesman for the San Joaquin Valley Unified Air Pollution Control District.

Nitrogen oxides can contribute to the formation of ground-level ozone, also known as smog. The San Joaquin Valley violates federal smog limits, which were tightened in 2004.

Had the new standards been in effect, the region would have violated them 134 times in 2003. The EPA allows an average of only one violation a year.

Generally, the Valley's worst smog problems are south of Stockton near Fresno and Bakersfield.

Presto said the pollution from the Campbell Soup plant was not a danger to the health of people living around the plant.

"It is not a very significant exceedence," Presto said.

Presto said that an air-district inspector found pollution levels violating a district rule and reported the violations to the EPA. The EPA eventually negotiated for Campbell Soup to pay the fine under the federal Clean Air Act.

Privately held oil company taking over Bakersfield refinery next week

[S.F. Chronicle, Tuesday, March 8, 2005](#)

Los Angeles (AP) -- Shell Oil Corp. is expected to turn over its Bakersfield refinery to a new company next week, but the hand-over could still face regulatory obstacles.

Flying J Inc., which purchased the facility last month, must still receive a variance from the San Joaquin Valley Air Pollution Control District giving the firm until June 2006 to comply with emission rules, some of which take effect this June.

Shell did not make an effort to comply with the new requirements because it had slated to close the refinery in the fall. Shell considered the plant old and inefficient and said its Kern County crude oil fields were drying up.

The plant produces 2 percent of California's gasoline and 6 percent of its diesel.

A hearing on the issue was set for Wednesday.

A one-year variance giving Flyin J the time it needs to get the refinery in compliance would not be out of the ordinary, said Jon Adams, an air quality compliance manager for the air district.

Still, the company, whose officials aim to double gasoline production at the refinery, will be under pressure to keep the plant's air emissions low even as it seeks greater output.

"Our regulations would allow the Bakersfield refinery to expand, but there would be very, very strict requirements," said Dave Warner, the air district's director of permit services.

The Ogden, Utah-based company wants to add two major processing units to nearly double the Bakersfield plant's current gasoline output of 630,000 gallons a day and increase its daily production of 840,000 gallons of diesel.

Experts say such an expansion could take two years to complete.

"We know we have to comply with the rules, and we're doing the engineering to ensure that we can," said Fred Greener, executive vice president of Flying J subsidiary Big West Oil. "We're certainly going to go ahead with our plans (to expand) as quick as we can get it done."

General Motors gives progress report on hydrogen fuel technology

By TERENCE CHEA, Associated Press Writer

[in the S.F. Chronicle and Merced Sun-Star, Tuesday, March 8, 2005](#)

Livermore, Calif. (AP) -- General Motors officials gave a progress report Monday on the company's efforts to create the automobiles of tomorrow by developing hydrogen fuel cell technology.

The Detroit automaker is working with government scientists at Sandia National Laboratory in Livermore to design new methods for storing hydrogen fuel - one of the biggest challenges to bringing hydrogen-powered vehicles to market.

"We're looking to literally reinvent the automobile," said Larry Burns, GM's vice president for research, development and planning.

Burns spoke with journalists during a tour of Sandia's research facility in Livermore, about 50 miles east of San Francisco. The national lab, which develops nuclear weapons and military technology for the federal government, has several decades of experience working on hydrogen storage.

Widespread use of hydrogen fuel cell vehicles could reduce U.S. dependence on foreign oil and cut greenhouse gas emissions, backers say. But the technology faces many challenges, including high costs and the lack of infrastructure such as a network of hydrogen fueling stations.

In recent years, GM has been one of the auto industry's most vocal champions of hydrogen fuel cells, which generate electricity from a chemical reaction between hydrogen and oxygen and release only water as waste.

But environmentalists have criticized the automaker for putting so much emphasis on fuel cell vehicles, which are still years away from the marketplace. They say GM should instead focus more on increasing the fuel efficiency of their cars and trucks to cut petroleum consumption and reduce air pollution.

By sharing its latest research efforts, GM officials hope to demonstrate that the company is making progress on the key technological challenge of storing hydrogen, a low-density gas that must be converted into a denser form to be stored on-board a vehicle.

"Hydrogen storage is one of the key hurdles in creating hydrogen-based transportation system," said James Spearot, director of GM's chemical and environmental sciences laboratory.

GM and Sandia scientists are developing a method to store hydrogen in a fuel tank by using compounds known as complex metal hydrides that can absorb and release hydrogen.

"We really think we've made great progress," Burns said. "But there are still a lot of great challenges, technological and engineering wise, ahead of us."

Illinois Power to Cut Pollution at Plants

By JOHN HEILPRIN, Associated Press Writer

[in the S.F. Chronicle, Monday, March 7, 2005](#)

WASHINGTON, (AP) -- Illinois Power Co. will install \$500 million in pollution controls at five coal-fired power plants, paid for by its former owner to settle a federal lawsuit alleging Clean Air Act violations, the Bush administration announced Monday.

The settlement requires Illinois Power, operating as AmerenIP, to reduce by more than half its emissions of two air pollutants that contribute to respiratory ailments and childhood asthma. The company has agreed to cut yearly pollution from acid rain-causing sulfur dioxide by 39,000 tons and from smog-forming nitrogen oxides by 14,800 tons.

Dynegy Midwest Generation, which sold Illinois Power to St. Louis-based Ameren Corp. last year, will pay for the new pollution controls, along with a \$9 million civil penalty and \$15 million for other projects, the Justice Department said.

Also Monday, congressional investigators echoed criticism of the Environmental Protection Agency from its inspector general last month, saying the agency hadn't weighed all the costs and benefits that it should before issuing a rule next week to cut toxic mercury pollution from power plants.

Twenty-nine senators, mostly Democrats, said that taken together, the two reports showed the Bush administration had ignored "sound science." EPA officials said it was premature to criticize a rule still in the works.

Filed in federal district court in East St. Louis, Ill., on Monday, the settlement results from violations of the Clean Air Act's 1977 "new source review" program at Baldwin Generating Station in Baldwin, Ill., Assistant Attorney General Thomas Sansonetti said.

That program requires companies to seek a permit when expanding or modifying, and to install more pollution controls when pollution is significantly increased. Sansonetti said negotiations began a few months ago after the case had gone to trial, but "this is much better than what we could have won at trial." Four environmental groups also had intervened.

"Even if we had won, we still would have to litigate the remedy," he said. "There would have been another trial to determine what kind of controls we were entitled to."

The agreement involving the company, the Justice Department, the Environmental Protection Agency and Illinois is the eighth in a series with coal-fired power plant operators. Sansonetti said the \$9 million civil penalty was the highest yet, and he was confident the settlement would provide cleaner air regionally.

Thomas Skinner, acting head of EPA enforcement and former director of Illinois' EPA office, said the result would be "significantly cleaner air for residents of Illinois and downwind states." Dynegy Midwest Generation also will transfer ownership of about 1,135 acres along the Middle Fork of the Vermilion River in Vermilion County, Ill.

David McIntosh, an attorney with Natural Resources Defense Council, an environmental group, said the agreement shows that the Bush administration can save lives by enforcing the Clean Air Act, and that it should stop trying to change the law to suit industry. However, Scott Segal, director of the Electric Reliability Coordinating Council, which represents several major utilities, said the law more "often delays maintenance and replacement of equipment."

The Illinois plants covered in the agreement are the one in Baldwin, Havana Generating Station in Havana, Hennepin Generating Station in Hennepin, Vermilion Generating Station in Oakwood, and Wood River Generating Station in Alton.

The \$15 million in other projects are intended to reduce mercury pollution, protect land around St. Louis and along the Illinois River, conserve energy in city buildings and reduce diesel emissions at truck stops.

Dynegy to Spend \$545M on Clean-Air Charges

[S.F. Chronicle, Tuesday, March 8, 2005](#)

NEW YORK, (AP) -- Dynegy Inc. has reached a \$545 million settlement with the federal government over charges that it violated the Clean Air Act by modifying several power plants without installing pollution controls, the company said Monday.

Under the agreement reached with the U.S. Environmental Protection Agency and the U.S. Department of Justice, the Houston-based company will spend the sum over the next seven years on a number of pollution-reduction efforts, including switching to lower-sulfur coal from Wyoming's Powder River Basin, installing pollution control devices and several conservation projects. The sum also includes a \$9 million payment the company will make to the EPA.

The proposed settlement, filed Monday in the U.S. District Court for Southern Illinois, will be final only after the government accepts public comment on it and makes a recommendation to the court.

The government in 1999 sued Dynegy unit Illinois Power for allegedly modifying its Baldwin power plant without installing pollution-control devices, a violation of the Clean Air Act's New Source Review provisions. Dynegy has since sold Illinois Power to Ameren Corp. but has kept the five plants involved in Monday's settlement.

The settlement would resolve those charges against Baldwin and any potential charges against the other Illinois coal-fired plants owned by Dynegy, which are the Vermilion, Wood River, Hennepin and Havana facilities, the company said.

As part of the settlement, the company will operate selective catalytic reduction systems year-round at its Baldwin and Havana plants to control nitrogen oxides. Currently these devices are required to operate only during the summer. Dynegy will also install scrubbers and baghouses at the Baldwin and Havana plants to control sulfur dioxides and particulate matter.

The company said the settlement wouldn't affect its first-quarter 2005 operations because it had already set aside a reserve for the cost of the settlement.

Shares of Dynegy rose 16 cents, or 3.8 percent, to close at \$4.41 Monday on the New York Stock Exchange.