

September 16, 2010

## Investors Urge EPA to Adopt Coal Ash Regulations

A coalition of investors today urged the Obama administration to tightly regulate toxic coal waste in order to mitigate financial risk in the event of another coal-ash disaster like the one experienced in 2008 by the Tennessee Valley Authority (TVA), Solve Climate reports.

Instead of the current “patchwork of weak and inconsistent state rules,” the Environmental Protection Agency (EPA) should “create a consistent national requirement that will help reduce potential value loss and allow investors to better assess this sector’s risk profile,” 22 institutional investors and shareholder groups said in a letter to EPA Administrator Lisa Jackson.

The signatories have combined assets totaling more than \$240 billion.

It is the first time that investors have sought a national coal ash regulation.

The EPA is currently crafting a decision on a federal coal ash rule. Many of the signatories to the letter, which include the Connecticut State Treasurer’s Office and New York State Comptroller Thomas DiNapoli, are heavily invested in coal-fired utilities that would be subject to the new regulations.

Coal ash, a byproduct of coal power generation, has become a pressing problem across the U.S. While recycling of coal ash into building materials has increased over the past several years, much of it is still disposed landfills and ash ponds—which have on several occasions leached into groundwater, exposing local residents to contaminated water.

In 2008, a Tennessee Valley Authority storage site leaked and created a massive spill in Kingston, Tennessee which by some estimates was eight times as large as the Deepwater Horizon spill in the Gulf of Mexico.

The Coal ash disposal crisis is not limited to the U.S., however.

China, the world’s leading coal producer, operates over 1,400 coal-fired electrical plants that produce at least 375 million tons of coal ash every year – 2 1/2 times the quantity produced in 2002, according to a Greenpeace report.

“Every four tons of coal burnt produce one ton of coal ash,” Yang Ailun, a climate campaigner at Greenpeace China, told reporters following the release of the report.

“This substantially erodes China’s already-scarce land and water resources, while damaging public health and the environment,” she said.

According to the report, many power plants did not follow regulations on coal ash disposal. Greenpeace investigated 14 plants throughout China and found many disposal sites were located too close to villages and residential areas.

The report noted that soil samples taken near disposal sites revealed 20 different kinds of harmful substances in the samples, including lead, mercury and arsenic.

“Many of the coal ash disposal sites we visited had poor safeguards to prevent coal ash contamination via wind dispersal or leakage into water,” Yang said. “This affects nearby villages most directly, but it also poses huge threats to all of China, as contaminants enter the food chain or are scattered by the winds far and wide.”