

**Vote Sets Precedent**

## **Shareholders Revolt Against Coal Ash**

By JOSHUA FRANK

As the general public grows more aware of the risks associated with coal waste, it seems the risks, financial as well as environmental, are catching on in the corporate world.

On Tuesday, April 27, shareholders of North Dakota based energy utility MDU voted on a first-of-a-kind resolution that sought to increase transparency of the company's coal waste practices. MDU owns and operates two coal-fired power plants.

Coal ash, a by-product of coal incineration, contains numerous toxins like arsenic, mercury and lead -- all of which have proven to be harmful to human health. This toxic ash is often stored in large waste ponds and unlined landfills. According to the EPA, coal ash waste has contaminated groundwater near communities in 24 states.

The MDU resolution was supported by over 42 million votes, a remarkable 25.6% of MDU shareholders.

"This vote was ultimately about protecting shareholder investments," Amy Galland, Research Director for As You Sow, which filed the resolution, said in a phone interview. As You Sow is a non-profit shareholder advocacy organization based in San Francisco.

"If we can help direct shareholders to be more active on the issue of coal waste we will soon see a shift in reporting practices of companies like MDU," added Galland.

MDU shareholders were likely prompted to support the resolution after the 1.1 billion gallon coal waste breach at Tennessee Valley Authority's (TVA) Kingston plant two years ago. The spill was more environmentally damaging than the Exxon Valdez oil spill of 1989 and cost TVA an estimated at \$1.2 billion in clean-up fees as of early 2010.

Even so, the U.S. Environmental Protection Agency does not currently regulate coal waste, which prompted the New York Times to remark in a 2009 article that "household garbage is managed much more consistently than coal combustion waste."

"Public health concerns have been raised about both wet and dry storage. Storing and disposing of coal ash in a dry form in secure landfills with synthetic linings and impermeable caps is recognized as a 'best practice' for risk mitigation, as it minimizes the possibility of contamination or spills," noted Emily Stone, Shareholder Advocate at Green Century Capital Management.

The support by shareholders of the MDU resolution is proof that the anti-coal movement has been raising legitimate concerns about the negative impacts associated with unregulated coal waste. So much so in fact that shareholders are taking notice and seeking to protect their investments.

In MDU's 2009 Sustainability Report the company states that "ash from coal-fired electric generating facilities is used to stabilize roadbeds and cattle feed lots." Such practices have raised concerns among environmentalists who believe using toxic coal waste for such purposes may prove extremely harmful.

On April 12, 2010 the Sierra Club's North Carolina Chapter released a white paper on coal ash titled "Unlined Landfills? The Story of Coal Waste in our Backyard". The study reported that practices such as those embraced by MDU are in fact exacerbating the problem of coal ash contamination, not alleviating it.

"[The] current practice of allowing coal ash to be placed on the ground as fill material ... has led to numerous problems," wrote the authors of the report. "These problems include groundwater contamination, surface water contamination, sham landfills, environmental violations and failure to track locations of coal ash fills."

The MDU vote is the first of three that will be taking place this spring. Shareholders for CMS Energy in Michigan and Southern Company in Georgia will be voting on similar resolutions by the end of May.

"We hope to turn this into a vibrant national campaign," As You Sow's Amy Galland stated. "Pending federal regulation of coal ash, shareholders deserve to know exactly what financial risks are associated with particular coal waste practices. This is a crucial issue that these companies must address."