



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

Nevada Power Company Clean Air Act Fact Sheet

Overview: On June 13, 2007, the U.S. Environmental Protection Agency and the Department of Justice announced a major Clean Air Act (CAA) New Source Review Program (NSR) settlement with Nevada Power Company (Nevada Power) to resolve CAA violations at the Clark Generation Station natural gas-fired power plant in Las Vegas, Nevada.

Under the settlement, Nevada Power will spend approximately \$60 million between now and 2010 to install ultra-low NO_x burners. Nevada Power has also agreed to enhance water injection in order to reduce NO_x emissions prior to the installation of the ultra-low NO_x burners.

The consent decree will result in at least 2,300 tons of Nitrogen Oxide (NO_x) emissions reductions annually from four Clark Generation Station units. Nevada Power will also pay a \$300,000 civil penalty and will spend \$400,000 to pay for an environmentally beneficial solar energy project.

Company: Nevada Power is a Nevada corporation that is headquartered in Las Vegas, Nevada. It is the utility company that services most of southern Nevada. It owns and operates four gas or coal-fired power plants in Southern Nevada (Clark Station, Harry Allen Station, Sunrise/Sunpeak Stations, Reid Gardner Station), and has an ownership interest in at least two other plants (Mohave and Navajo Stations).

Clean Air Act Violations: EPA alleges Nevada Power violated the Clean Air Act by undertaking construction activities at two combustion turbines, designated as Units 5 and 6, that increased pollution without first applying for an NSR Clean Air Act permit. An NSR permit would have required Nevada Power to take steps to reduce emissions at the time of the activities.

Environmental Benefits: This settlement requires Nevada Power to install ultra-low NO_x burners at four units. The controls will result in the removal of at least 2,300 tons per year of NO_x. The settlement also restricts trade of NO_x allowances, if a trading program is implemented to cover these plants in the future.

Nitrogen Oxide causes a variety of health problems and adverse environmental impacts, such as ground-level ozone, acid rain, particulate matter (PM), global warming, water quality deterioration, and visual impairment. Nitrogen oxides play a major role, with volatile organic chemicals, in the atmospheric reactions that produce ozone.

Settlement Terms:

Injunctive Relief-

- Immediately begin operating units 5-8 with enhanced water injection to reduce NO_x emissions by hundreds of tons per year.
- Install ultra-low NO_x burners at units 5 and 8 by December 31, 2008, and meet a 5-ppm NO_x emission rate by January 31, 2009.

- Install ultra-low NO_x burners at units 6 and 7 by December 31, 2009, and meet a 5-ppm NO_x emission rate by January 31, 2010.
- Comply with declining tonnage caps for NO_x emissions.
- Incorporate proposed Consent Decree requirements into enforceable permits.

Environmentally Beneficial Projects– Nevada Power will spend \$400,000 to pay for an environmentally beneficial solar energy project.

Civil Penalty– Nevada Power will pay a \$300,000 civil penalty.