

Connecticut Department of Environmental Protection

July 15, 2011

Settlement Reached with Covanta for Air Emissions Violations at Plant in Wallingford

Company to pay \$400,000 in penalties and take steps to improve plant operations

HARTFORD – The Connecticut Office of the Attorney General and the Department of Energy and Environmental Protection (DEEP) Friday announced a settlement with Covanta Projects of Wallingford, L.P., over air emissions violations at Unit 2 of its trash-to-energy plant.

Under terms of the settlement filed today in Hartford Superior Court, the company will be assessed \$400,000 in penalties: \$200,000 to the State Treasurer and \$200,000 to DEEP for a project to enhance environmental protection or conserve natural resources.

The parties' agreement prohibits the company from restarting or operating Unit 2 unless it complies with the terms and conditions of a re-start and testing plan filed as part of the settlement. That plan, in part, requires Covanta to conduct more frequent emissions testing and monitoring of the units to ensure that the modifications made by the company are effective at controlling dioxin emissions.

The company shut down Unit 2, one of three units at the Wallingford facility, after annual emissions tests showed dioxin/furan levels in the exhaust stream more than 250 percent higher than the allowable permit and regulatory level. The company said it made modifications to the combustion, heat recovery and air pollution control systems to that unit and the two others at the plant, to minimize formation of, as well as to improve the control of dioxin emissions.

"This settlement includes both strong financial penalties for Covanta as well as provisions to ensure that their facility operates in compliance with all environmental regulations," DEEP Commissioner Daniel C. Esty said. "The company was required to make major improvements aimed at keeping dioxin emissions under legal limits and the settlement also puts in place a more rigorous and frequent testing program to make certain these conditions are met. As this was the second violation of its kind in the past few years, there is no margin for error here – Covanta must get it right," Esty said.

Attorney General George Jepsen said "this comprehensive agreement takes every precaution to help ensure that when Covanta re-starts Unit 2, both public health and the environment will be protected. DEEP and my office have taken this violation very seriously and have worked with the company to develop a robust re-start and testing plan that has, at its heart, enhanced and more frequent dioxin emissions testing at the affected unit."

The dioxin violations were discovered during the facility's annual performance tests conducted on May 26 and 27, 2010. The company notified the state after receiving preliminary results July 6. The plant has been closed since July 2, 2010.

DEEP consulted with the Connecticut Department of Public Health and confirmed that despite the high emissions, the amount of dioxin in the ambient air in the vicinity of the facility was still within applicable health-based standards and did not pose a threat to the public health.

The restart plan requires that once Unit 2 is restarted, Covanta must perform a minimum of six tests, rather than the two that would be required under current regulations, to ensure that dioxin emissions comply with regulatory limits. Additional tests may be required if dioxin emissions approach the regulatory limit. Any time the emissions exceed the limit, the company will be required to shut the plant down until a new restart and testing plan is approved by DEEP.

Assistant Attorneys General Sharon Seligman and Kimberly Massicotte handled this case for Attorney General Jepsen.