

**THE FOLLOWING STATEMENT AND NEWS RELEASE WERE ISSUED TODAY
BY MIDWEST GENERATION**

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**Statement of Midwest Generation
Re: reintroduction of ordinance to shut Chicago power plants**

July 28, 2011

The ordinance wasn't needed when introduced last year and the case for it is even weaker now given new federal air quality regulations and ongoing emissions reductions at the plants.

The so-called "Clean Power" ordinance failed in the previous City Council because there's no reason for Chicago to regulate emissions from power plants already heavily regulated by the federal and state environmental agencies charged with protecting public health.

Everything ordinance supporters say needs to be done is getting done – or will get done – under strict State of Illinois and federal regulations and by work at the plants that is completed or in progress. Over the past year we have started construction projects that will reduce emissions further by the end of this year.

The U.S. Environmental Protection Agency earlier this month finalized tough, new air emission regulations affecting coal-fired power plants in 28 states, including the Crawford and Fisk plants. The US EPA issued two other sets of proposed rules for air and water in March, and will release proposed greenhouse gas regulations in September.

The proposed ordinance would not achieve any greater environmental benefits for Chicago than already are being achieved. Its only real impact would be to risk hundreds of good jobs, stability of the electric grid and higher consumer rates.

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RE-RUN OF PROPOSED ORDINANCE TO SHUT DOWN CHICAGO POWER PLANTS EVEN LESS JUSTIFIABLE THAN PREVIOUS VERSION, ENERGY COMPANY SAYS

CHICAGO – An ordinance that would shut down two Chicago power plants was unnecessary when introduced in the City Council last year, and the case is even weaker now given new federal air quality regulations and ongoing emissions reductions at the plants, the company that owns them said today.

“The so-called ‘Clean Power’ ordinance failed to win approval in the previous City Council because it makes no sense for Chicago to regulate emissions from power plants that already are heavily regulated by the federal and state environmental agencies charged with protecting public health,” said Pedro Pizarro, president of Midwest Generation's parent company, Edison Mission Group.

“The proposed ordinance would not achieve any greater environmental benefits for Chicago than are already being achieved. It will only risk hundreds of good jobs in the city, as well as stability of the electric grid and higher consumer rates,” Pizarro said.

The comments came as Ald. Joe Moore and Ald. Danny Solis re-introduced the ordinance at today's City Council meeting.

Just this month, the Obama Administration finalized new regulations governing emissions of nitrogen oxide and sulfur dioxide from coal-fired power plants beginning in 2012. The regulations apply to 28 states, including Illinois. Midwest Generation already complies with many of these regulations and has work in progress to meet the rest.

In March, the Administration issued proposed regulations for mercury, toxic metals and particulate matter emissions. These rules are to be finalized in November and take effect in 2015 to allow sufficient time for construction to be completed. The Fisk and Crawford power plants already meet the mercury standard. Midwest Generation supports the proposed limits for other emissions and is planning the work needed to comply.

The US EPA is also expected to issue additional rules in September on how power plants can reduce carbon dioxide emissions, or greenhouse gases. The proposed Chicago ordinance would require greenhouse gas reductions that could not be met with technology that is commercially available today to existing coal plants. Compliance could only be achieved by repowering the plants to run on natural gas, a massive new construction project that would require policymakers to ensure long-term contracts for power sales in order to obtain construction financing.

The Crawford and Fisk plants are in the process of making steep reductions in emissions imposed by the State of Illinois in 2006 under a long-range plan that extends through 2018. This state-mandated cleanup plan runs ahead of many of the federal regulations now being released.

The state rules require Midwest Generation to reduce sulfur dioxide, nitrogen oxides and mercury emissions or shut the plants down. The mercury work was completed in 2008, and workers currently are installing new nitrogen oxide controls that will be operational by year-end. Additional sulfur dioxide reductions begin in 2013.

“The only real impact of this ordinance would be shutting down the Fisk and Crawford power plants. That would risk the reliability of the electricity grid in Chicago, and we’ve seen in this recent heat wave how important it is to make sure we have enough electricity available for these high-demand days,” said Jerry Roper, president of the Chicagoland Chamber of Commerce.

Closing the plants will also cost jobs, noted Tom Villanova, president of the Chicago and Cook County Building and Construction Trades Council.

“Closing the plants would eliminate good union jobs that support families and put dollars in the pockets of businesses. There are about 200 union jobs at stake at the plants themselves and work-hours equivalent to another 200 full-time jobs for other union members who do special projects in the plants,” Villanova said.

Pizarro said the ordinance was motivated far more by a national anti-coal campaign than by the facts on the ground in Chicago.

“The proposed ordinance has little if anything to do with improving air quality in Chicago and everything to do with a national campaign to stop the use of coal as a power source even though we use it to generate more than half the nation’s electricity,” Pizarro said. “We think the far better course is to promote the environmentally responsible use of coal under state and federal regulations that protect the public health to ensure we have a reliable and affordable supply of electricity.”

Environmental scientists have reported that the Crawford and Fisk plants are responsible for less than one-half of one percent of the small particles in the air – or airborne dust -- that create the greatest concern about local air pollution. More than 99 percent of this small-particle pollution in Chicago and Cook County is caused by sources other than these two plants – most notably cars, trucks, buses, freight train locomotives and construction dust.

While activists trying to close the plants create fear about asthma, the facts don't support their case. Asthma rates in Chicago and Cook County are going up – but that's not because of the Midwest Generation power plants, whose emission rates have been going down over the same period.

Asthma rates are going up in cities around the world at the same time that air pollution levels are declining. Asthma experts say indoor air pollution, mildew, allergens, dust mites and other factors are a greater influence on asthma rates than pollutants in outdoor air.

Midwest Generation has significantly reduced emissions from its Chicago power plants since acquiring them in 1999, and air quality in Chicago has been steadily improving during this time.

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