



Public Service Commission of Wisconsin

Eric Callisto, Chairperson
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PSC Approves Pollution Control Improvements to Oak Creek Power Plant

MADISON – In an oral decision today, the Public Service Commission of Wisconsin (PSC) approved We Energies' proposal to install pollution control equipment to its Oak Creek power plant in Racine and Milwaukee Counties.

The PSC's decision allows We Energies to move forward in retrofitting Oak Creek coal-fired units 5 through 8 with modern pollution control equipment as an alternative to retiring them. The \$830 million retrofit project will utilize wet flue gas desulfurization and selective catalytic reduction technology that will reduce the units' emissions and keep them operational until 2030.

“Even though these units are 40 years old, they currently are among the most efficient coal-fired plants operating in Wisconsin,” said Chairperson Eric Callisto. “This decision makes economic sense for the ratepayer, and upgrades a valuable resource that will be a bridge to the next generation of low-carbon baseload resources.”

The technology to be installed at the plant will reduce its sulfur dioxide emissions by 80 to 90% while its nitrogen oxide emissions will see a 60 to 70% reduction. The retrofit will also give We Energies the ability to receive a co-reduction benefit as it reduces its mercury emissions.

“This decision was the best alternative for Wisconsin ratepayers and all Wisconsin residents in general,” said Commissioner Mark Meyer. “It serves as a good bridge between our reality as it exists today and our transition into a carbon-constrained world.”

“As a state we need to keep these highly efficient baseload plants in operation to assist in this transition,” said Commissioner Lauren Azar. “If the Commission had retired these plants, we in essence would have been signaling the retirement of all of the state's coal plants. Though the cost of controlling these four units will be high, it is necessary and in the state's long-term best interest.”

The project, to be completed by 2012, will allow We Energies to meet its obligations under state and federal clean air statutes, and to comply with a 2007 Consent Decree between the company and the United States Environmental Protection Agency.

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