

N.C. Department of Environmental Quality

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DEQ and Duke Energy reach an estimated \$20 million settlement

Duke Energy agrees to pay fines and accelerate groundwater cleanup at four coal ash facilities

RALEIGH – The North Carolina Department of Environmental Quality, or DEQ, reached a settlement with Duke Energy today that holds Duke Energy accountable for groundwater contamination at all of its 14 coal ash facilities and requires accelerated cleanup of groundwater contamination at four sites. Duke Energy will pay an estimated \$20 million as a result of the settlement, which includes accelerating the clean-up of groundwater contamination at its Sutton Plant near Wilmington, Asheville Plant, H.F. Lee Plant in Goldsboro and at the Belews Creek Steam Station.

“This agreement holds Duke Energy accountable for past groundwater contamination and mandates that Duke Energy expeditiously clean up polluted groundwater near its coal ash sites,” said DEQ Secretary Donald R. van der Vaart. “Our chief goal is to protect the environment and public health while requiring corrective action to restore groundwater quality. This settlement resolves the issue of fines for past violations and allows DEQ to commit all of its resources to overseeing Duke Energy’s clean-up process.”

In March 2015, DEQ levied a \$25.1 million fine against Duke Energy for groundwater contamination from coal ash at its Sutton facility. Duke Energy challenged in court DEQ’s ability to issue fines for groundwater contamination based on a 2011 policy memo.

The 2011 policy memo, written by the Perdue administration, did provide for penalties to be assessed under certain circumstances. However, communication between the Perdue administration and Duke Energy discovered during the legal process makes it clear that the intent of the memo was to favor corrective action in lieu of fines. The McCrory administration will immediately rescind the 2011 policy to clarify that state government has all the tools required to enforce the law and penalize future polluters in addition to requiring clean-up of contaminated sites.

The settlement includes \$7 million in fines and penalties for past groundwater contamination at all of its 14 coal ash facilities and an estimated \$10-\$15 million in accelerated remediation costs. The settlement requirements are in addition to Duke Energy’s obligation under the Coal Ash Management Act of 2014 to close all of its coal ash ponds by 2029 and clean up all environmental damage caused by years of improper coal ash storage. Along with resolving the legal case, the estimated \$20 million settlement prevents the state from incurring additional legal fees associated with protracted litigation.

“North Carolina looks forward to working with all energy providers to supply clean, affordable power to the citizens of the state while protecting the environment and public health,” said Secretary van der Vaart.

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