On November 13, 2019, Judge Joe Billy McDade approved a Consent Decree in NRDC, Sierra Club, and Respiratory Health Association's case against the owner of the E.D. Edwards coal-fired power plant, located in Bartonville, Illinois.

This document features an excerpt of Judge McDade's oral decision approving the settlement, which he delivered from the bench.

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| 2 | UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF ILLINOIS | |
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| 5 | NATURAL RESOURCES DEFENSE) | |
| 6 | COUNCIL, et al.,) | |
| 7 | Plaintiffs,) Civil No. 1:13-01181 | |
| 8 | VS.) | |
| 9 | ILLINOIS POWER RESOURCES,) LLC, et al., | |
| 10 | Defendants.) | |
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| L 4 | TRANSCRIPT OF PROCEEDINGS BEFORE THE HONORABLE JOE B. McDADE | |
| 15 | MOTION HEARING NOVEMBER 13, 2019; 10:33 A.M. | |
| 16 | PEORIA, ILLINOIS | |
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| 23 | Jennifer E. Johnson, CSR, RMR, CRR | |
| 24 | U.S. District Court Reporter Central District of Illinois | |
| 25 | Proceedings recorded by mechanical stenography; transcript produced by computer | |

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THE COURT: All right.

MR. HYMAN: One comment I would make is that I think the Plaintiffs agree that this consent decree fairly balances the risks and potential rewards of the litigation based on the evidence that was obtained during the discovery process and fairly and appropriately matches the goals of the Clean Air Act and takes into consideration the welfare of the Peoria community, both in terms of the elimination of all emissions, which Defendants contend are all legal by 2022, much sooner than it would otherwise have happened and in terms of the transition for employees funded by payments under this consent decree to address issues that they may have as the plant comes to the retirement date.

Thank you.

THE COURT: Well, the Court wishes to acknowledge its understanding that this was a hotly litigated case, and that either or both sides would have the right to make some type of appeal which is always uncertain as to the outcome, and the Court appreciates the positive values of settling the matter without further litigation, so I'm -- I understand that, and I appreciate that.

MR. HYMAN: Thank you.

THE COURT: And I appreciate what I perceive as the candor of the parties in answering the Court's concerns. I think it has been helpful, and it's -- I have not detected any instances where I thought games were being played. I think it's been done in good faith, and I appreciate that.

I do want to take five minutes just to review my notes to see whether or not there's anything else I want to address to you, so -- well, let me say ten minutes. And then I'll be back in ten minutes. If I have further questions, I will put them to you or hopefully I'll be in a position to make a decision.

MR. HYMAN: Thank you, Your Honor.

MR. KNICLEY: Thank you, Your Honor.

THE CLERK: Court is in recess.

(Recess at 11:30 to 11:46 a.m.)

THE COURT: It turns out the Court has no further questions. I believe this is a good settlement, and I'm going to approve it.

This lawsuit began six years ago when environmental groups charged that the Edwards Power Station was violating the Clean Air Act.

Plaintiffs alleged Edwards surpassed the permit limits on the opacity of its smokestacks and,

therefore, was presumptively releasing more particulate matter into the air than was lawful. I found in favor of Plaintiffs as to liability.

The case has continued to allow for a determination of the appropriate penalty. However, the parties have reached an agreement -- the consent decree currently before me -- and requested it be approved rather than proceeding to trial for the penalty phase.

The United States government, given an opportunity to comment, pursuant to statute, has not objected to the entry of the consent decree. Therefore, all that remains is my determination of whether it should be approved.

A federal consent decree must spring from and serve to resolve a dispute within the Court's subject matter jurisdiction. It must come within the general scope of the case made by the pleadings and must further the objectives of the law upon which the complaint was based, that being the Clean Air Act.

I am satisfied of my jurisdiction, and it is clear to me that the resolution proposed in the consent decree fits the pleadings in this case by addressing the issues of air pollution at Edwards.

What remained at this hearing was whether the objectives of the Clean Air Act would be furthered by the consent decree. The Clean Air Act's purpose is to protect and enhance the quality of the nation's air resources so as to promote the public health and welfare and the productive capacity of its population.

The consent decree furthers that purpose, primarily in requiring the closure of Edwards. Doing so will completely eliminate the emission of particulate matter from Edwards allowed by law or otherwise. This will have a positive impact on human health by subjecting Edwards to additional payments for opacity events prior to the retirement. The consent decree incentivizes lower emissions of particulate matter in the interim.

In addition, Defendants' payment of nearly \$7 million to be used in beneficial projects will help reduce harm to health from particulate matter in our air from sources beyond Edwards. These projects may include providing electric vehicles for school or public transit, improving energy efficiency in Peoria area homes, providing access to and education about medical help for lung health, and helping bring solar energy to the

region.

Finally, it is important to my determination that Defendant has warranted this closure was not required by the multi-pollutant standards of the Illinois Pollution Control Board. Defendant, thus, is not avoiding potential penalties by merely complying with legal obligations. I therefore find the purposes of the Clean Air Act are furthered by this consent decree.

I am appreciative of the lawyers taking the time and using their experience to give the Court and answer the Court's questions to the Court's satisfaction which gives the Court confidence that it understands the issues and persuades him that this compromise of the litigation is a good compromise and in the best interests of the public.

In considering the consent decree, I am appreciative of the efforts to mitigate the harm the closure of Edwards could cause to those who are employed there and those who rely on it for electricity. It is my hope that the \$1,720,000 provided in economic transition funds and the three-year period before Edwards closes will allow all of Defendants' employees who might otherwise be hurt to instead transition smoothly into other,

more lasting employment.

Additionally, allowing MISO to proceed with its usual procedures relating to plant retirement should ensure that Peoria area residents will not face an unreliable electrical grid as a result of the closure.

I have been satisfied by the presentations at this hearing that MISO can be relied upon to fairly determine whether Edwards must remain open beyond the current plant closure date with only the best interests of the grid at heart.

The consent decree is approved, and this case is ended, subject to my jurisdiction to enforce the consent decree.

Furthermore, all outstanding motions in this case are denied as moot, and judgment to be entered.

And, again, the Court wishes to thank counsel for your expertise and your seemed to be agreed efforts to do what's best for the grid and for the people of this area.

Thank you very much.

MR. HYMAN: Thank you, Your Honor.

MR. KNICLEY: Thank you, Your Honor.

THE COURT: And you will receive a copy of

this -- well, they can access it or they will 2 receive --3 THE CLERK: They'll receive it by the 4 electronic filing system, Judge. 5 THE COURT: Okay. 6 THE CLERK: Court's adjourned. 7 (Proceedings concluded at 11:55 a.m.) 8 9 10 CERTIFICATE OF OFFICIAL REPORTER 11 12 I, Jennifer E. Johnson, CSR, RMR, CBC, CRR, 13 in and for the United States District Court for the Central District of Illinois, do hereby certify that pursuant to Section 753, Title 28, United 14 States Code that the foregoing is a true and 15 correct transcript of the stenographically reported proceedings held in the above-entitled matter and 16 that the transcript page format is in conformance with the regulations of the Judicial Conference of the United States. 17 18 Dated this 17th day of November, 2019. 19 20 /s/ Jennifer E. Johnson JENNIFER E. JOHNSON 21 CSR, RMR, CBC, CRR License #084-003039 22 23 2.4 25