

Annual Report

A recap of our work for our members in 2011



To our members

"We staved off Marcellus Shale gas drilling and fracking near the Delaware River, and we helped push historic steps to get the nation off of oil and reduce air pollution."

Dear PennEnvironment member,

You know as well as I do that 2011 was a tough year for our environment—both in Pennsylvania and nationwide.

That's because many of the politicians running the show in Harrisburg and Washington, D.C., have cozied up with the most powerful special interests to attempt to dismantle our cornerstone environmental laws, to make it easier for polluters to pollute even more, and to give concerned Pennsylvanians fewer avenues of recourse to stand up to those who attempt to destroy our environment with impunity.

This attack on our environment includes more than 100 pieces of legislation passed through the U.S. House of Representatives to dismantle cornerstone environmental laws.

In Harrisburg, it doesn't look much better. The first law enacted under Gov. Tom Corbett weakened energy efficiency standards for buildings—meaning more reliance on dirty energy sources, more air pollution and higher utility bills.

That said, PennEnvironment is here to fight the good fight on your behalf. We're here to speak truth to power, and be your "David" in these David-versus-Goliath battles to protect our environment and preserve Pennsylvania's incredible natural heritage.

And while we're often up against huge odds, we're able to deliver real, concrete victories on your behalf. We staved off Marcellus Shale gas drilling and fracking near the Delaware River, we delivered the largest penalty of its kind in Pennsylvania history against an illegal water polluter and we helped push historic steps to get the nation off of oil and reduce air pollution. With your help, we've been able to step up and help make these victories possible.

So thank you, and I hope that you'll continue supporting our important work in 2012 and beyond.

A handwritten signature in black ink that reads "David Masur". The signature is fluid and cursive.

David Masur
Director, PennEnvironment

Getting Pennsylvania off oil

The environmental cost of our dependence on oil is out of control—from spills to smog to climate change. It's time we end our dependence on oil, and the environmental damage that comes with it. That's why in 2011, PennEnvironment supported a new and historic national clean car standard to dramatically cut our dependence on oil and reduce global warming pollution.

At 54.5 mpg, a big move to get Pennsylvania off oil

Over the summer, our staff mobilized public health experts, veterans, businesses and thousands of our members to voice their support for cleaner cars:

- Our staff were joined by state Rep. Greg Vitali, the Pennsylvania State Nurses Association, and local veterans for a series of press events to publicize our strategy to end our dependence on oil through cleaner cars and investment in public transit.
- We released a report highlighting the fact that Pennsylvanians would have saved \$9.26 million at the pump over Thanksgiving weekend in 2011 with a 54.5 mpg standard.

President Obama announced clean cars standards

In July 2011, after months of organizing by PennEnvironment and our allies across the country, President Obama announced new fuel economy standards that will require the average new car or light truck to meet a 54.5-mpg standard by 2025.

- The proposed standards represent the biggest step ever to tackle global warming. They are projected to cut our dependence on oil by 20 billion gallons of gasoline by 2018.
- The administration also announced the first-ever standard for trucks, which will save more than 20 billion gallons of gasoline by 2018.



Roadmap to an oil-free future

Our report, "Getting Off Oil: A 50 State Roadmap," found we can reduce our oil consumption by more than 1.6 trillion gallons per year by 2030 through concrete steps like:

- Improving fuel efficiency standards (509 million gallons by 2030)
- Deploying electric vehicles and expanding public transit (563 million gallons by 2030)
- Planning our communities around mass transit (28 million gallons by 2030)

▲ Our Federal Global warming director, Nathan Willcox, thanked the president for tougher fuel standards.



Protect Our Rivers and Streams

Pennsylvania's nearly 85,000 miles of rivers and streams should be clean enough for our families to enjoy. But too often, pollution threatens our rivers and renders them unsafe for fishing and swimming. When illegal polluters foul the waters we love, like the scenic Conemaugh River near Johnstown, PennEnvironment and our members hold them accountable—by enforcing the law, stopping the violations, and winning tough penalties to prove it doesn't pay to pollute in Pennsylvania.



In historic legal win, GenOn ordered to stop illegally polluting Conemaugh River

Western Pennsylvania's beautiful Conemaugh River has been on the road to recovery after decades of industrial pollution. But in 2007, during this recovery period, our research revealed that GenOn Energy's coal-fired power plant had been illegally dumping more than 3 million gallons of contaminated wastewater into the river every day since 2005. This illegal pollution was threatening the fragile health of the Conemaugh River and its wildlife and putting the company in continuous violation of the Clean Water Act. When environmental regulators turned a blind eye, PennEnvironment sued to get GenOn to comply with the law—and won a record-breaking victory.

8,684 Clean Water Act violations

The legal battle began in 2007, when PennEnvironment, the Sierra Club and a handful of the groups' local members sued GenOn for illegally dumping toxic wastewater laced with selenium, boron, iron manganese, aluminum and other pollutants into the Conemaugh River. We asserted that GenOn's illegal dumping threatened the fragile health of the river, which was just beginning to recover after decades of industrial pollution.

In fact, the pollution limits in GenOn's permit were specifically set to help restore the river and its aquatic life. Yet the company would not agree to reduce its pollution and pay an appropriate penalty for years of violations.

Fortunately, U.S. Magistrate Judge Robert C. Mitchell agreed with PennEnvironment's position and ruled that GenOn had committed a staggering 8,684 violations of the federal Clean Water Act since 2005. That decision set the stage for our historic settlement.

Record-breaking \$3.75 million penalty will help restore the Conemaugh

In 2011, after four years of litigation, we delivered a record-breaking victory for our environment. GenOn Energy, formerly known as Reliant Energy and RRI Energy, was ordered to pay a \$3.75 million penalty—the largest of its kind against a water polluter in state history. GenOn must also spend tens of millions more to end the illegal pollution occurring at the company's coal-fired Conemaugh power plant.

Under the terms of the settlement, GenOn will pay a \$250,000 civil penalty to the United States Department of Treasury and an additional \$3.5 million to the Foundation for Pennsylvania Watersheds. The funds will be used for restoration and preservation projects in the Conemaugh River watershed.

"While this historic penalty sends a strong message to other companies in Pennsylvania and throughout the region, it is equally important that the company is now committed, at long last, to complying with its legal discharge limits and to reducing its pollution of the Conemaugh River," stated PennEnvironment Director David Masur. "This was a David and Goliath-style fight—and the 'Davids' were able to deliver a critical victory to the people of Pennsylvania."

Lawsuit milestones



February 6, 2007

PennEnvironment and its partners announced intent to sue GenOn Energy to end its illegal pollution of the Conemaugh River.

April 10, 2007

PennEnvironment and its partners officially filed their suit against GenOn for ongoing violations of the Clean Water Act.



December 22, 2009

Judge sided with GenOn and dismissed case, citing a legal technicality.

September 28, 2010

Admitting error, the judge reversed her earlier dismissal and reinstates the case against GenOn.

March 22, 2011

Judge ruled GenOn liable for 8,684 Clean Water Act violations.

June 6, 2011

PennEnvironment announced historic \$3.75 million settlement against GenOn.



Keep Pennsylvania Safe From Drilling

As Pennsylvania continues to pay the cost of clean-up from decades of coal mining, our rivers, streams and forests are still recovering. But now the rush to drill for gas in the Marcellus Shale region threatens to ravage our environment again. We've seen drinking water supplies contaminated, waste spilled into rivers and streams, rigs and trucks trampling upon state forests, and air pollution levels spiking near drilling sites. Our staff and members are sounding a public outcry against drilling that will be too loud for our leaders in Harrisburg to ignore.



▲ Clean Water Advocate Erika Staaf speaks out against Marcellus Shale gas drilling at a rally in Harrisburg.

Mobilizing public pressure on drillers and decision-makers

Gas drilling companies predict they will drill tens of thousands of wells across Pennsylvania in coming years—devastating our streams and rivers, carving up our state forests, and polluting our air with smog and other dangerous pollutants. To meet this potential catastrophe head on, in 2011 PennEnvironment kept up the pressure on decision-makers: exposing the threats of drilling through our research, training Pennsylvanians to tackle drilling in their communities, and mobilizing our members and supporters to successfully halt a proposal to allow drilling near the Delaware River.

Delaware River kept off limits to drilling

While Marcellus Shale drilling expanded across most of Pennsylvania in 2011, one area remained protected—the Delaware River and its surrounding watershed. The river, which supplies drinking water to 15 million people in Pennsylvania, New York, New Jersey and Delaware, has been placed off-limits to drilling by the Delaware River Basin Commission, the body that governs the Delaware River. When the DRBC proposed lifting its drilling moratorium to allow for gas drilling near the river, PennEnvironment helped lead the effort to generate massive public pressure to stop this from happening.

- On April 15, 2011, PennEnvironment and our coalition partners from all over Pennsylvania, New York, New Jersey and Delaware delivered more than 40,000 comments to the DRBC at their offices in New Jersey, protesting the Commission’s plan to open up the river for dangerous drilling. No other DRBC proposal has ever sparked such a massive public response.
- This public pressure persuaded the DRBC to postpone a vote that could have opened up the river’s region for drilling, thus keeping the Delaware off-limits to this harmful activity—at least for the time being. PennEnvironment will continue to turn up the heat on decision-makers in order to protect the Delaware River from the dire consequences of drilling.

New project trains hundreds of Pennsylvanians to stand up to gas companies

In 2011, PennEnvironment Field Director Adam Garber launched the Marcellus Shale Citizen Empowerment Project.

- The project is organizing meet-ups across the state to train more than 1,000 Pennsylvanians with the skills and knowledge they need to protect our streams, rivers, forests and communities.
- Teaming up with local organizations, including the Pennsylvania Association for Sustainable Agriculture, The Sierra Club, Trout Unlimited, the University of Scranton, and the League of Women Voters, we’ve already organized 23 trainings with nearly 475 people in attendance.



In May 2011, PennEnvironment Research & Policy Center released “In the Shadow of the Marcellus Boom,” an exposé underscoring the risks of Marcellus Shale gas drilling. The report found that Pennsylvania’s vulnerable populations—including children, the elderly and the sick—are often situated near Marcellus Shale drilling operations, which have a track record of pollution, accidents and violations.

The study shows that more than 320 day care facilities, 67 schools and nine hospitals statewide are located within two miles of a drilling well.

From January 2008 to June 2010 alone, The Pennsylvania Department of Environmental Protection recorded 241 violations of environmental regulations at Marcellus wells within two miles of different day care facilities, and 40 violations within two miles of individual schools.



Clean Air, Healthy Families

Our families should be able to breathe clean air. We should not have to worry about mercury in our bodies or soot in our lungs. Yet coal-fired power plants and other industrial polluters spew hundreds of thousands of tons of lead, mercury, soot and other dangerous pollutants into our atmosphere every year. We need to protect our health and our children's health by requiring polluters to clean up their act. And in 2011, we made important progression in this agenda.

EPA to cut mercury pollution, save 46,000 lives

In 2011, the Environmental Protection Agency moved to cut mercury, soot and smog pollution from power plants. We expect these standards to save more than 46,000 lives each year. PennEnvironment's staff built support across the state to ensure these rules were adopted:

- We released reports detailing the health impacts of smog and mercury pollution and the amount of pollution emitted by power plants in Pennsylvania and nationwide.
- We worked with our allies to organize doctors, parents, officials and religious leaders to testify in favor of the proposed standard at an EPA hearing in Philadelphia—one of only three hearings nationwide.

Congressional attacks voted down

Polluters and their allies in Congress launched a coordinated attack to block these safeguards. But by working closely with our allies in the environmental and public health communities, and getting thousands of Pennsylvanians to weigh in with Sen. Bob Casey, we stopped some of the worst attacks:

- In March and April, the U.S. Senate, including Sen. Casey, rejected bills blocking standards for soot, mercury and carbon pollution.
- In November, at the urging of our activists, Sen. Casey voted against Sen. Rand Paul's "Dirty Air Act"—a proposal to block the EPA from requiring power plants to reduce their air pollution.

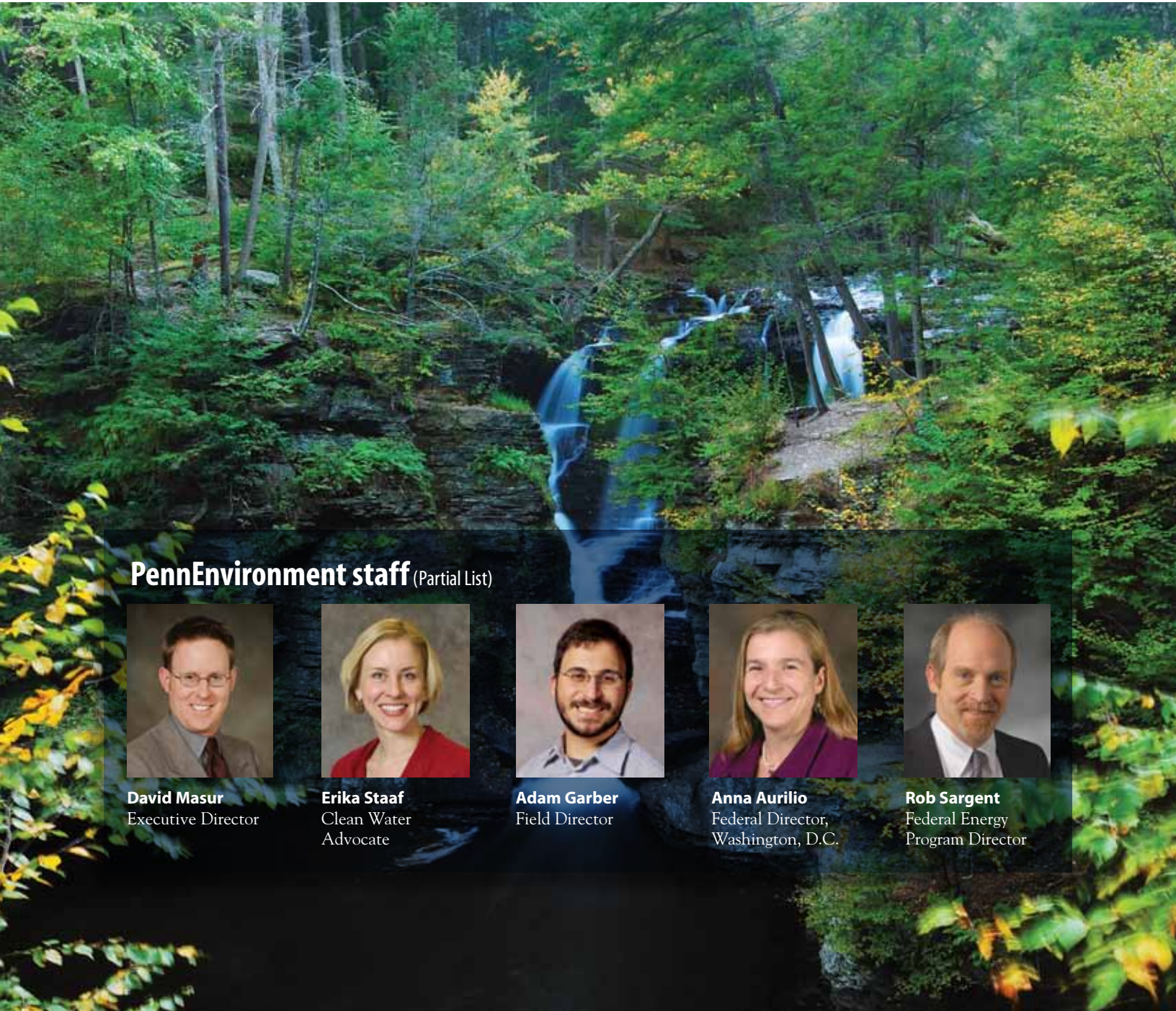


PennEnvironment hosted EPA Administrator Lisa Jackson at the Children's Hospital of Philadelphia for a town hall on the public health benefits of the new mercury standard.

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