Clean Air Act Advisory Committee Spring Meeting

Jeffrey R. Holmstead

Assistant Administrator

U.S. EPA, Office of Air & Radiation

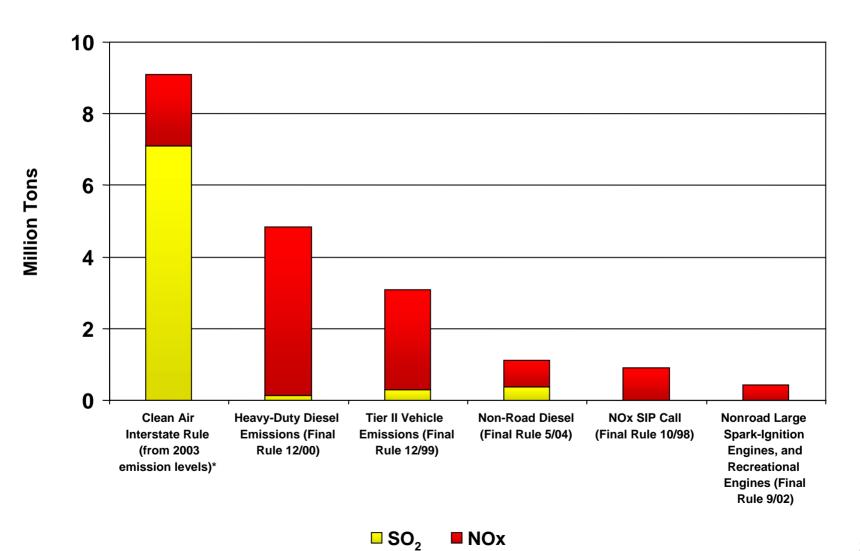


CAIR Health and Environmental Benefits: Benefits over 25 Times Greater than Costs

- By 2015, CAIR will result in \$85-100 billion in health benefits each year, preventing:
 - 17,000 premature deaths
 - 22,000 non-fatal heart attacks
 - 12,300 hospital admissions
 - 1.7 million lost work days
 - 500,000 lost school days.
- Almost \$2 billion in improved visibility benefits each year.
- Other non-monetized benefits reductions of mercury emissions, acid rain, nitrification, eutrophication, and more.
- In 2015, CAIR will cost about \$3.6 billion a year. Implementation beyond 2015 leads to higher annual benefits and costs.

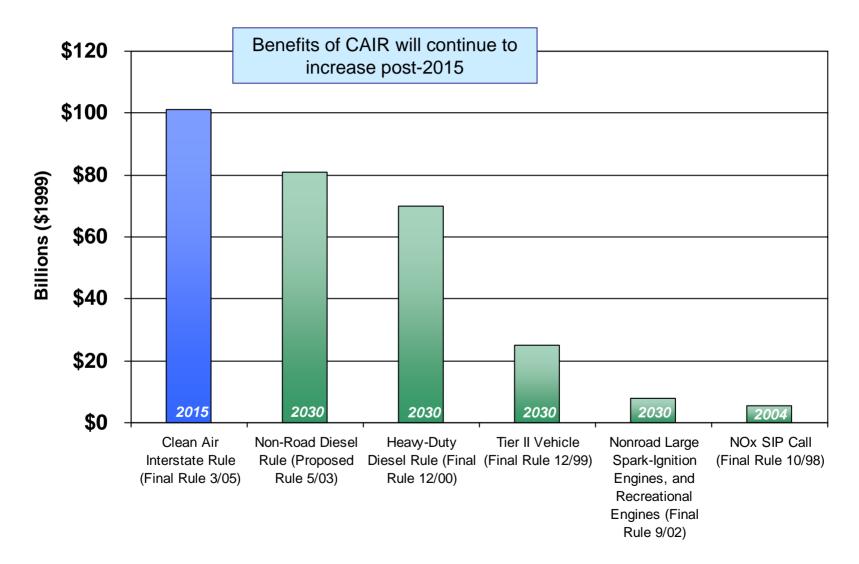


CAIR and Other Major Air Pollution Rules Since 1990: Annual Emission Reductions at Full Implementation



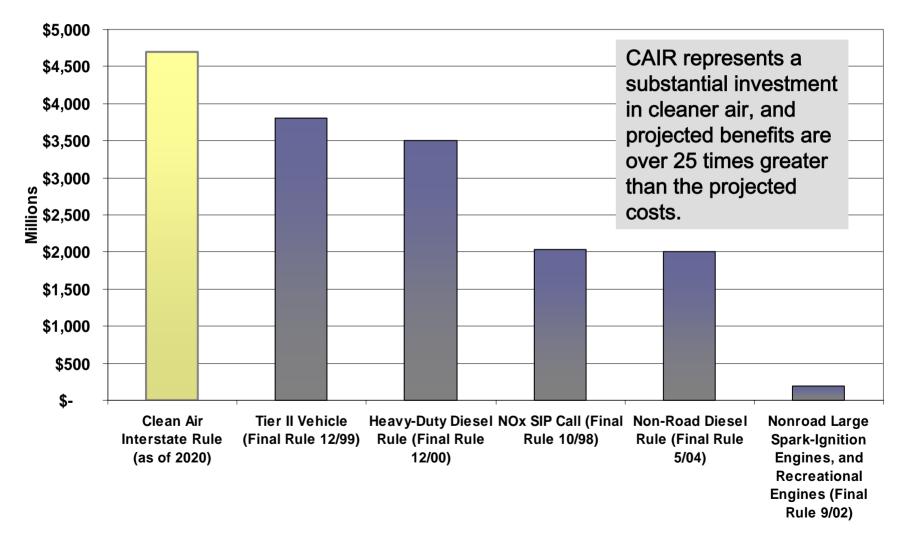
*These reductions are calculated from 2003 levels and do not reflect the full phase in of the acid rain program. Full implementation for mobile source rules is 2030. Full implementation for the CAIR is between 2020 and 2025.

Clean Air Interstate Rule and Other Major Air Pollution Rules Since 1990: Annual Benefits

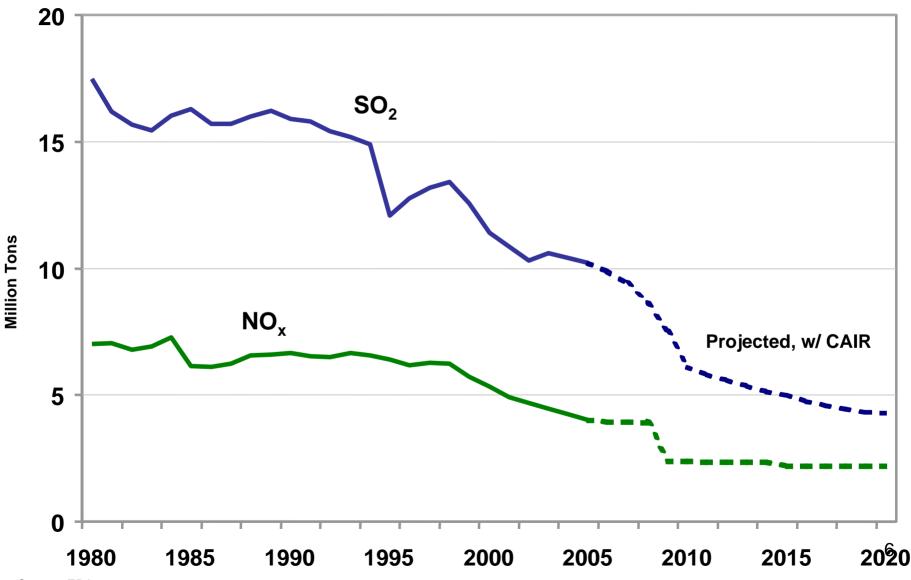


Notes: NOx SIP Call benefits are inflated from 1990 dollars and represent the higher range of projected final rule benefits. A discount rate of 3% is used for the benefits calculation. For CAIR, an alternative 7% discount rate would yield roughly \$86 billion of benefits in 2015.

CAIR and Other Major Air Pollution Rules Since 1990: Annual Private Compliance Costs at Full Implementation



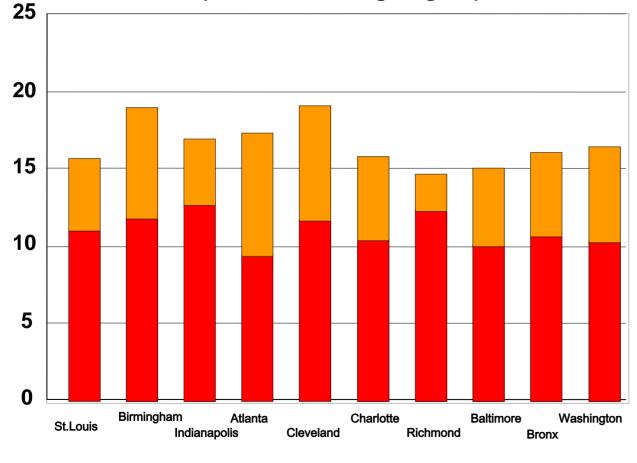
National NO_x and SO₂ Power Plant Emissions: Historic and Projected with CAIR



Source: EPA

In the East, Regional Emissions Contribute Significantly to Local Nonattainment Problems

Urban v. Regional Contribution to PM Concentrations (2000-2002 Average, ug/m3)



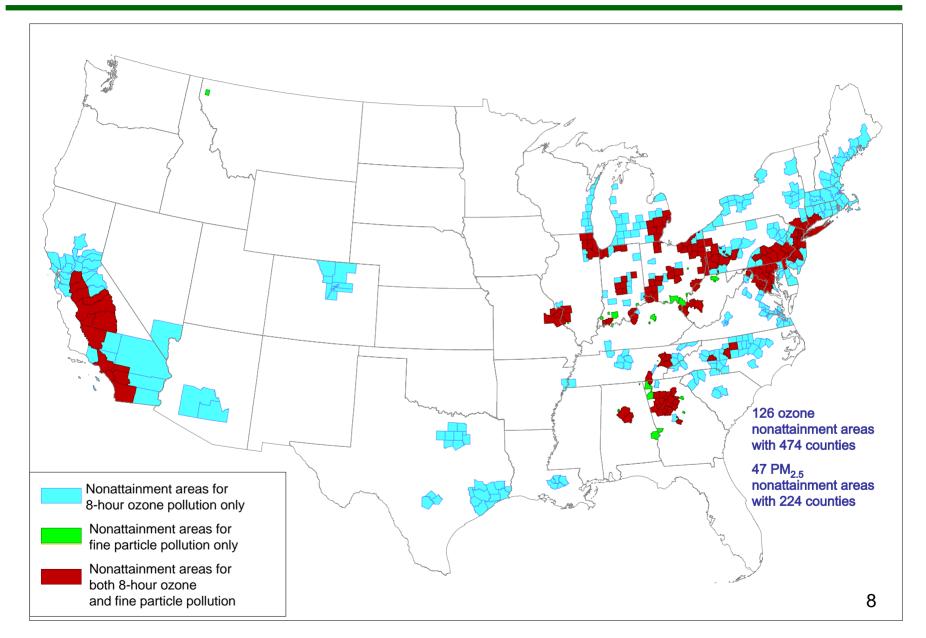
Regional Contribution

Urban Increment

- Because emissions are often transported across state boundaries, both regional and local action is needed to address air quality issues.
- Federal action would significantly reduce the burden on state and local governments by addressing transport.

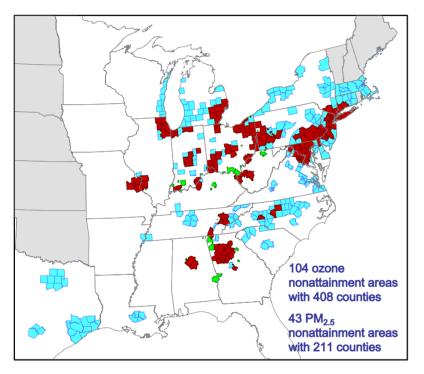
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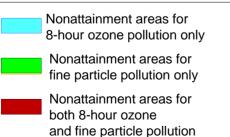
Areas Designated Nonattainment for Ozone and PM_{2.5} NAAQS in 2004



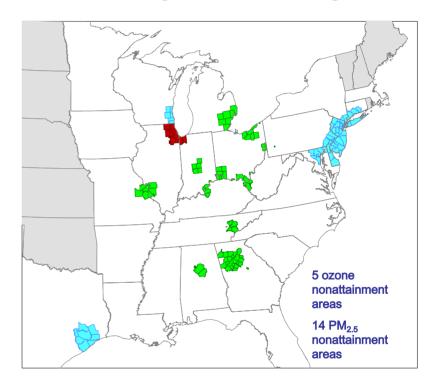
Ozone and Particle Pollution: CAIR, together with other Clean Air Programs, Will Bring Cleaner Air to Areas in the East - 2015

Ozone and Fine Particle Nonattainment Areas (March 2005)





Projected Nonattainment Areas in 2015 after Reductions from CAIR and Existing Clean Air Act Programs



Projections concerning future levels of air pollution in specific geographic locations were estimated using the best scientific models available. They are estimations, however, and should be characterized as such in any description. Actual results may vary significantly if any of the factors that influence air quality differ from the assumed values used in the projections shown here.

Two Ways to Address Transported Emissions from Power Plants

- The President's Clear Skies legislation is the preferred approach to achieving multi-pollutant emission reductions:
 - Multipollution caps apply to entire country.
 - Legislation can provide more certainty and less complexity.
- Use of existing Clean Air Act authority to address interstate transport of pollution:
 - Until legislation passes, our attainment deadlines and other problems related to power plant emissions demand we act now.
 - CAIR will provide very significant air quality attainment, health, and environmental improvements across the eastern U.S. in a highly cost-effective manner.

- The Clean Air Interstate Rule uses an approach that is similar to the NOx SIP Call but contains improvements, including:
 - Fewer complexities
 - No Flow Control
 - Facility Level Compliance vs. Unit Level

CAIR Delivers Considerable Environmental Benefits

In 2015, annual visibility benefits would be almost \$2 billion for improvements in southeastern national parks, such as Great Smoky and Shenandoah, and forests.

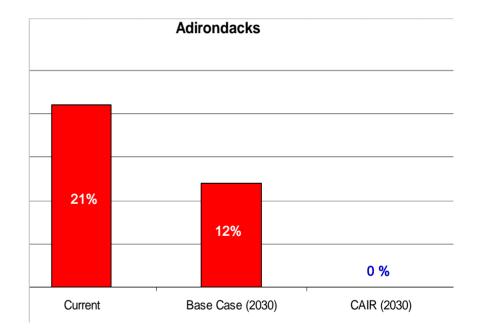
CAIR will reduce the number of acidic lakes – significant regional reductions in sulfur and nitrogen deposition are projected to benefit lakes and streams in the eastern U.S.

Northeast Region – Chronic acidity would be dramatically reduced by 2030 (only 1% of lakes would remain chronically acidic).*

Adirondack Mountains – Eliminates chronic acidity from lakes in the Adirondacks*

Southeast Region – Slows the rate of stream acidification.

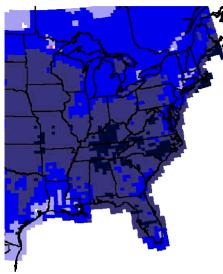
Reductions in nitrogen deposition will benefit sensitive coastal ecosystems.



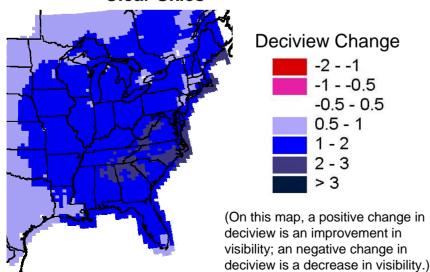
*Note: The figure presents results for chronic acidity only in modeled lakes. As such, model results apply to a subset of lakes in the Adirondacks and cannot be generalized to all waters in that area. These results do not include lakes that experience episodic acidification, or short periods of low Acid Neutralizing Capacity or high acidity, during storms or snowmelt. A significant proportion of Adirondack lakes could still experience episodic acidification and other aquatic species.

Visibility (2020)

Deciview Change 1996 vs. 2020 with Clear Skies

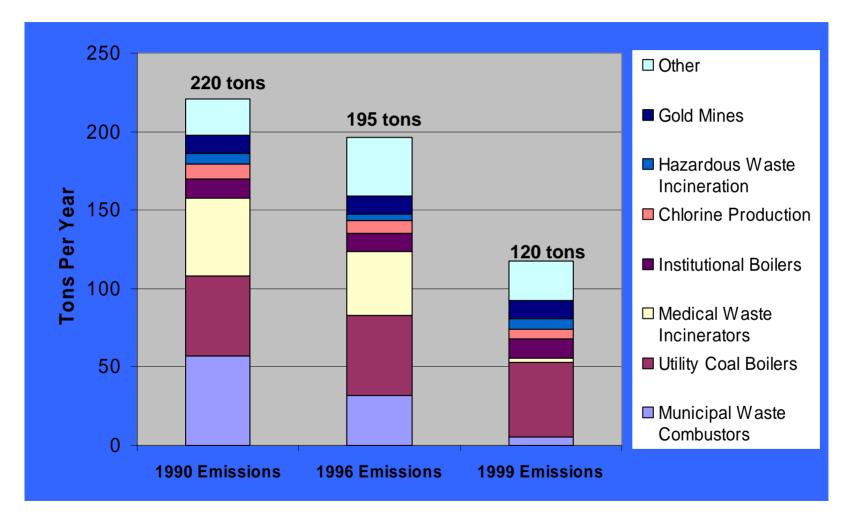


Deciview Change 2020 Base Case vs. Clear Skies



- Under Clear Skies visibility in a large portion of the East and Midwest would improve 2-3 deciviews from current levels
 - visibility along the southern Appalachian Mountains would improve more than 3 deciviews
- Clear Skies would improve visibility in the East and Midwest 1-2 deciviews beyond what is expected under existing programs
- Under Clear Skies the WRAP agreement will be honored and the emissions reductions are expected to take effect
 - allow future growth in the West to occur without degrading visibility

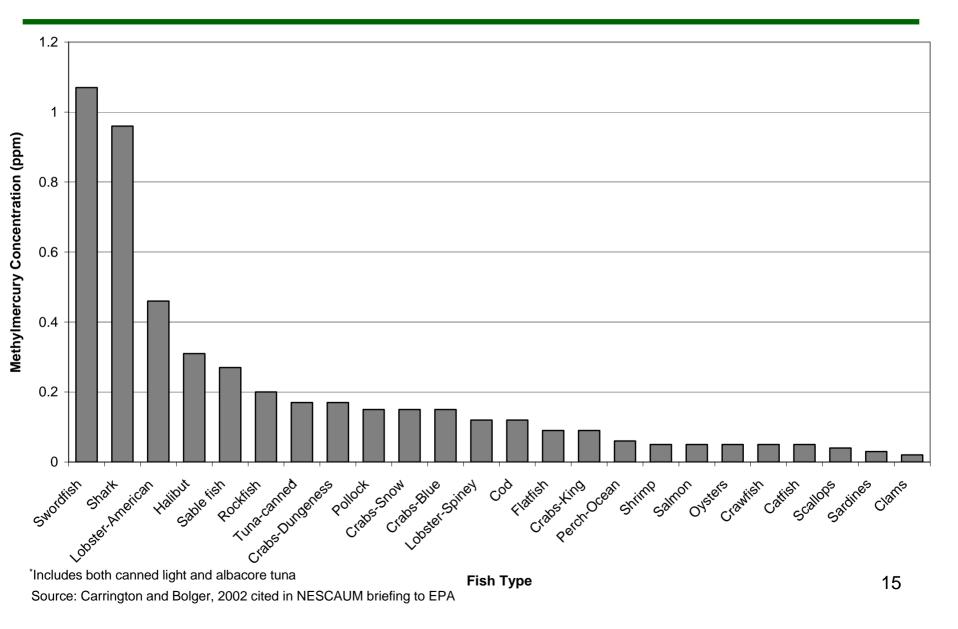
Mercury Emissions Have Dropped 45% Since 1990



Source: EPA 1990, 1996 NTI and EPA 1999 NEI. Short tons per year. Adjusted for gold mines in 1990 and 1996.

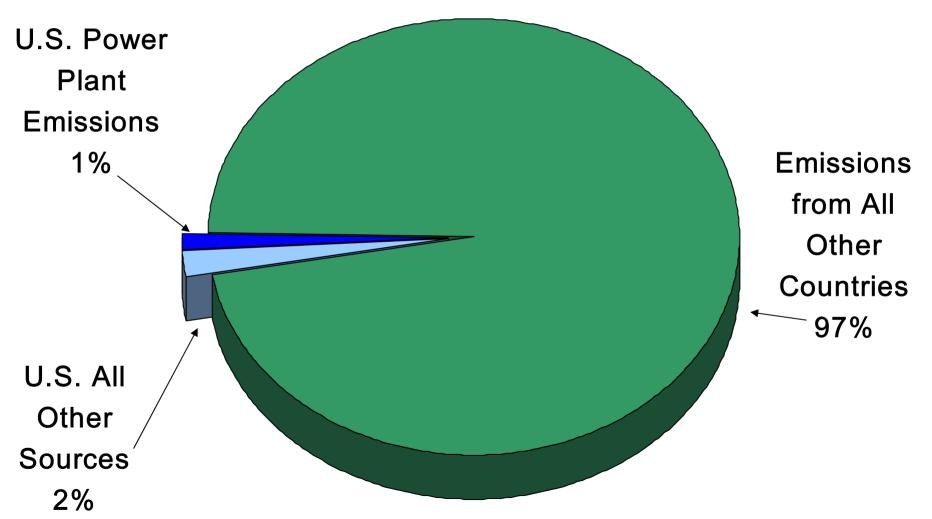
*The 1990 and 1996 NEI did not include gold mining emissions data. The emissions shown here for gold mines in those years are assumed to be equal to emissions for those mines in 1999.

Average Mercury Concentrations for Top 24 Types of Fish Consumed in U.S. Commercial Seafood Market

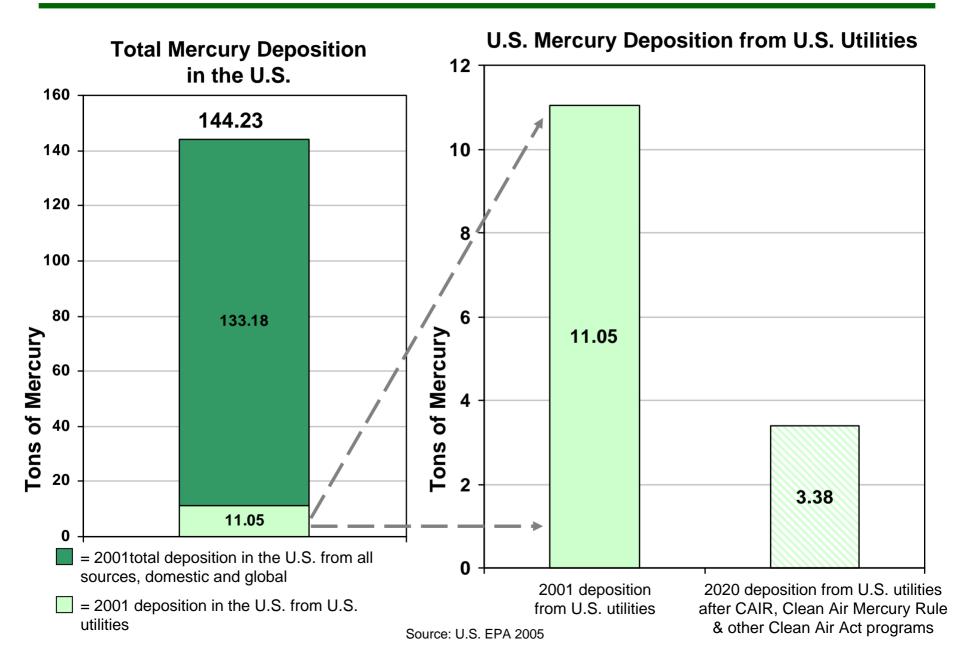


Mercury Emissions Are a Global Problem

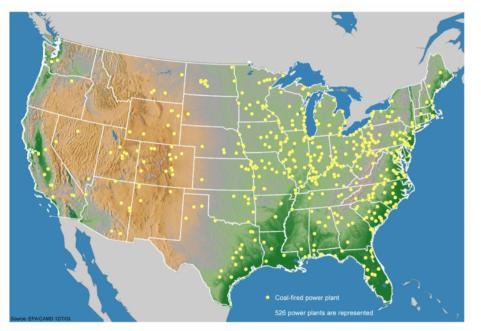
1999 Global Mercury Emissions



Mercury Deposition in the U.S.



Coal Fired Power Plants in the U.S.



U.S. Coal-Fired Power Plants

 About 1,300 coal-fired generation units (~ 500 coalfired power plants), representing about 305 GW of generation capacity

• Existing Controls:

- Almost all units have particulate matter (PM) control devices
- About one-third of capacity has SO₂ scrubbers
- Most have initial NOx controls (low-NOx burners)
- About one-third of the capacity (primarily in the east) will have advanced NOx control (SCR) when NOx SIP call is fully implemented

Mercury Capture in Existing Equipment

Removal in PM Controls

 Hg can be adsorbed onto unburned carbon surfaces, and captured in cold-side ESPs or FFs

Capture in Wet Scrubbers

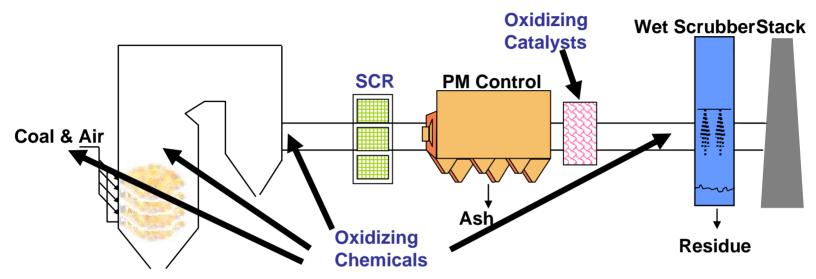
- Hg(II) capture depends on solubility of each compound; Hg(0) is insoluble and cannot be easily captured
- Capture enhanced by upstream SCR for bituminous coal-fired boilers

Emerging Mercury Control Technologies



Enhancing Hg Removal in Wet Scrubbers

Increase the amount of Hg(II) in flue gas



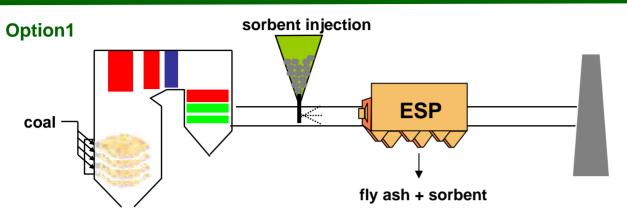
SCR – ongoing full-scale measurements: ~85- 90+% Hg removal for SCR + PM control + wet scrubber with bituminous coals; performance with low-rank coals uncertain. Effects of catalyst volume and aging and optimization of SCR for Hg capture need investigation.

Oxidizing catalysts and chemicals - under development

FGD chemical additive – tests have been conducted at 3 sites;

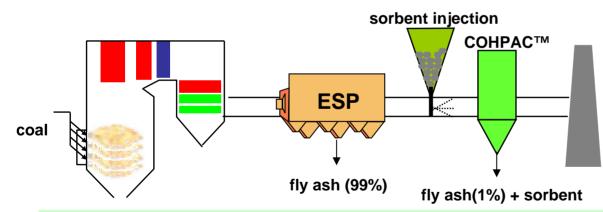
- (1) limestone forced oxidation (LSFO) scrubber successful in suppressing Hg re-emission, which results from part of the Hg absorbed in the scrubber solution getting converted to the insoluble Hg(0).
- (2) magnesium-enhanced lime scrubber not successful in suppressing Hg re-emission.
- (3) LSFO with SCR without SCR, additive was successful in suppressing Hg re-emission (Hg removal in scrubber improved from 70% to 78%); there was no need for additive with SCR, in which case more than 90% of Hg was removed in the scrubber.

Sorbent Injection



- Sorbent is injected upstream of the PM control device (ESP or FF)
- Collected fly ash and sorbent are mixed

Option 2: Electric Power Research Institute's (EPRI) TOXECON™ System



- Sorbent injection + Compact Hybrid Particulate Collector (COHPAC[™])
- Potential solution to ash reuse problems

The extent of capture depends on:

- Sorbent characteristics (particle size distribution, porosity, capacity at different gas temperatures)
- Residence time in the flue gas
- Type of PM control (FF vs. ESP)
- Concentrations of SO₃ and other contaminants

Activated Carbon Injection (ACI)

- ACI has successfully been used to reduce mercury emissions from waste combustors. Efforts are underway to transfer to coal-fired power plants.
- ACI is currently only being used in demonstration projects.

Activated carbon injection system



Activated carbon storage and feed system



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