

Environmental Policy Update

Eric Myers, Director – Environment & Energy Policy
SCEUC Customer Briefing – May 24, 2011

Policy Landscape

- “Train wreck” well underway
- Climate policy in exile
- Clean Energy Standard (CES) gets limited attention
- Key rules arriving by rail
 - Industrial Boiler major source MACT - **stayed**
 - Utility MACT / “Toxics Rule” – **in error, but proceeding**
 - 316 (b) – **out for public comment**
 - Steam electric effluent guidelines
 - Ash rules
- Legislative alternative under discussion



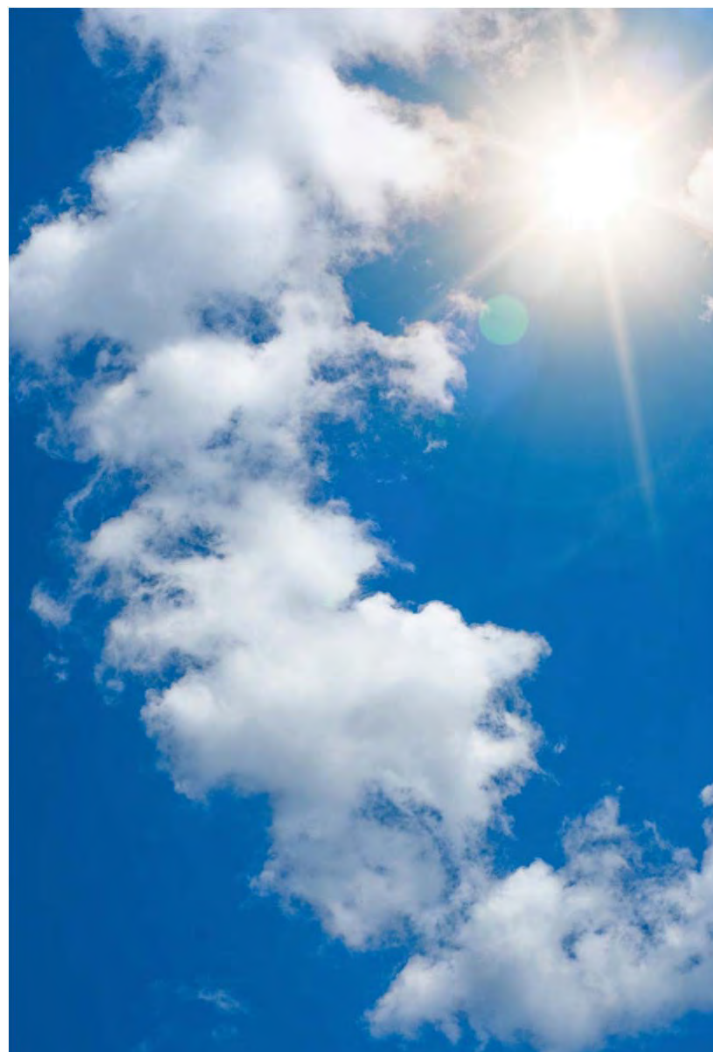
Climate Policy

- Divided Congress not pursuing any climate plans
- Public views on climate remain steady although latest polls show slightly more persuaded human activity is to blame
- Still – public is not clamoring Congress to legislate
- Regulations march on largely unchecked – though EPA shows temperance re: biomass
- Legislation likely to lie dormant until at least 2013



Clean Energy Standard

- Technology, not “emissions” is driver
- “All of the above” approach addresses regional differences
- Nuclear is a key component, but international events weigh more heavily with each passing day
- Consensus hard to come by



Industrial Boiler MACT

- Final rule published February 21, 2011
- ~200,000 boilers covered by new rules
- Many concerns similar to EGU MACT, including “frankenMACT,” monitoring, fuel variability issues
- Biomass gets a 3-year carbon “pass”
- EPA has stayed rule indefinitely.



EGU MACT “Toxics” Rule

- EGU MACT Proposal Signed March 16, 2011
- 60-day comment period starts with FR publication
- Sets limits for 5 pollutants to address all HAPs from EGUs
 - Hg
 - PM (surrogate for non-Hg HAP metals)
 - SO₂ or HCL (surrogate for acid gas HAP)
 - Dioxin/furan
- EPA Admits to overestimating mercury emissions from best controlled units by factor of 1,000. Declines to extend comment period.



316(b)

	Option 1 - EPA's Preferred Option	Option 2	Option 3	Option 4
DIF Threshold for Impingement Requirements	2 MGD	2 MGD	2 MGD	50 MGD [BPJ between 2 and 50 MGD]
DIF Threshold for Entrainment Requirements	2 MGD	125 MGD	2 MGD	2 MGD
Impingement Requirements	Mandatory impingement reduction technology; Numeric standards for intake velocity or fish mortality rate	Mandatory impingement reduction technology; Numeric standards for intake velocity or fish mortality rate	Mandatory impingement reduction technology; Numeric standards for intake velocity or fish mortality rate	Mandatory impingement reduction technology; Numeric standards for intake velocity or fish mortality rate [BPJ between 2 and 50 MGD]
Entrainment Requirements	Conduct a detailed study for each facility; institute a public process with the state agency resulting in a determination of site-by-site BTA	Mandatory intake flow reduction commensurate with closed cycle cooling (i.e., install cooling towers)	Mandatory intake flow reduction commensurate with closed cycle cooling (i.e., install cooling towers)	Site specific basis utilizing State BPJ

Notes

DIF = Design Intake Flow

BPJ = Best Professional Judgment in the State permitting process

BTA = Best Technology Available

2 MGD ~ 1,400 gpm

50 MGD ~ 35,000 gpm

125 MGD ~ 87,000 gpm

Steam Electric Effluent Guidelines

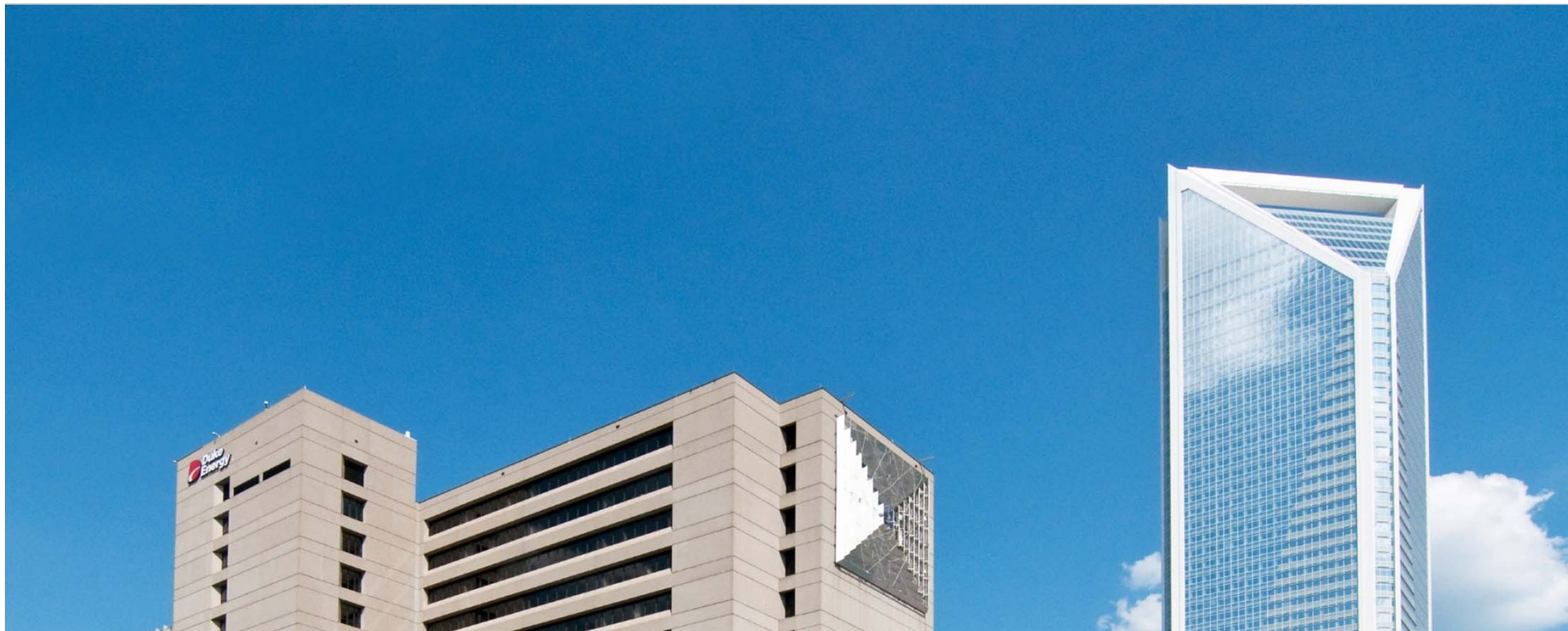
- Proposal due in July of 2012, final rule by January 2014
- Covers approximately 1,200 facilities, including nuclear
- Address effluents associated with air pollution control systems, among others



Coal Combustion Residuals

- Comment period closed in November 2010
- Tens of thousands of comments received
- Final rule not expected until 2012 at the earliest – most are speculating 2013





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