



Status of Mercury Control Technologies, Measurement Methods, and Emerging State Regulations for U.S. Coal-Fired Utility Sector

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IJC and CEC: Consultation on Emissions from Coal-Fired Electric Utilities

Montreal, Quebec

July 20 and 21, 2004



What is NESCAUM?

- Northeast States for Coordinated Air Use Management
- Association of air quality divisions of state departments of environmental protection
- Provides scientific, technical and policy support to member-states governments
- Assists states in complying with federal regulations and in developing regionally consistent regulations and strategies

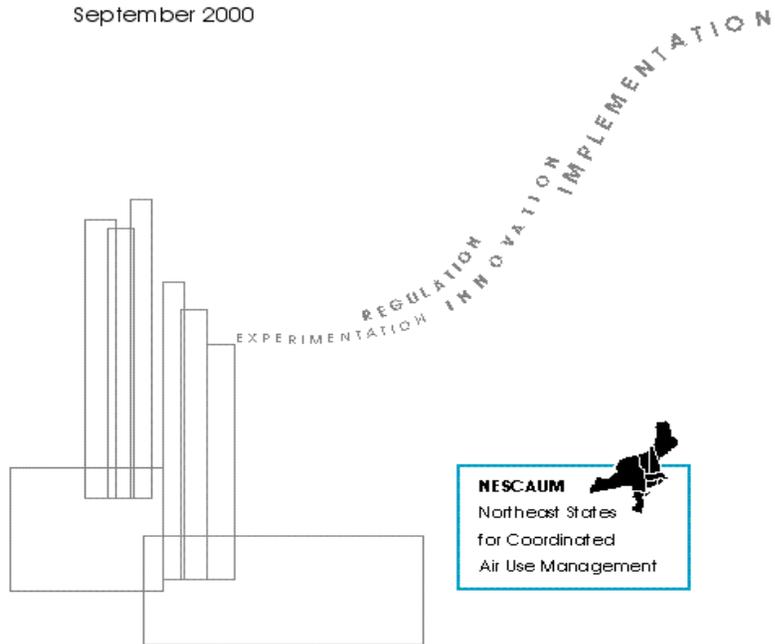


Overview

- Existing and emerging emission control technologies for mercury
 - Related “co-benefits,” type of control equipment currently in use, projected future use
- Status of continuous emission measurement systems (CEMS) for mercury
 - Implications for control strategies (especially market-based approaches)
- Cost of controls
- Emerging states regulations in the U.S./federal landscape

Environmental Regulation and Technology Innovation: Controlling Mercury Emissions from Coal-Fired Boilers

September 2000





NESCAUM Report:

Environmental Regulation & Technology Innovation

- Evaluated historical relationships over 50 years between environmental regulatory drivers and innovation in control technologies
- Three case studies: SO₂ from power plants; NO_x from power plants; & Automobiles (controls/fuels/engines)



NESCAUM Report: Key Findings

- “Where strong regulatory drivers exist, substantial technological improvements & steady reductions in control costs follow.”
- “Dynamic occurs even when control options were limited or untested at the time regulations were introduced.”

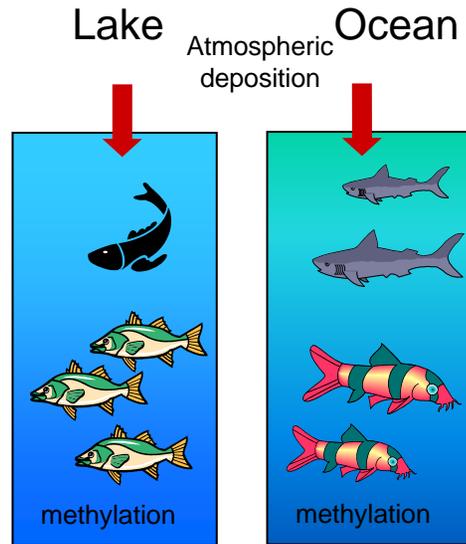
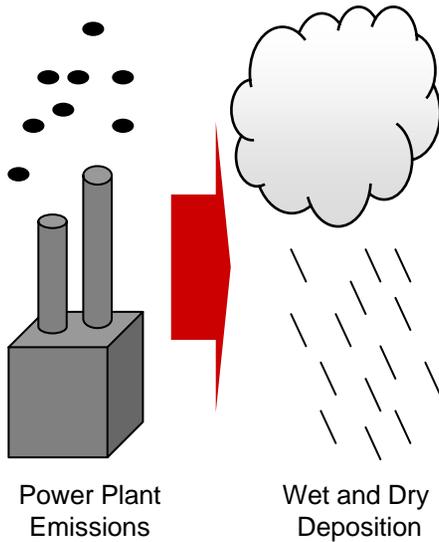


Mercury Policy Context in the Northeast

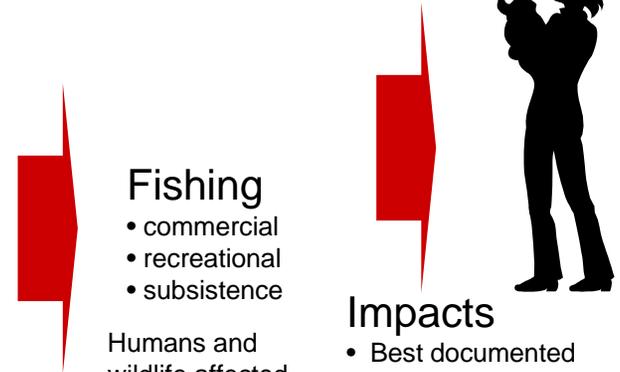
- New England Governors/Eastern Canadian Premiers' Regional Mercury Action Plan
 - 50% reduction by 2003
 - 75% reduction by 2010
 - Virtual elimination of anthropogenic discharges of mercury is long-term goal
- Example : Mass “Zero Mercury” Strategy
 - 75% reduction by 2010
 - Virtual elimination of anthropogenic discharges and use of mercury is long-term goal



Mercury Emissions from Power Plants Cause Human Exposure to Mercury



Mercury transforms into methylmercury in soils and water, then can bioaccumulate in fish



Humans and wildlife affected primarily by eating contaminated fish

Impacts

- Best documented impacts on the developing fetus: impaired motor and cognitive skills
- also: cardiovascular, immune, and reproductive system impacts





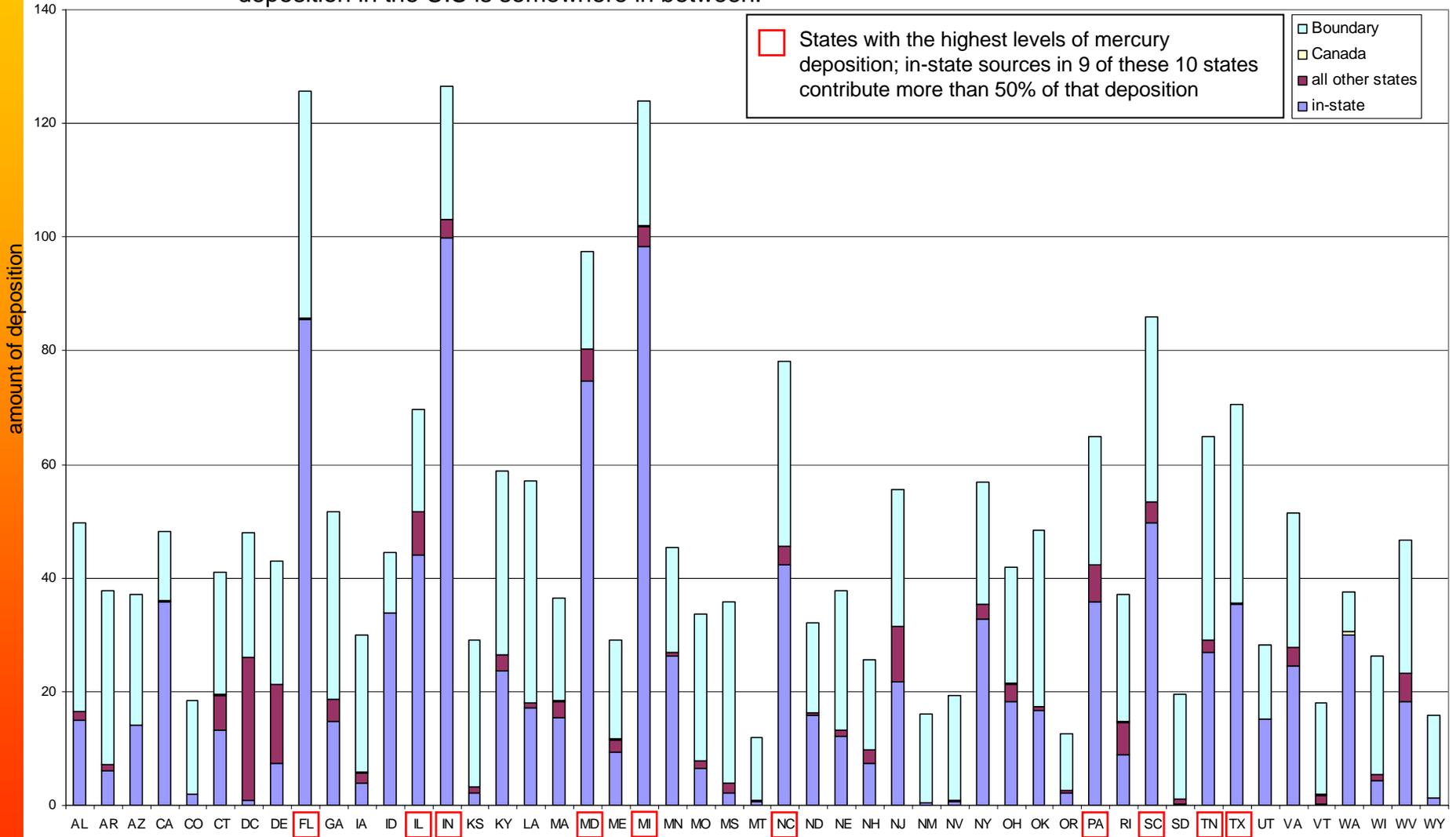
Atmospheric Transport

- Mercury is emitted from sources in one of three forms: elemental, ionic (also called reactive or divalent), and particulate
- Elemental mercury is slowly converted to ionic mercury in the atmosphere
- Elemental mercury can travel quite far before it deposits, so it tends to enter the “global pool” and deposit far from its initial source
- Ionic mercury deposits quickly, especially in rain, and so tends to deposit relatively near to its initial source
- Estimates vary, but current U.S. emissions are thought to account for over half of the atmospheric deposition in the U.S. (on average)
 - near sources the percentage is even higher



Atmospheric Transport of Mercury

At the point where modeled deposition is the highest, in-state sources are responsible for more than 50% of the deposition in many states. In most places the contribution of U.S. sources to mercury deposition in the U.S is somewhere in between.

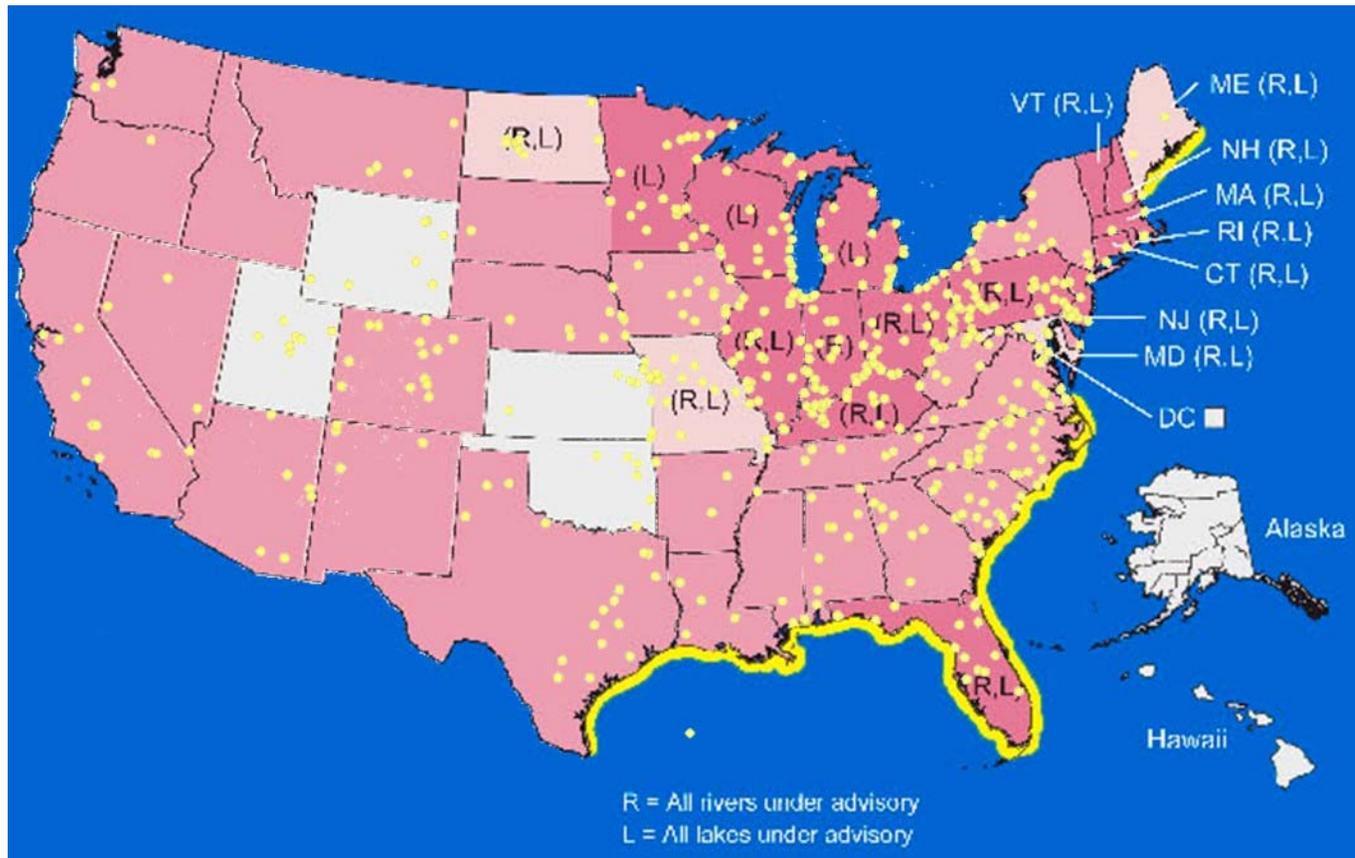




Atmospheric Deposition

- Mercury is deposited in rain (wet deposition), dry deposition (including throughfall and litterfall), and fog
 - throughfall is mercury “washed off” leaves by rain
 - litterfall is mercury from the atmosphere taken up by plant leaves and deposited to the ground when the leaves fall from the tree
- Mercury deposition is monitored by a single national deposition monitoring network-- the Mercury Deposition Network (MDN)
 - measures wet deposition weekly at approximately 80 locations
- Some intensive dry deposition monitoring at research sites and by ORD, but there are no dry or fog mercury monitoring networks in the U.S.

Coal-Fired Power Plants

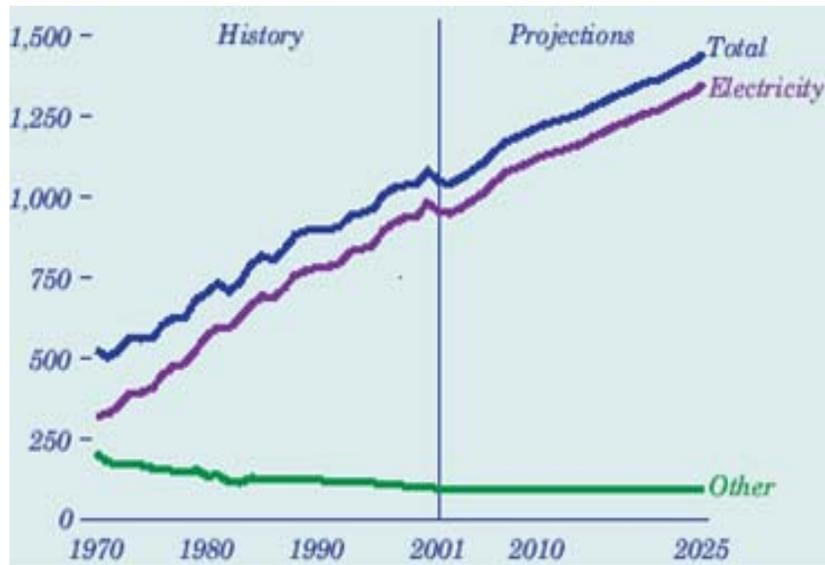


- There are about 530 power plants with 305 gigawatt of capacity that consist of about 1,300 units, 1,150 of which are >25 megawatt.
- Coal plants generate the vast majority of power sector emissions:
 - 100% of Hg
 - 95% of SO₂
 - 90% of NO_x

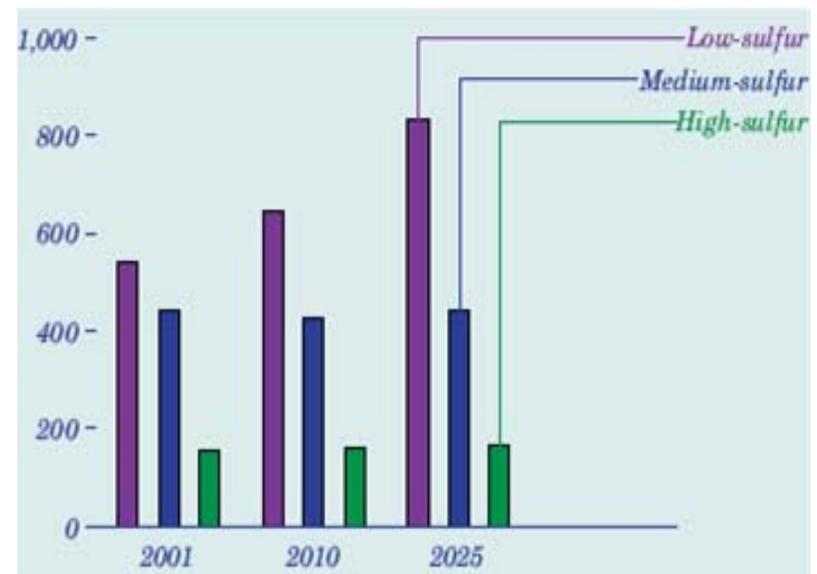


Looking Ahead - Coal Use

Consumption (million short tons)



Production (million short tons)



Consumption of low-sulfur coals in the power generation sector is expected to increase in the future.

Source: Annual Energy Outlook 2003 with Projections to 2025, DOE/EIA-0383(2003)



Status of Issue in the U.S.:

Mercury (Hg) Control From Power Plants

- U.S. EPA and many states regulated municipal waste combustors (MWCs) and medical waste incinerators in 1990s; controlled more than 40 tons (up to 98 % control)
- Coal-fired power plants now major source; 48 tons (1999)
- On January 30, 2004, EPA proposed regulations for power plant Hg control; presently in comment/review phase
- A number of U.S. states have already proposed mercury regulations

Power Plant Emissions

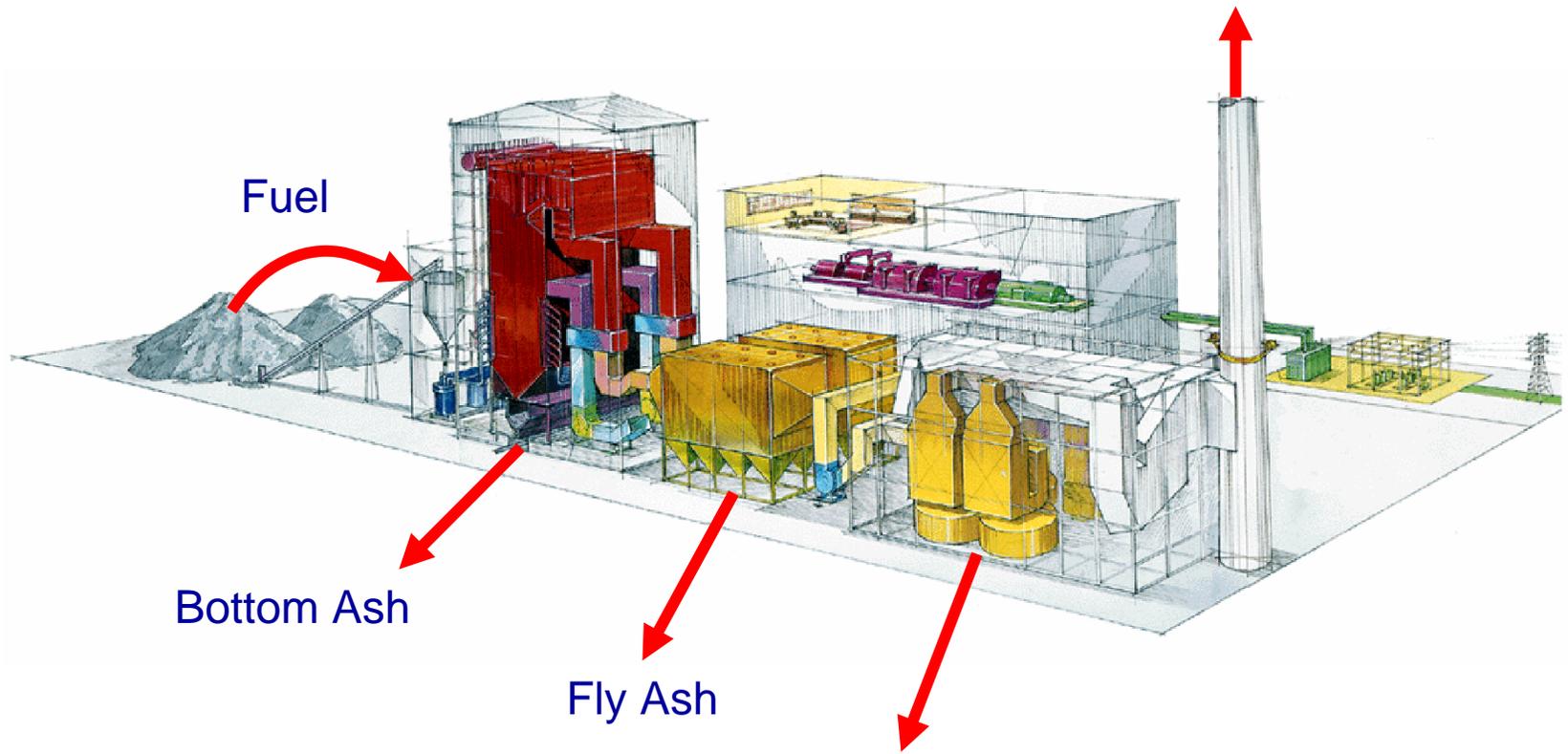
Stack Emissions

Fuel

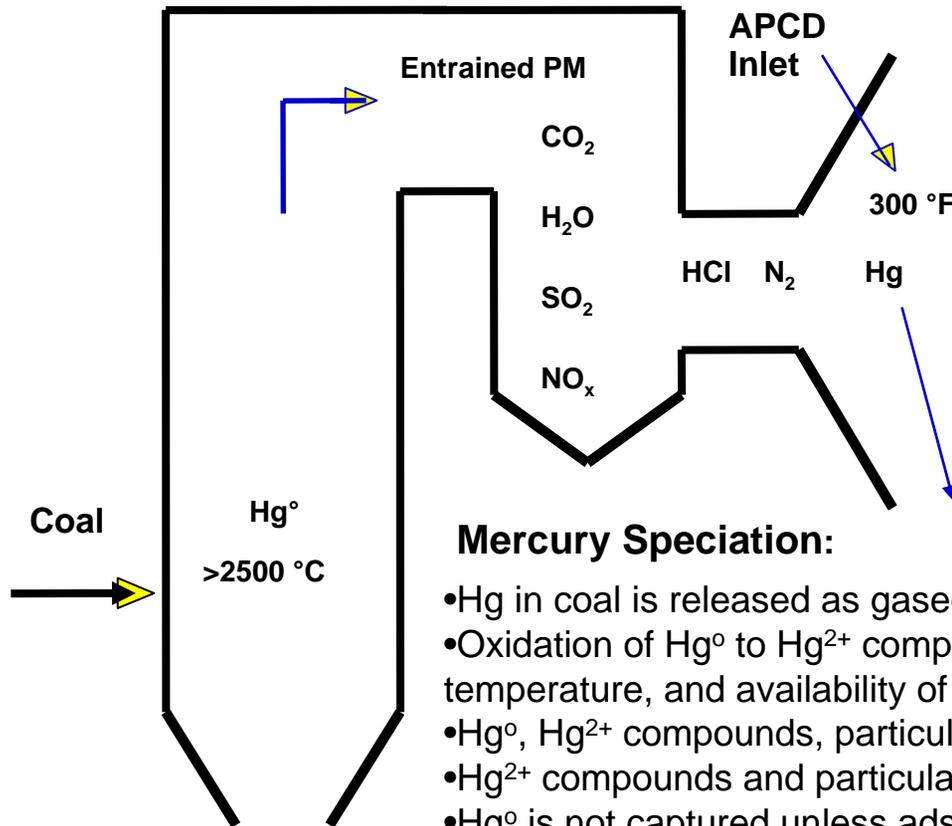
Bottom Ash

Fly Ash

FGD Byproducts
and Waste

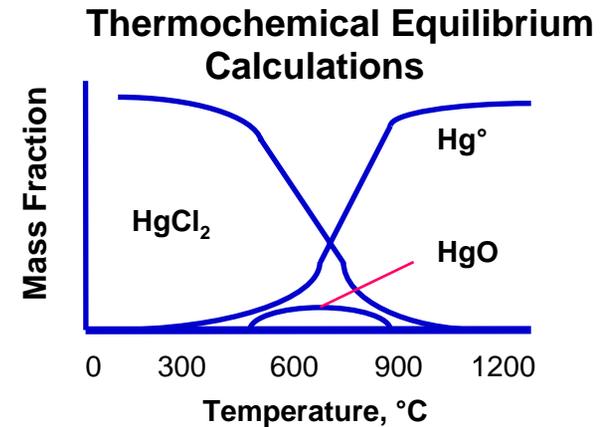


Mercury in Coal-fired Boilers



Mercury Speciation:

- Hg in coal is released as gaseous Hg°
- Oxidation of Hg° to Hg^{2+} compounds is driven by cooling exhaust gas temperature, and availability of chlorine and unburnt carbon
- Hg° , Hg^{2+} compounds, particulate mercury $\text{Hg}(\text{p})$ exist at inlet to APCD
- Hg^{2+} compounds and particulate mercury $\text{Hg}(\text{p})$ may be removed by APCD
- Hg° is not captured unless adsorbed onto particulate. Hg° , uncaptured Hg^{2+} compounds and uncaptured $\text{Hg}(\text{p})$ are released to atmosphere.



Senior, Boole, Morency, et. al., PSI Final Report, 1997



Factors That Influence Mercury Control from Coal-fired Boilers

- Coal type
- Time/temperature profile
- Flue gas composition and fly ash characteristics (carbon, calcium, iron, porosity)
- Air pollution controls installed



Mercury Capture in Existing Equipment

Removal in PM Controls

- Mercury can be adsorbed onto fly ash surfaces; Hg^{2+} is more readily adsorbed than Hg^0
- Mercury can be physically adsorbed at relatively lower temperatures (hot-side ESP vs. cold-side ESP)

Capture in Wet Scrubbers

- Hg^{2+} capture depends on solubility of each compound; Hg^0 is insoluble and cannot be captured
- Capture enhanced by SCR



ICR Data – Capture in Existing Equipment

- Higher levels of Hg capture for bituminous coal-fired plants compared to low-rank coal-fired plants
- Large ranges of Hg capture observed
- Compared to electrostatic precipitators (ESPs), fabric filters (FF) capture higher levels of Hg
- Limited data suggested that scrubbers could potentially capture oxidized Hg effectively



Hg Removal with Existing Equipment

Controls

Bituminous

Subbituminous

PM Only

| | | |
|-------------|-----|-----|
| CS-ESP | 46% | 16% |
| HS-ESP | 12% | 13% |
| FF | 83% | 72% |
| PM Scrubber | 14% | 0% |

Dry FGD

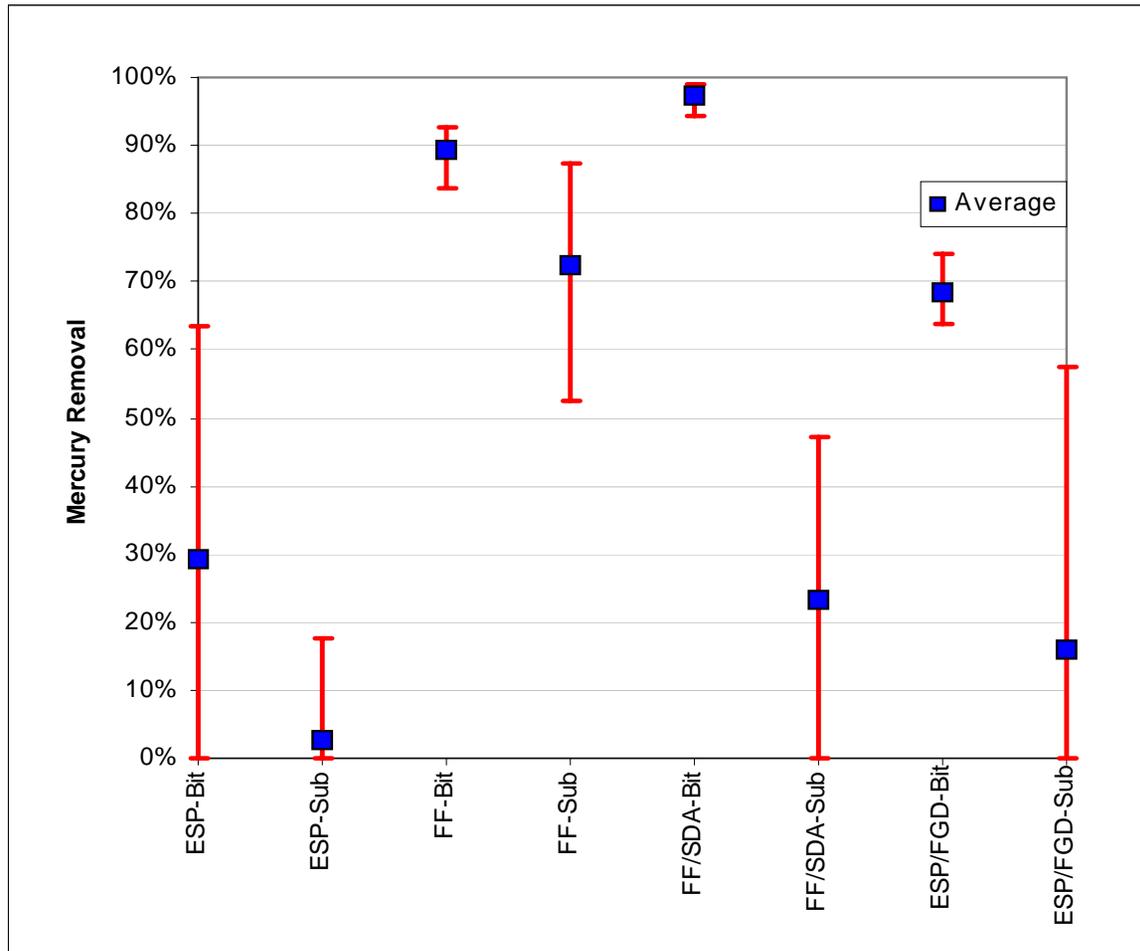
| | | |
|-----------|-----|-----|
| SDA + ESP | | 38% |
| SDA + FF | 98% | 25% |

Wet FGD

| | | |
|----------------|-----|-----|
| CS-ESP+Wet FGD | 81% | 35% |
| HS-ESP+Wet FGD | 55% | 33% |
| FF+Wet FGD | 96% | |



ICR Data – Capture in Existing Equipment



- Bituminous vs. subbituminous
- Hg capture for different coal-control technology combinations correlate with coal chlorine content
- Unburnt carbon content of fly ash plays a role in Hg capture

Wide variation in ICR Hg Capture Data



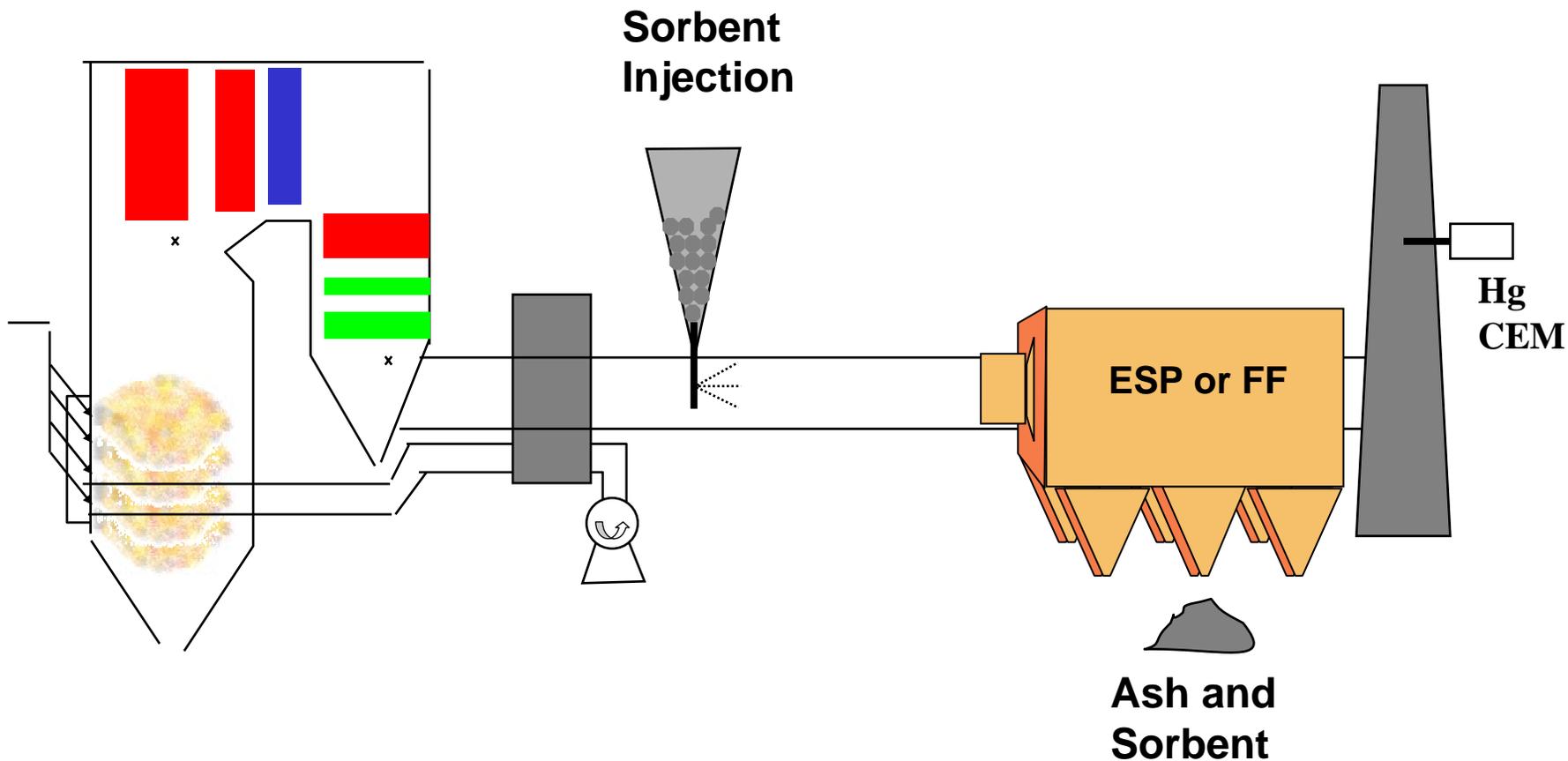
Potential Mercury-Specific Control

- Emerging add-on Hg controls
 - Activated carbon injection
 - Other sorbents
- Modified (optimized) NO_x, SO₂, and PM controls (SCRs, FGDs (wet and dry), ESPs and Fabric Filters (baghouses))



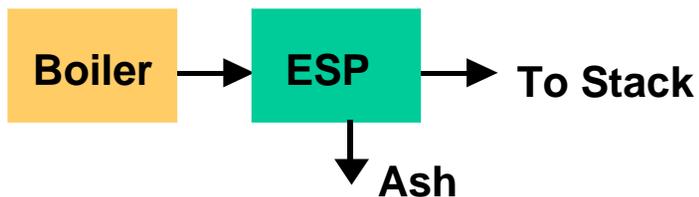
Sorbent Injection Mercury Control Technology

Coal-Fired Boiler with Sorbent Injection

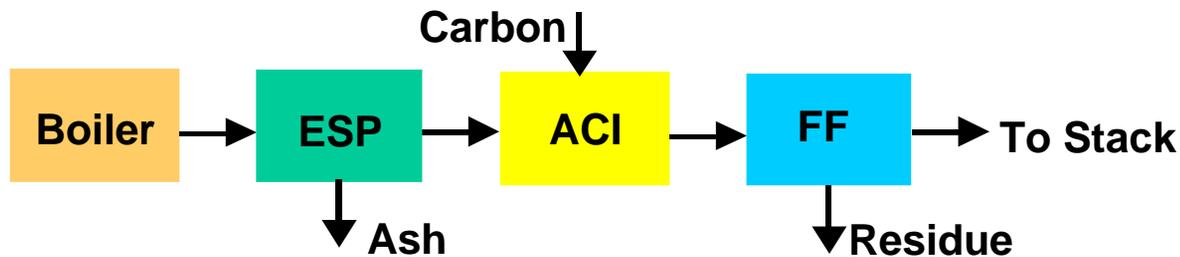
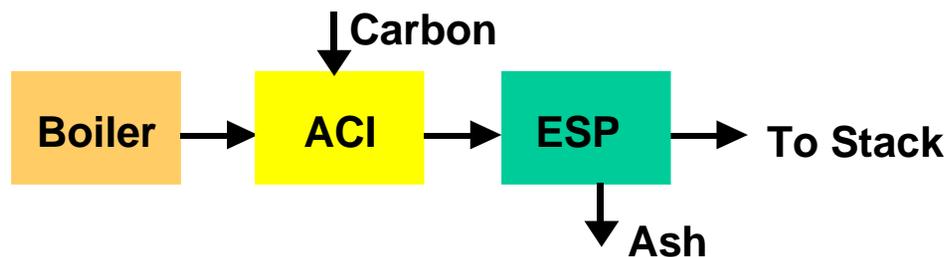


Hg Control for Key Configurations

Typical Eastern No Control Configuration (> 65%, 1999)



ACI-Based Hg Control Modifications

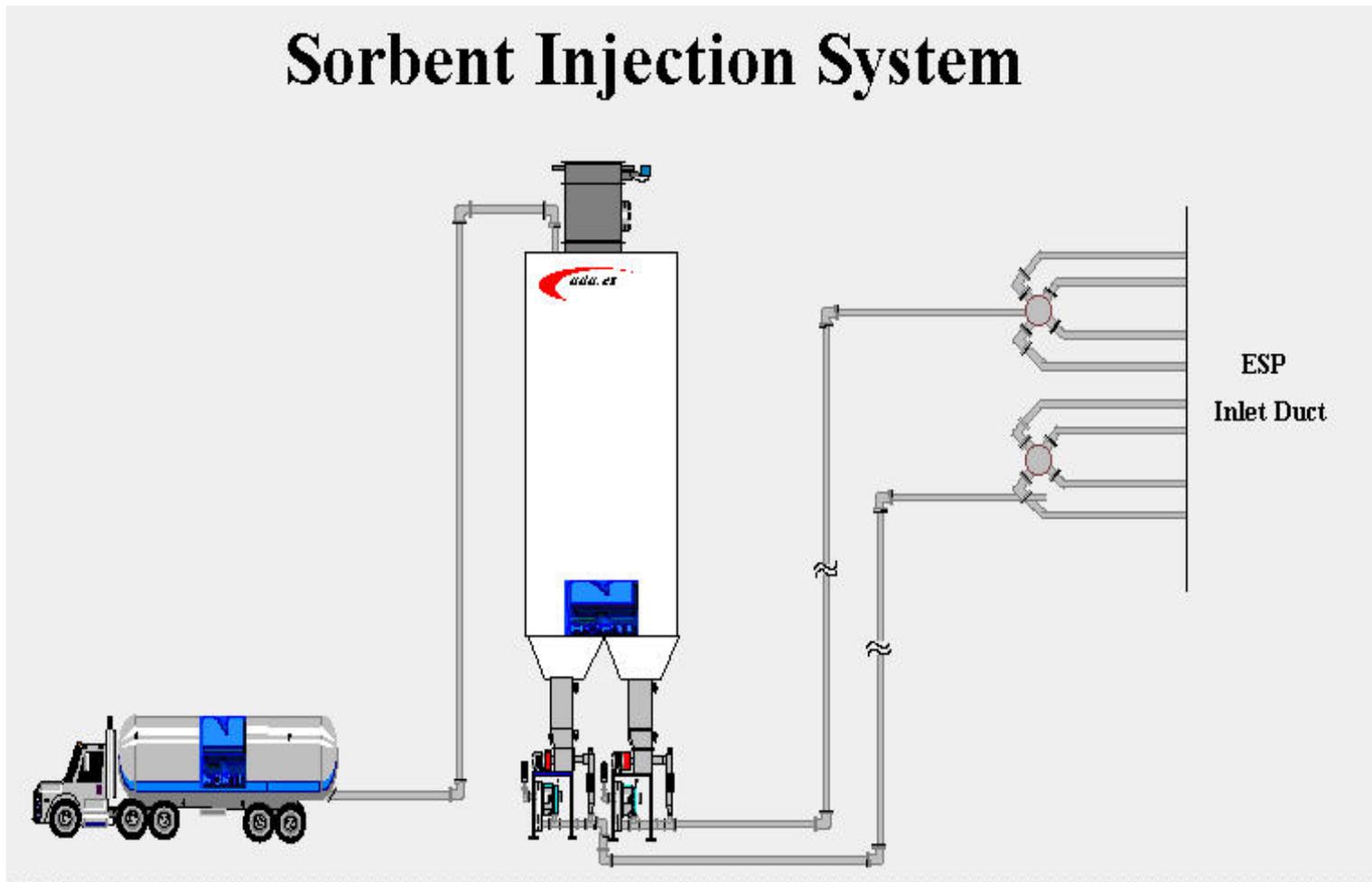


Activated Carbon



Activated Carbon Storage and Feed System

Sorbent Injection System





Powdered Activated Carbon Delivery System





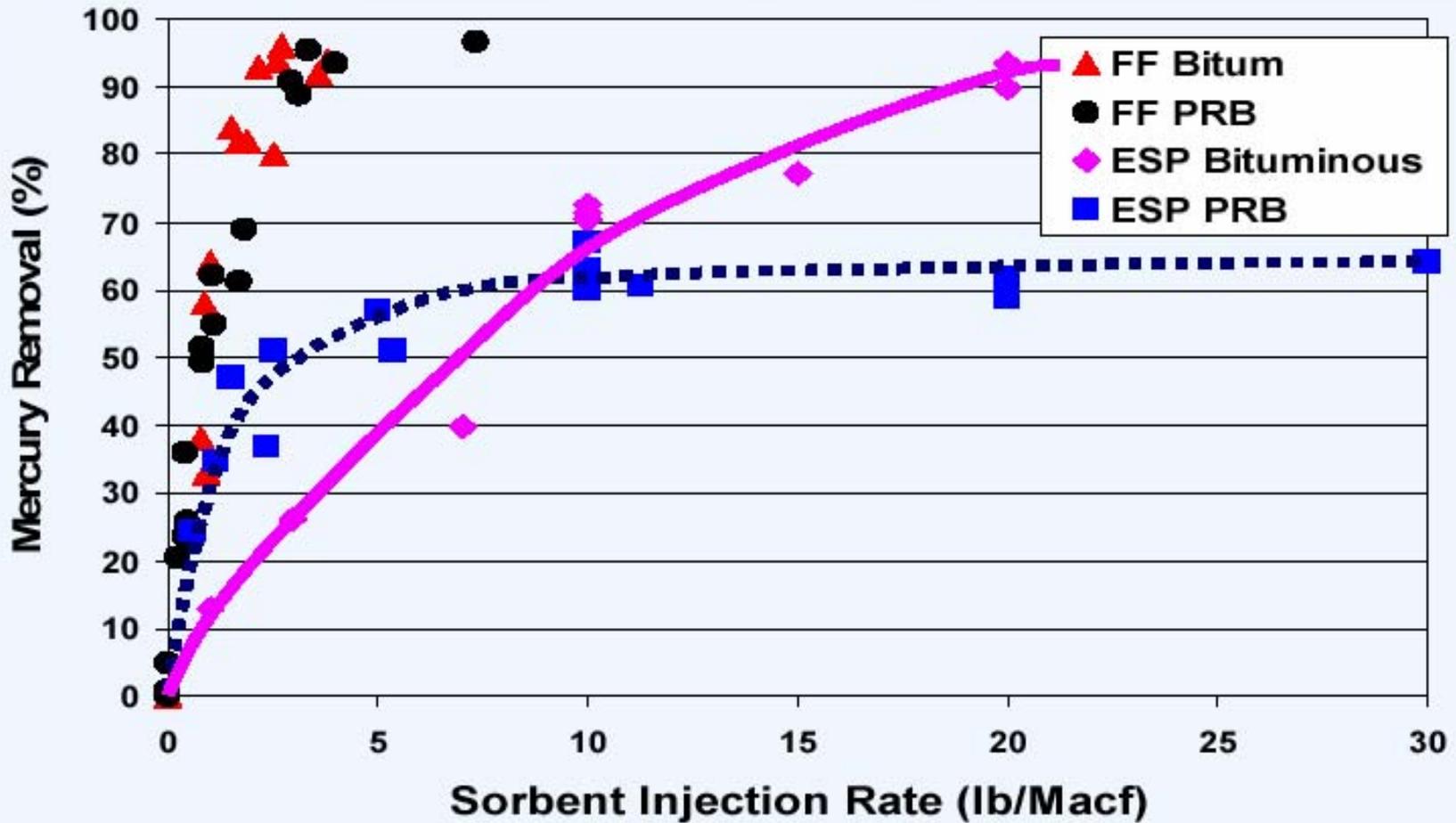
Activated Carbon Injection

ACI system includes a sorbent storage silo and a sorbent injection system. It may also include an added fabric filter to capture the carbon.

Activated carbon storage and feed system



Mercury Removal with Activated Carbon on Fabric Filters and ESPs





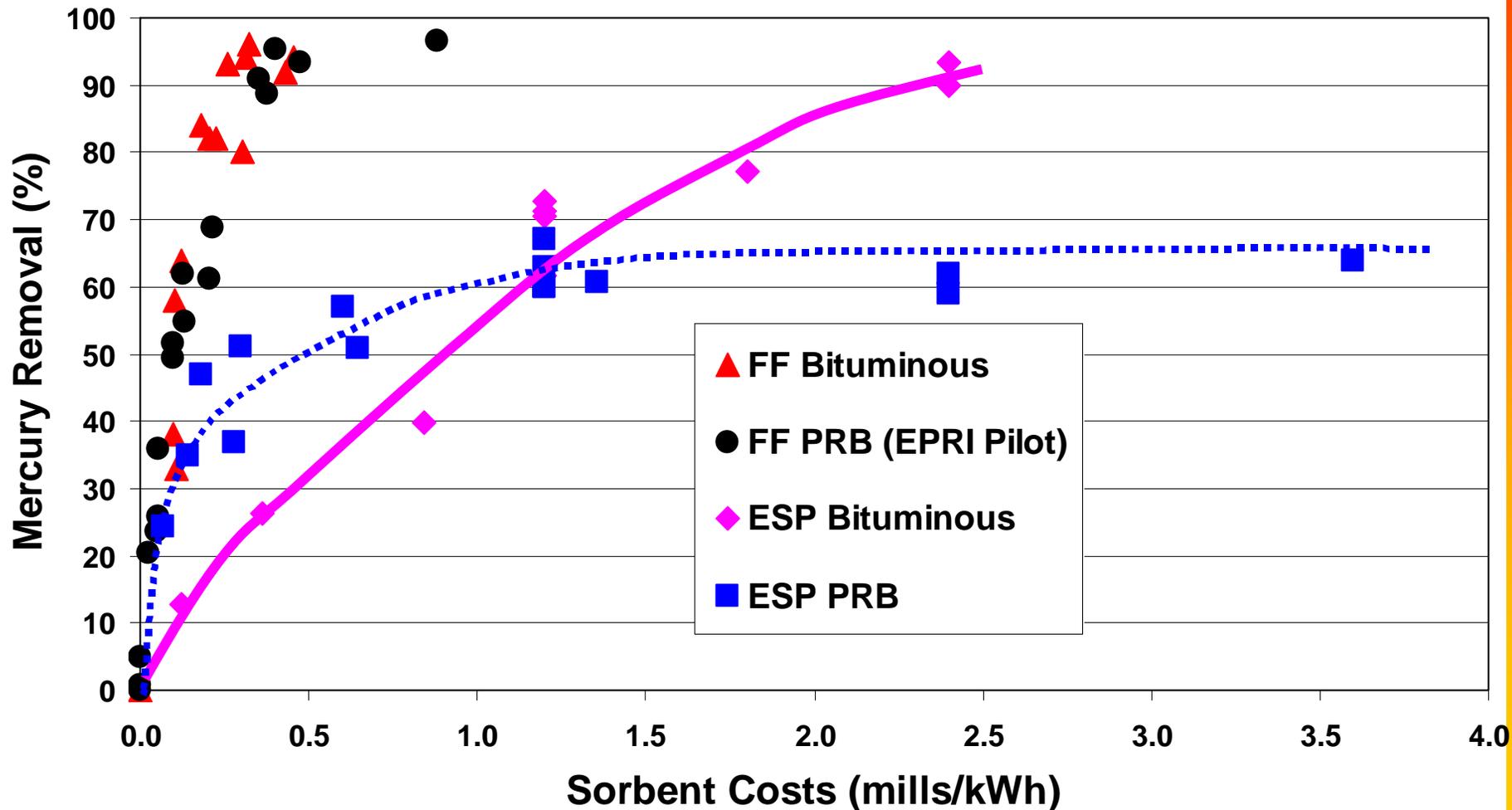
Carbon Injection Field Test Projects

| Test Site Information | | | Mercury Capture, % | | |
|---|--------------------------|--------------------------|--------------------|------------------|-------------------------------|
| Test Site | Coal | Particulate Control | Baseline | ACI Test Results | Test Duration |
| PG&E Brayton Point, Unit 1 | Low-sulfur Bituminous | Two CS-ESPs in Series | 90.8 | 94.5 | ACI for two 5- day periods |
| PG&E Salem Harbor, Unit 1 | Low-sulfur Bituminous | CS-ESP | 90 | 94 | ACI for one 4- day period |
| Wisconsin Electric Pleasant Prairie, Unit 2 | Subbituminous | CS-ESP | 5 | 65 | ACI for one 5- day period |
| Alabama Power Gaston, Unit 3 | Low-sulfur Bituminous | HS-ESP + COHPAC | 0 | 90 | ACI for one 9- day period |

Limitations: Short-term tests, variability in Hg emissions, impacts on plant operation, unique test conditions, limited capture of Hg for low-rank coal.

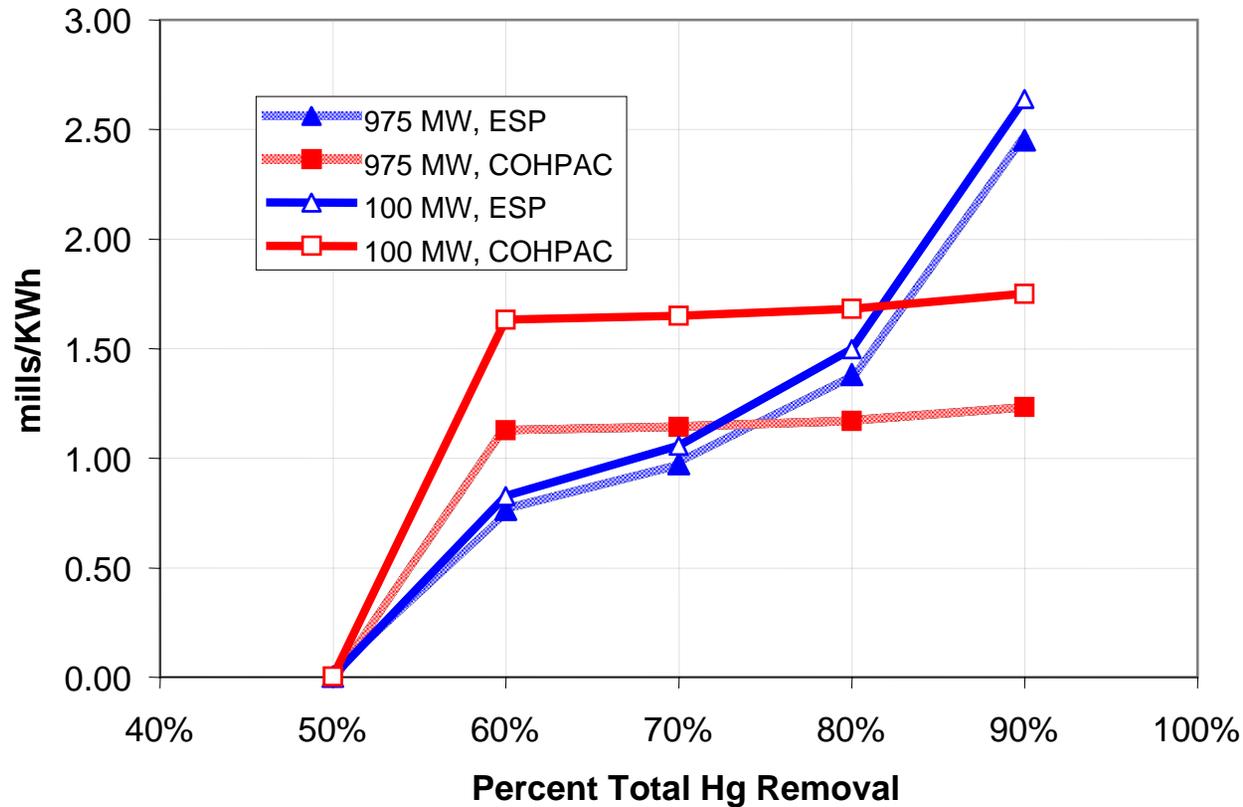


Cost and Performance of Sorbent-Based Mercury Control



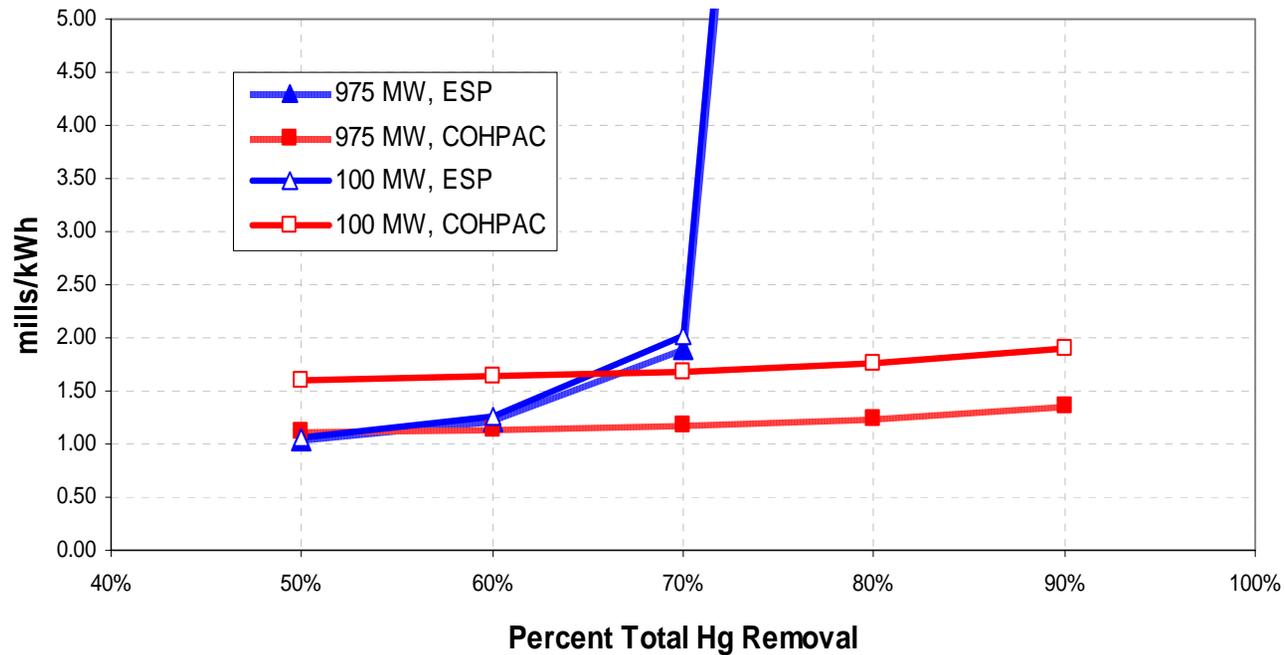


Preliminary Cost of Control with Carbon Injection (Low-sulfur Bituminous Coal)





Preliminary Cost of Control with Carbon Injection (Subbituminous Coal)





ACI Cost Estimates for Bituminous Coals

- Assumptions:
 - 250 MW Plant; 80% Capacity Factor
- Capital and Operating Costs for ESP:
 - 70% Mercury Removal: PAC Injection @ 10 lb/Macf
 - PAC Injection: \$790,000
 - Carbon costs: \$2,562,000/yr
- Capital and Operating Costs for FF:
 - Add COHPAC Fabric Filter at \$50/kW: \$12,500,000
 - 90% Mercury Removal: PAC Injection @ 3 lb/Macf
 - PAC Injection: \$790,000
 - Carbon costs: \$769,000/yr

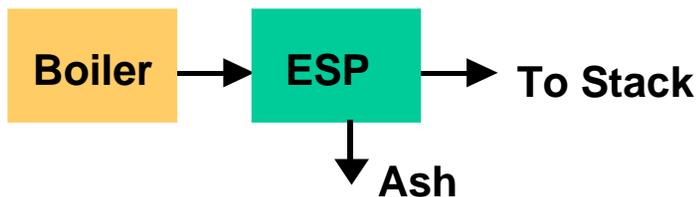


Ash Issues

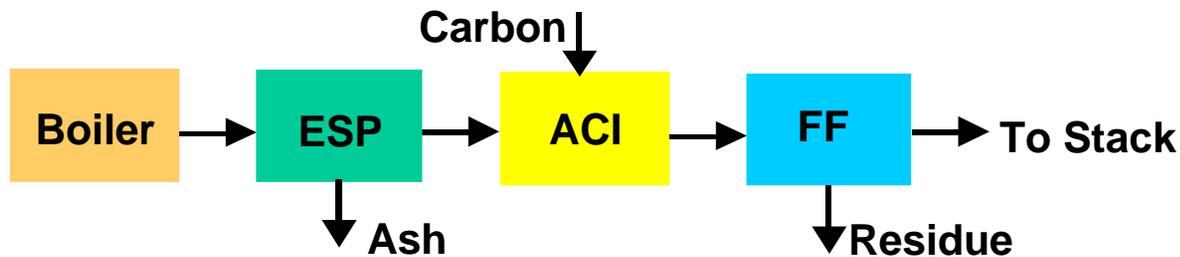
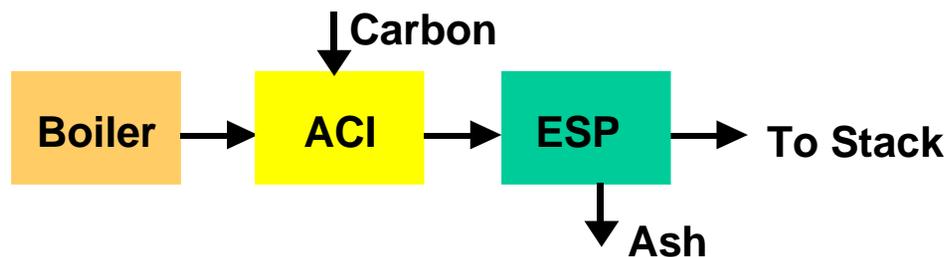
- The mercury captured by PAC, LOI, and ash appears to be very stable and unlikely to reenter the environment.
- The presence of PAC will most likely prevent the sale of ash for use in concrete.
- Several developing technologies to address the problem:
 - Separation
 - Combustion
 - Chemical treatment
 - Non-carbon sorbents
 - Configuration solutions such as EPRI TOXECON™

Hg Control for Key Configurations

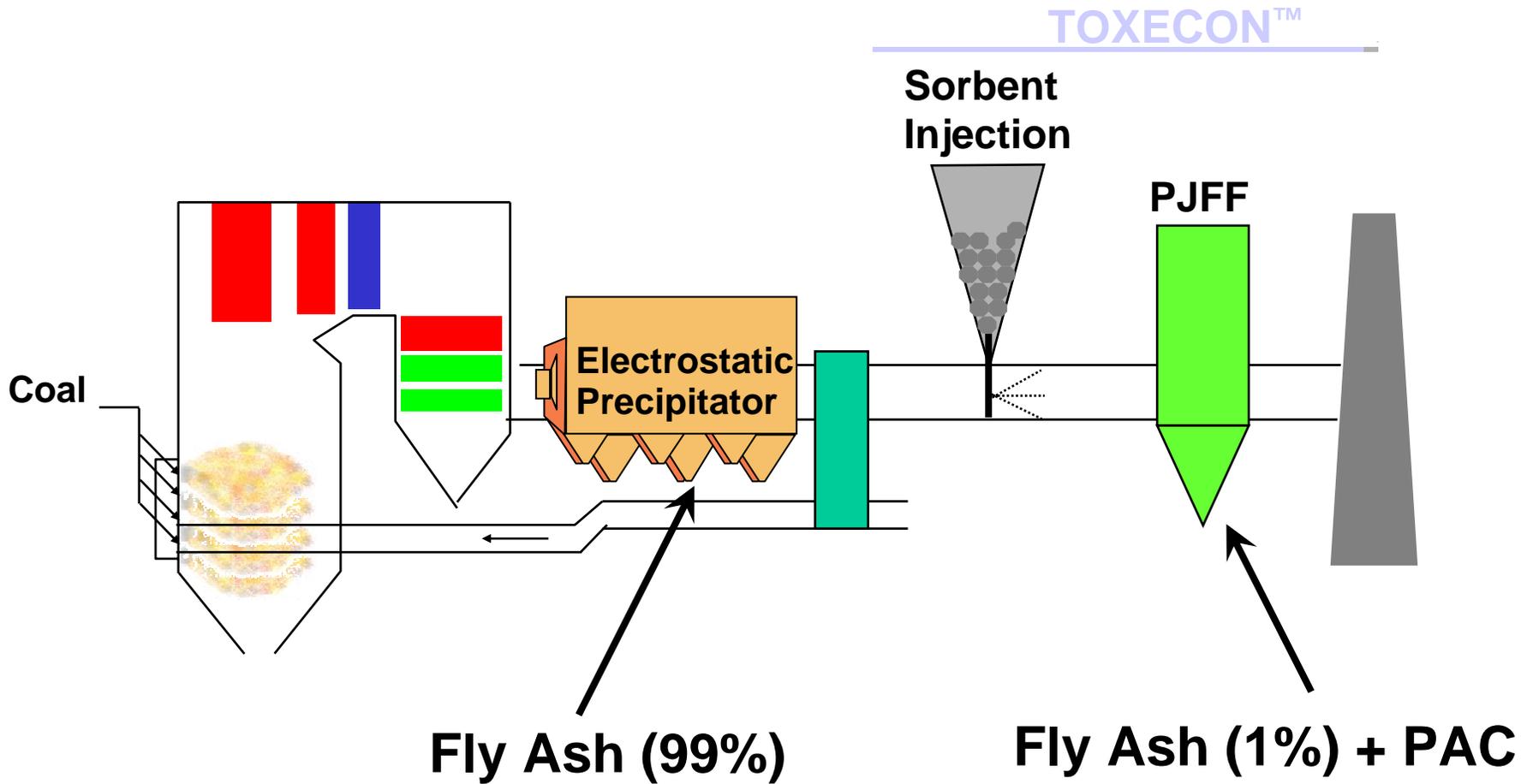
Typical Eastern No Control Configuration (> 65%, 1999)



ACI-Based Hg Control Modifications



TOXECON™ Configuration





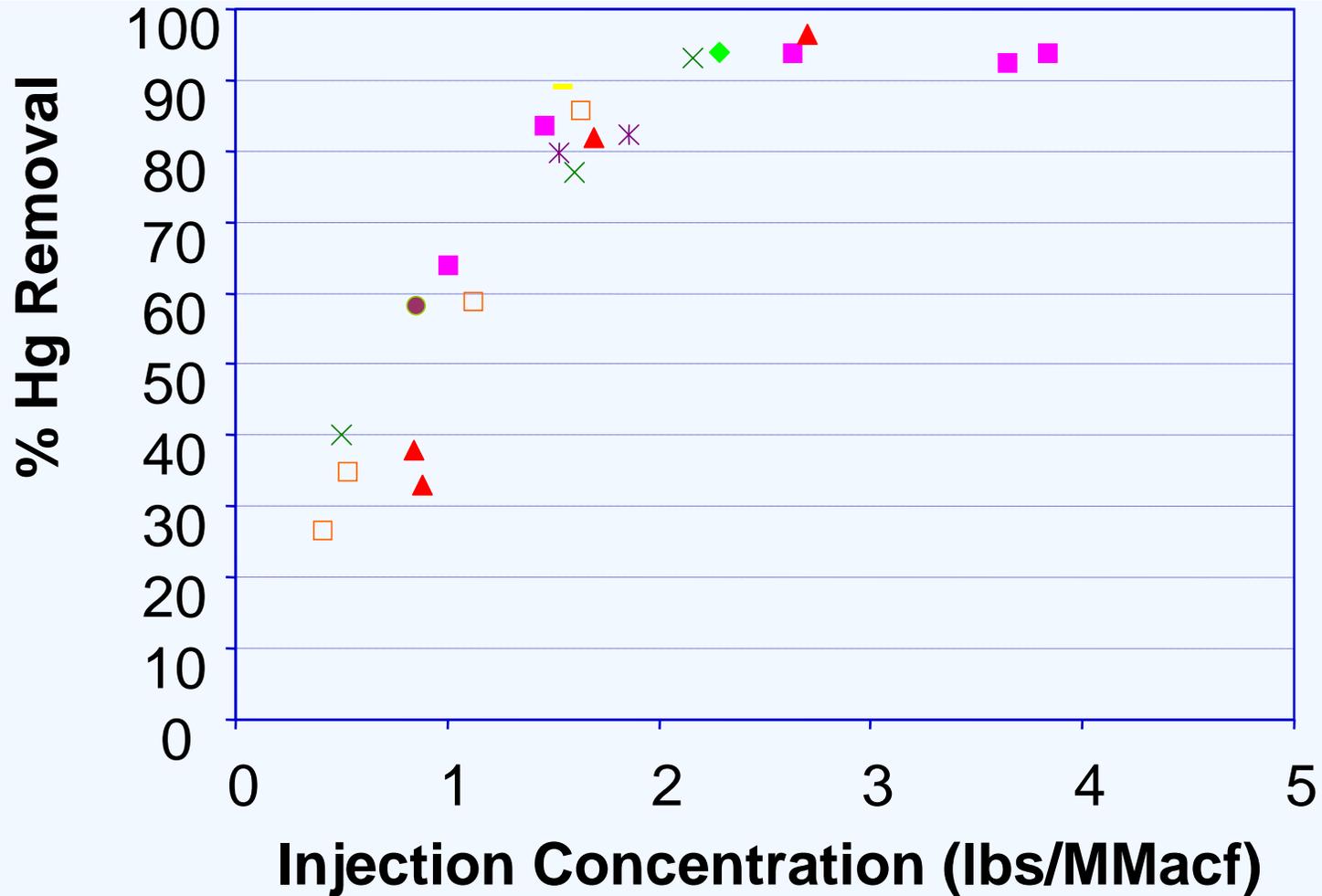
Alabama Power E. C. Gaston Unit 3

- 270 MW firing a variety of low-sulfur, washed eastern bituminous coals.
- Particulate Collection:
 - Hot-side ESP;
SCA = 274 ft²/kacfm
 - COHPAC™ baghouse
- Wet ash disposal to pond.
- Primary funding from DOE/NETL with co funding provided by:
 - Southern Company
 - Duke Energy
 - Ontario Power Generation
 - TVA
 - Kennecott Energy
 - We Energies



- EPRI
- First Energy
- Hamon Research-Cottrell
- Arch Coal

Phase I Test Results





Removal of Mercury Species with PAC on Bituminous Coal

Bituminous with FF

| | <u>PARTICULATE</u> | <u>OXIDIZED</u> | <u>ELEMENTAL</u> | <u>TOTAL</u> |
|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| PAC Injection | $\mu\text{g}/\text{m}^3$ | $\mu\text{g}/\text{m}^3$ | $\mu\text{g}/\text{m}^3$ | $\mu\text{g}/\text{m}^3$ |
| COHPAC™ Inlet | 0.23 | 6.37 | 4.59 | 11.19 |
| COHPAC™ Outlet | 0.12 | 0.91 | 0.03 | 1.05 |
| Removal Efficiency | 45.6% | 85.7% | 99.3% | 90.6% |

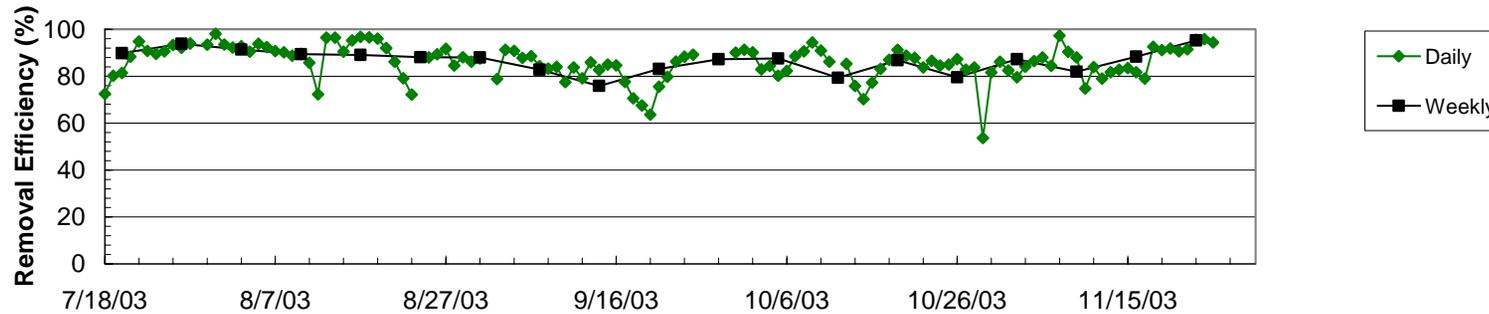
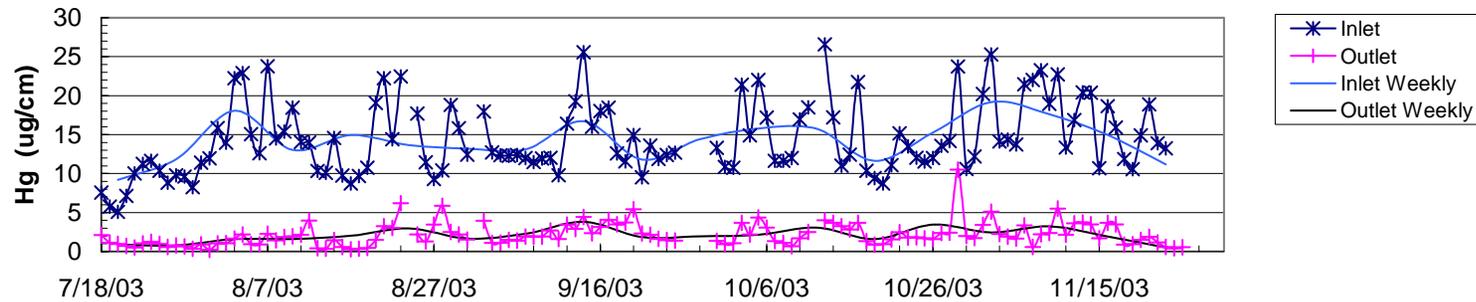


Year-long TOXECON™ Test

- Conduct ~ 1 year demonstration of TOXECON™ (sorbent injection into COHPAC) for power plant mercury control
- Determine design criteria and costs for new TOXECON™ systems
- Determine balance-of-plant impacts



Daily and Weekly Average Mercury



Weekly, Average Mercury

| Week Starting | Inlet Mercury ($\mu\text{g}/\text{m}^3$) | Outlet Mercury ($\mu\text{g}/\text{m}^3$) | Mercury Removal (%) | Standard Deviation Hg Removal |
|-----------------|--|---|---------------------|-------------------------------|
| 7/20/03 | 9.2 | 0.8 | 91 | 6.5 |
| 7/27/03 | 11.8 | 0.8 | 93 | 3.6 |
| 8/3/03 | 18.1 | 1.6 | 91 | 4.5 |
| 8/10/03 | 13.0 | 1.6 | 87 | 10.7 |
| 8/17/03 | 14.9 | 2.0 | 86 | 12.0 |
| 8/24/03 | 13.9 | 2.9 | 79 | 6.3 |
| 8/31/03 | 13.2 | 1.7 | 87 | 5.7 |
| 9/7/03 | 13.1 | 2.3 | 82 | 6.3 |
| 9/14/03 | 16.7 | 3.8 | 77 | 10.6 |
| 9/21/03 | 11.8 | 1.9 | 83 | 7.3 |
| 9/28/03 | 11.3 | 1.1 | 90 | 1.6 |
| 10/5/03 | 15.8 | 2.1 | 86 | 6.3 |
| 10/12/03 | 15.8 | 3.1 | 80 | 8.7 |
| 10/19/03 | 11.6 | 1.6 | 86 | 6.2 |
| 10/26/03 | 15.2 | 3.5 | 77 | 14.6 |
| 11/2/03 | 19.2 | 2.4 | 87 | 6.6 |
| 11/9/03 | 17.6 | 3.2 | 82 | 6.5 |
| 11/16/03 | 14.9 | 1.9 | 87 | 7.1 |
| Overall Average | 14.3 | 2.1 | 85.6% | |



Commercial Status of Technology

1. Equipment

- Similar equipment has been used successfully in the waste industry to inject AC into flue gas
- It has successfully been scaled up for full-scale utility applications
- Operating continuously for nearly a year at Gaston
- Three AC injections systems currently operating

2. Supply of Activated Carbon and Other Sorbents

- Sufficient supply available to meet several State regulations
- Additional production needed to meet Federal regulations
- Tremendous progress being made with improved sorbents

3. Performance

- Will vary with type of equipment (FF vs. ESP)
- Will vary from site to site due to flue gas characteristics (temperature, acid gases)



Availability of Activated Carbons

Current excess capacity of AC production in Tons/year

| | |
|-------------------------------------|---------------|
| NORIT Americas: | 22,500 |
| Other US Suppliers: | <u>40,000</u> |
| Total US Excess Capacity | 62,500 |
| Donau (Germany) | 130,000 |
| CarboChem (China) | <u>60,000</u> |
| Total Import Excess Capacity | 190,000 |
| Total US and Import Excess Capacity | 252,500 |



Number of 250 MW Plants that Can Be Treated by Currently Available AC (out of 1100 in US)

| | Excess Capacity Tons/yr | ESPs (50-70%) | FF (70-90%) |
|----------------------------------|------------------------------------|--------------------------|------------------------|
| US AC | 62,000 | 30 | 99 |
| Total US Plus Imports | 252,000 | 120 | 400 |

- Manufacturers plan to increase production to meet market demand, but only upon regulatory certainty**



Other Mercury Sorbents

- Sodium Tetrasulfide
 - Commercially used in Europe on waste incinerators
 - Avoids ash disposal issues
- Amended Silicates
 - Similar cost/performance as PAC is projected
 - Avoids ash disposal issues
 - To be tested by Cinergy at Miami Fort 6 under DOE program
- Enhanced PAC
 - PAC-based sorbent with higher efficacy due to added chemicals
 - May avoid ash disposal issues
 - To be tested by Duke Power and DTE Energy under DOE program
- Mercury Control Absorption Process (MerCAP)
 - Sorbent-coated (gold) metal plates suspended in flue gas
 - Slipstream tests at Great River Power, WEPCO and Minnesota Power plants

Sources: Babcock Power, Mega Symposium, DOE releases



Conclusions on ACI Performance

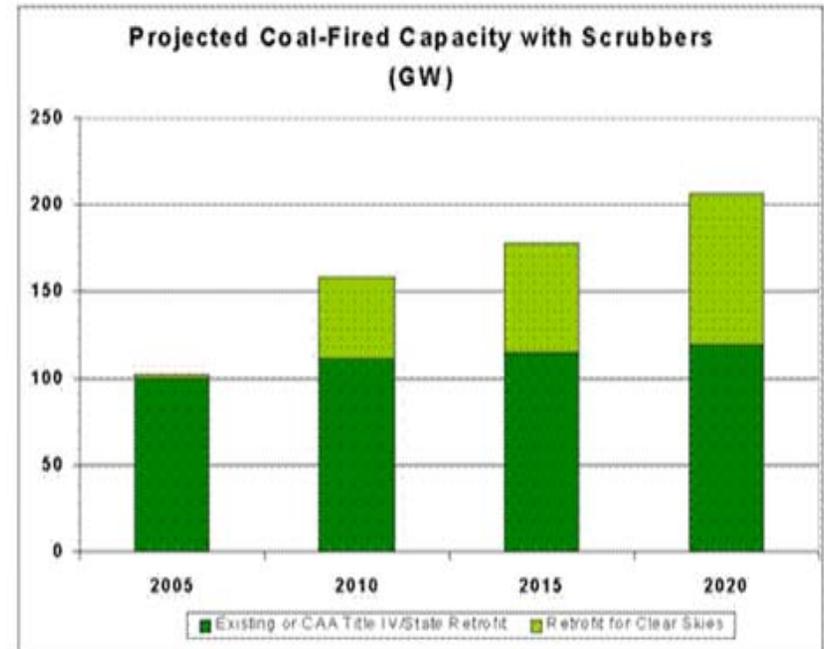
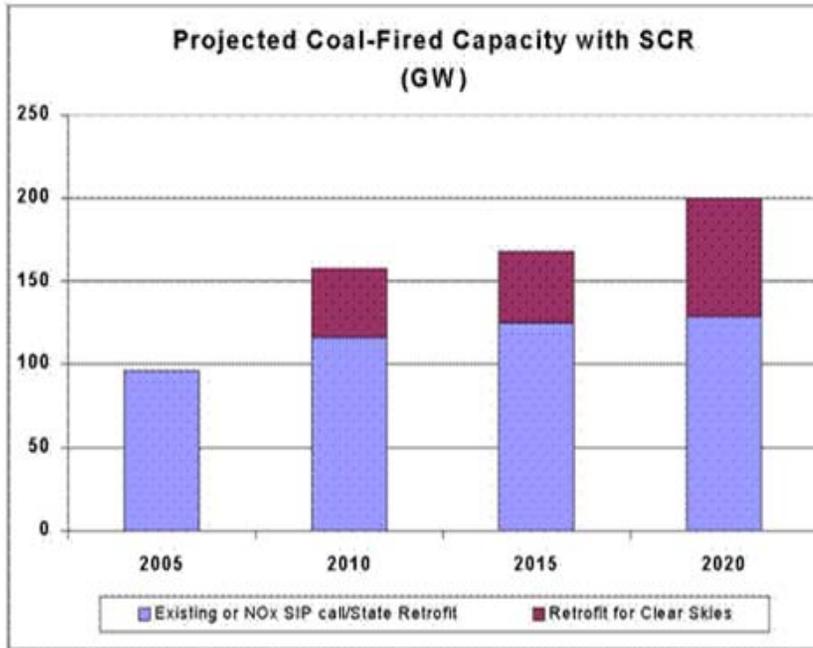
- AC injection can effectively capture elemental and oxidized mercury from bituminous coals.
- There will be difference in site to site performance of ACI due to differences in coal, equipment, and flue gas characteristics
- Fabric filters provide better contact between the sorbent and mercury than ESPs, resulting in higher removal levels at lower sorbent costs.
- Long-term results are promising showing Hg removal greater than 85%
- New COHPAC™ fabric filters will have to be designed to handle higher loadings of PAC to insure high (>90%) mercury removal.



***Mercury Removal with
Enhanced Wet (SO₂)
Scrubbing, and with SCR
(for NO_x control) plus Wet
Scrubbing***



Looking Ahead – SCR and FGD Projections



Need to engage in focused RD&D efforts to determine cost-effective means for optimizing/tweaking these controls.

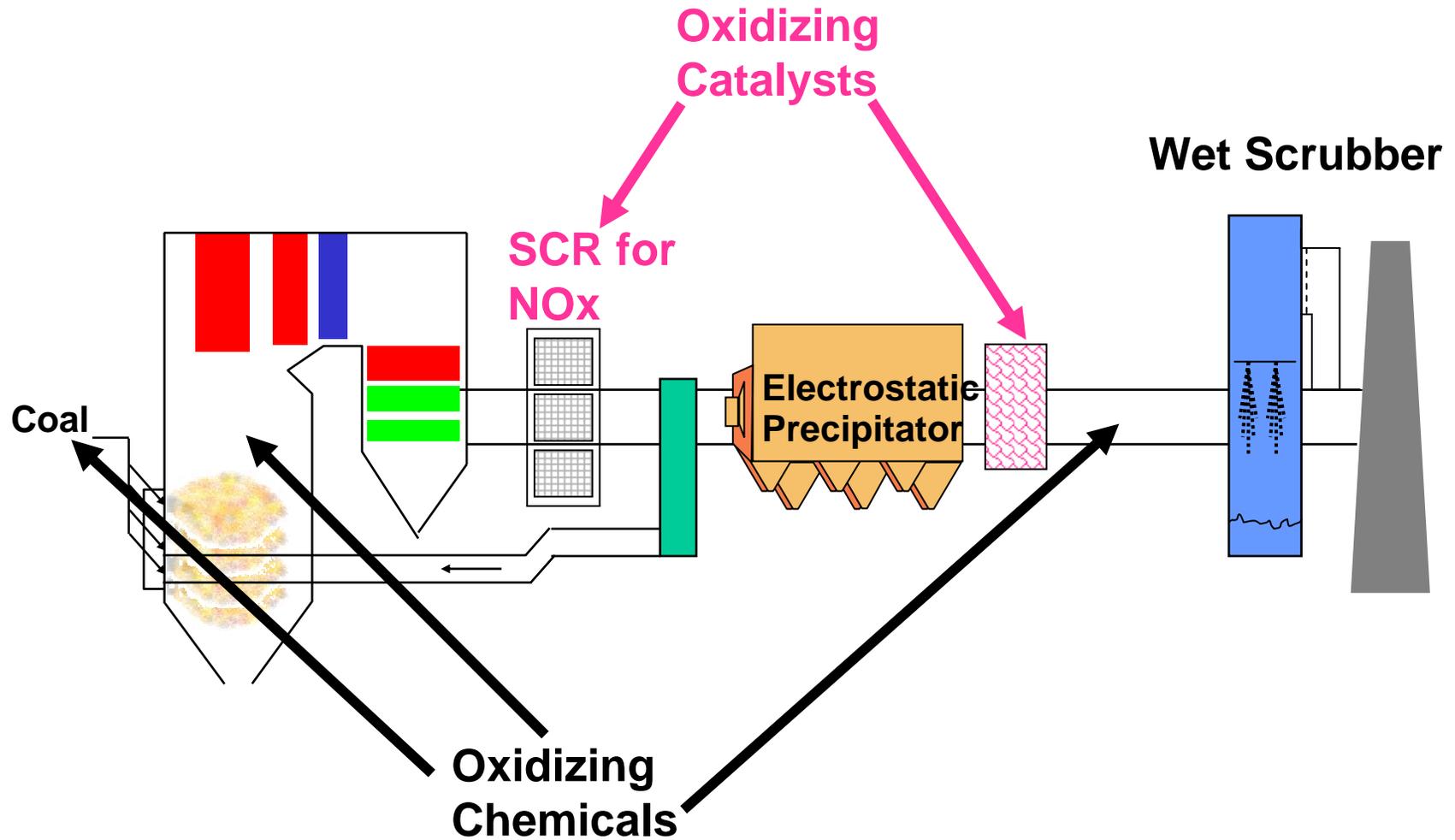
Source: 2003 Technical Support Package for Clear Skies



Control of Mercury in Wet FGD Scrubbers

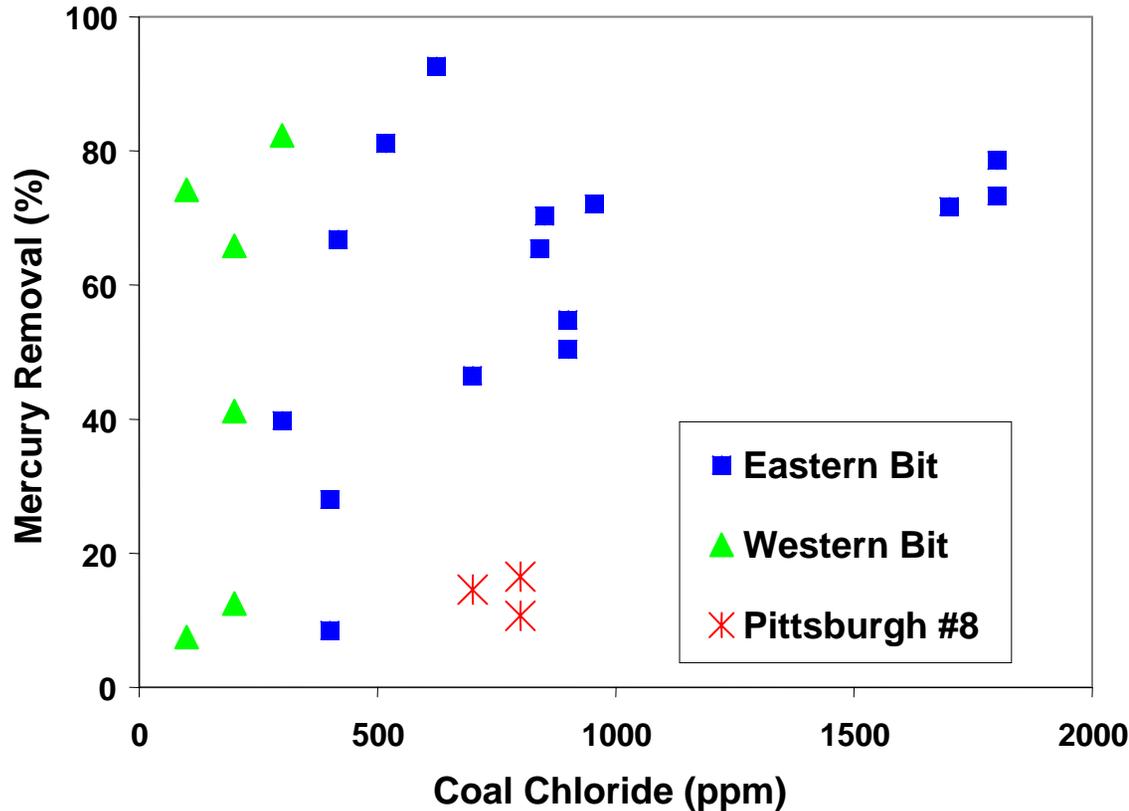
- Oxidized Mercury is water soluble and can be captured in SO₂ wet scrubbers.
 - Some captured mercury gets re-emitted
- Elemental mercury cannot be captured by SO₂ wet scrubbers.

Enhancing Capture of Hg in Wet Scrubbers:





Mercury Removal in Wet Scrubbers for Bituminous Coals



Low correlation of existing data; difficult to predict the mercury removal that will be achieved in a WFGD



Status of Technologies for Oxidizing Mercury

- **SCRs:**
 - Documenting performance on full-scale installations
 - Better performance on bituminous than subbituminous coals
 - Possibility of aging effects
 - Possibility of interferences from other chemicals
 - Catalysts are being designed to reduce oxidation of SO_3 ; this may impact oxidation of Hg
- **Oxidizing Catalysts:**
 - Pilot-scale testing under way
- **Oxidizing Chemicals:**
 - Some very short-term full-scale tests
 - Concerns with corrosion

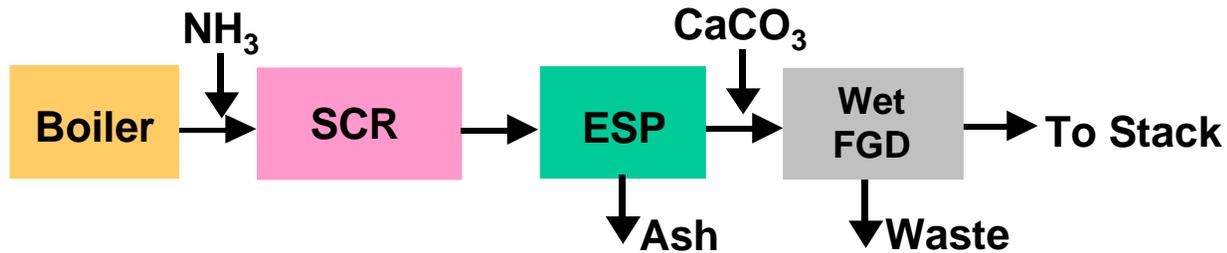


Sorbent Injection Upstream of a Wet Scrubber

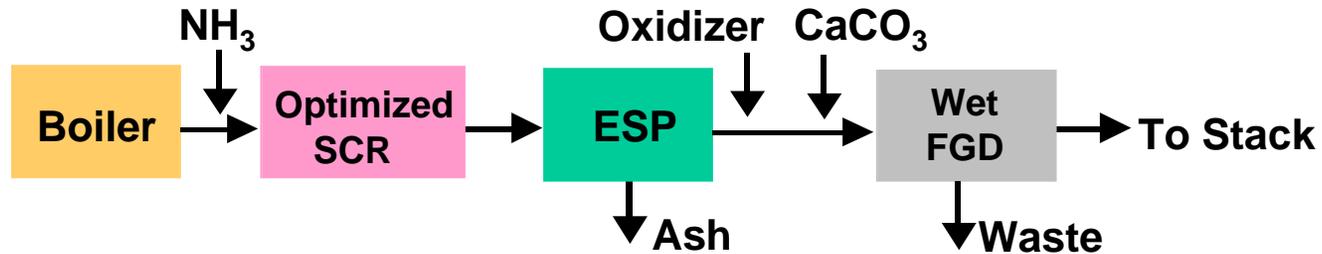
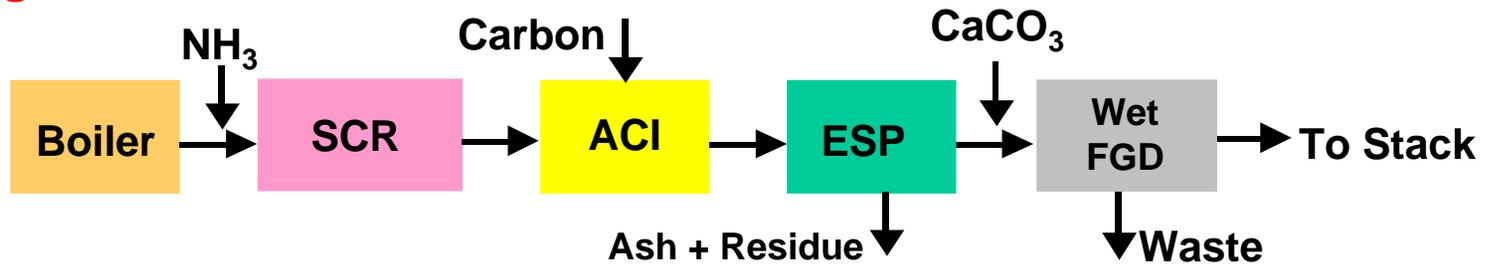
- Injection of AC and capture in ESP will provide an additional mechanism to reduce mercury emissions.
- Oxidation of mercury produced by carbon could enhance capture in FGD.
- Decreased mercury levels in scrubber could reduce potential for reemission of elemental mercury from scrubber.
- Two DOE/Industry full-scale field tests are scheduled
 - Georgia Power Yates; currently on-going, medium-sulfur bituminous coal
 - AEP Conesville; Spring '05, high-sulfur bituminous

Hg Control for Key Configurations

SO₂ and NO_x Control Configuration



Hg Control Modifications





Emerging Hg and Multi Pollutant Control Technologies

Emerging Technologies

- Reduce costs
- Increase performance
- Increase flexibility



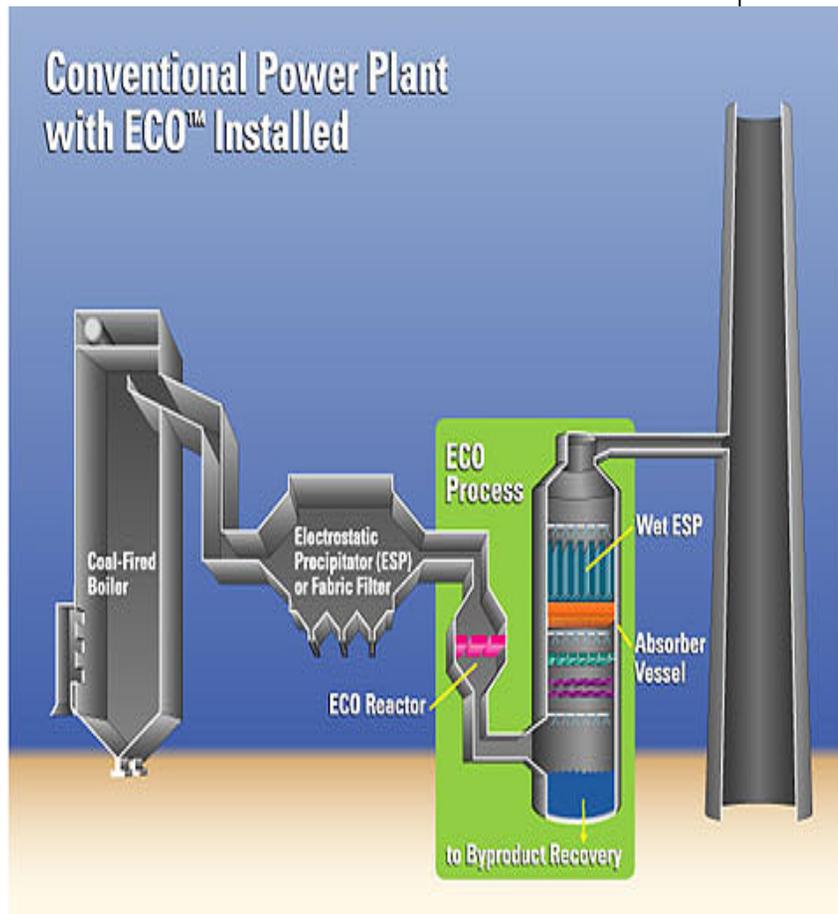


Selected Advanced/Emerging Technologies

WGI-EPRI – AQIV 2003

| Technology | Process Description | Commercial status | Controlled pollutants | Removal efficiency | Published costs |
|---|--|--|---|--|-----------------|
| ECO Powespan | Electro-Catalytic Oxidation followed by scrubber and wet ESP | Pilot and demonstration tests completed 50MW unit under construction | NO _x SO ₂ Hg metals | 55-80 45 >80 >90 | \$150-200/kw |
| LoTOx BOC Gases | Ozone injection for NO and Hg oxidation and removal by wet scrubber | Completed 25MW demo - NO _x only | NO _x Hg | 90-95 90+ | NA |
| Pahlman Process Enviroscrub | Dry injection of Pahlmalite sorbent | Pilot work ongoing NO _x -SO ₂ demonstrated separately | NO _x SO ₂ | 95+ 99 | \$150/kw |
| AIRborne B&W AIRborne Technologies | Dry sodium injection or wet sodium scrubbing with multiple options for fertilizer products | CCPI project - 525 MW start-up 2007 | NO _x SO ₂ HCl metals | 40 85-95 90 NA | \$170/kw |
| K-fuel KFx | High energy fuel from low quality coal feed stocks | Testy burns completed of K-fuel in WY | NO _x SO ₂ Hg | 33 50 70 | NA |
| Mitsui-BF process Marsulex | Carbon bed absorption with regeneration NH ₃ injection for NO _x control | Several installation oversees | NO _x SO ₂ Hg PM | 60-80 80-99 85-90 <15mg/Nm ³ | \$110-140/kw |
| GSA FLSmith/Airtech | CFB Absorber with lime injection | Commercial largest unit to date is 125MW | SO ₂ SO ₃ Hg | >95 >95 50-90 | \$150/kw |

NO_x-SO₂-Hg Electro-Catalytic Oxidation TM (ECO)



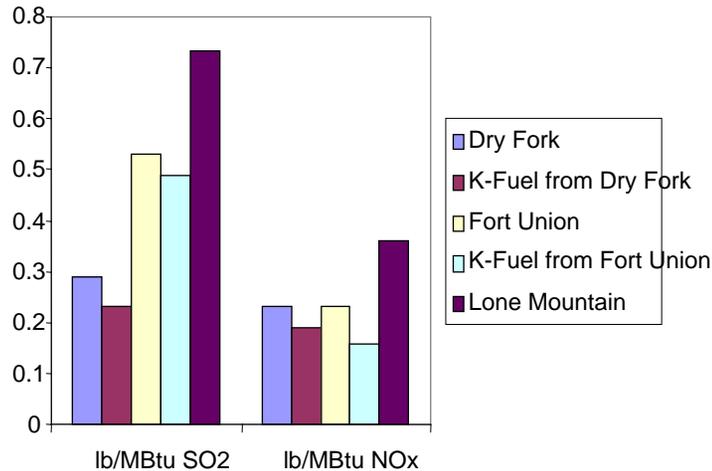
– Process

- Barrier discharge reactor oxidizes gaseous pollutants
- Products of the oxidation are captured in ammonia scrubber and wet ESP
- Ammonium nitrate and sulfate (fertilizers) byproducts

– Status

- Pilot scale test at approximately 2-4 MW equivalent
- Projected reductions: 90, 98+, 80-90, and 95% of NO_x, SO₂, Hg, and fine PM
- DOE-sponsored testing to evaluate mercury removal performance

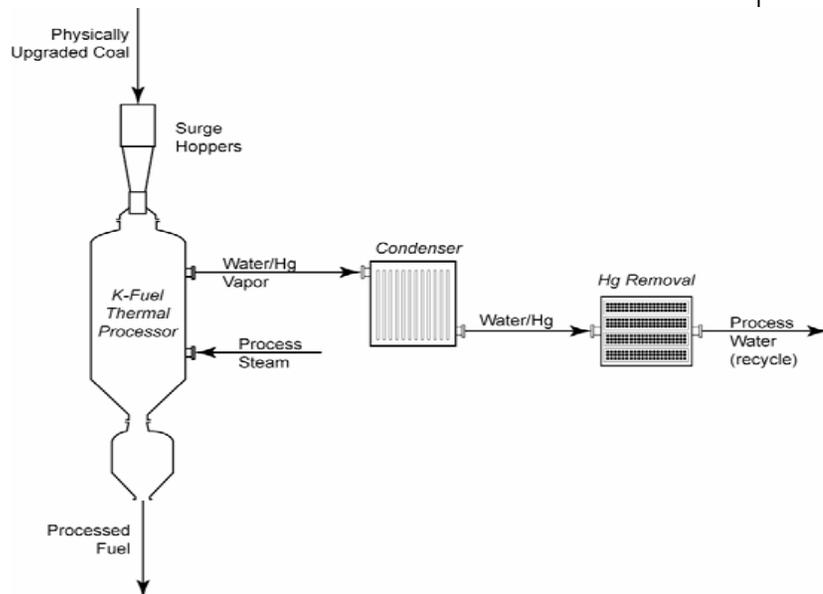
K-Fuel®



- **K-fuel is a beneficiated coal derived from western subbituminous coals that is lower in ash, higher in BTU value, and produces lower pollutant emissions than parent coals.**

- **Test burns at the SRI - significant reductions in NO_x and SO₂**

- **First commercial plant being built at the Black Thunder mine in Wright, Wyoming; completion by 2004; capable of producing more than 700,000 tons per year of K-Fuel**





Status of Mercury CEMS

- U.S. EPA Hg proposal : Method 324 for carbon sorbent tubes (can not provide performance common to CEMS)
- Current availability of CEMs : high state of readiness
- CEMS not a barrier to the deployment of mercury control technology (2004 to 2007)
- Need reliable CEMS especially for market based cap and trade approaches



Status of Hg CEMS (cont.)

- At least half a dozen suppliers of Hg CEMS ; CEMS are accurate, and rapidly advancing toward increased reliability and lower maintenance

Semi-Continuous Mercury Analyzer





Semi-Continuous Mercury Analyzer

- **Measures vapor phase mercury (no particle phase)**
- **Sample time ranges from 10 – 30 minutes depending on mercury concentration**
- **Research (prototype) analyzer**
 - **Requires highly experienced engineer to operate**



Proposed U.S. Regulatory Alternatives

- Regulatory options outlined in the January 30, 2004 proposal
 - **Section 112**
 - ✓ Command-and-control MACT requirements
 - ✓ Cap-and-trade approach under guidelines of section 112(n)(1)(A)
 - **Section 111**
 - ✓ Market-based, cap-and-trade approach
- Final rule signed on/before March 15, 2005



Regulatory Parameters from a Control Device Perspective

1. Long term averaging
2. Dual Limit
 - Removal Efficiency
 - Emission Limit
3. Flexibility in Achieving Mercury Removal
 - Averaging of units at a site
 - Enhances cost effectiveness
4. Mechanism to Encourage Adoption



EPA Proposed MACT Limits

| Subcategory | Hg (lb/TBtu) ¹ |
|---------------------|------------------------------|
| Bituminous-fired | 2.0 |
| Subbituminous-fired | 5.8 |

NOTE: Output-based standards are referenced to a baseline efficiency (35% for new units; 32% for existing units).



States Initiatives/Legislation/Regulation

- Connecticut:
 - NO_x, SO₂ (reg. passed in 2000) and Hg
 - Statewide annual NO_x cap (based on 0.15 lbs/MMBtu)
 - Two-phase approach; 0.3% S or 0.33 lbs/MMBtu by 2003 in Phase II
 - June 2003 state leg. to control Hg by 90% by 2008
 - Developing CO₂ plan to meet NEG/ECP goals



States Initiatives/Legislation/Regulation

- **New Jersey**

- 3 mg/MW_{hr} or 90% control of mercury (equivalent to 0.6 lbs/TBTU)
- By 12/15/07 if only mercury is controlled
- Deadlines extended if multipollutant option is chosen by industry (50% of coal capacity by 2007; until 12/15/2012 for full compliance)
- Multi pollutant : 0.10 (dry bottom) or 0.13 lb/mmBtu (wet bottom) for NO_x; 0.15 lb/mmbtu for SO₂; 0.030 lb/mmbtu for PM
- Stack testing (quarterly) or CEMs validated by U.S. EPA



States Initiatives/Legislation/Regulation

- New Hampshire:
 - NH's Clean Power Act (2002) for NO_x, SO₂, CO₂, and “future” Hg
 - 90% reduction from 1990 emissions for NO_x
 - 87% reductions from 1999 emissions for SO₂
 - For CO₂, return to 1990 levels by 2006 and 25% below 1990 levels by 2011
 - Statewide cap for Hg proposed 3/31/2004
 - 50 lb/year by 2008 and 24 lb/yr by 2011 from baseline of 120 lb/yr

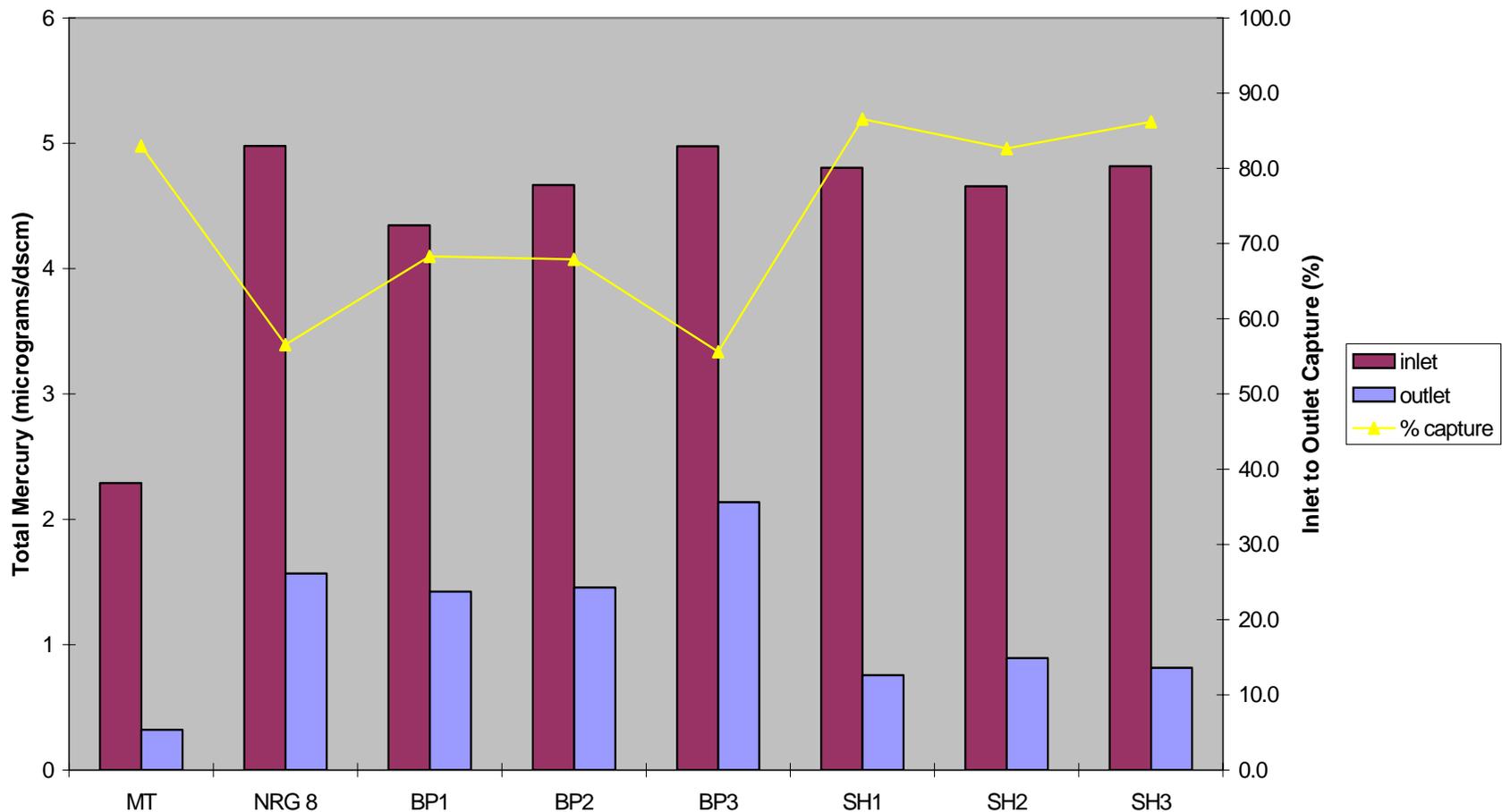


States Initiatives/Legislation/Regulation

- New York
 - SO₂ and NO_x (reg. approved March 2003)
 - SO₂: 50% below Title IV (phase II), statewide cap
 - NO_x: Year round statewide cap (based on 0.15 lbs/MMBtu)
 - Governor's Task Force on carbon
 - No action on Hg yet



Mass Average Baseline Mercury Results by Unit





Mass Control Feasibility Report

Economic Conclusions

- Mercury controls are economically feasible
 - Sorbent-based mercury controls costs are LOWER than historically accepted NO_x control costs (mills/kWh) and much lower than SO₂ controls (0.7-2.0 mills/kWh for Hg; 2-4 mills/kWh for NO_x, 4-5 mills/kWh for SO₂)
 - Multi-pollutant regs (like MA's) improve cost-effectiveness



Final Mass Mercury Standard

- Form of the standard
 - Output-based and % control efficiency options
- Level of the standard
 - Phase 1: 85% or 0.0075 lb/GWh by 1/1/2008
 - Phase 2: 95 % or 0.0025 lb/GWh by 10/1/2012
- Demonstrating compliance with the standard
 - Quarterly stack tests until 1/1/2008
 - CEMs required beginning 1/1/2008
- Averaging time of the standard
 - Rolling 12-month basis



**COMPARISON OF PROPOSED AND FINAL STATE
 MERCURY EMISSION STANDARDS FOR POWER PLANTS**

March 25, 2004

| Issue | MA | CT | WI | NJ |
|------------------------|--|---|---|--|
| Stringency of Standard | Cap emissions at 2001-2002 emissions levels X 1997-1999 heat input; Phase I -85% control efficiency or 0.0075 lbs/GWh. Phase II -95% control efficiency or 0.0025 lbs/GWh. (equivalent to approx. 0.2 lbs/TBTU) | No caps. 0.6 lbs/TBTU or 90% control efficiency. | Cap on emissions in 2008: current control efficiency x baseline (3 yr. Mercury coal average) Phase I - 40 % reduction Phase II - 80% reduction (both from 2002-2004 levels) | No caps 3.00 mg/MW- hr; or 90 percent control of mercury emissions; (equivalent to 0.6 lbs/Tbtu) |
| Format of Standard | Either/or output-based emissions rate or percent reduction from historic or 2001-2002 input levels | Either/or heat input-based emission rate or percent reduction from input levels | Percent reduction from input levels | Output-based emissions rate or percent reduction from input levels |



COMPARISON OF PROPOSED AND FINAL STATE MERCURY EMISSION STANDARDS FOR POWER PLANTS

March 25, 2004

| Issue | MA | CT | WI | NJ |
|--------------------------|--|---------------------------------------|---------------------------------------|---|
| Compliance Deadline | Phase I – January 1,2008 Phase II - October 1, 2012 | July 2008 | Phase I – 2010 Phase II - 2015 | December 15, 2007 if only mercury is controlled Multi-pollutant Option Phase I – December 15, 2007 (50%) Phase II – December 15, 2012 (Final compliance) |
| Compliance Monitoring | CEMs effective January 1, 2008 | CEMs when validated by U.S. EPA | Annual (fuel use x Hg content) | Stack testing or CEMs when validated by U.S. EPA |



COMPARISON OF PROPOSED AND FINAL STATE MERCURY EMISSION STANDARDS FOR POWER PLANTS

March 25, 2004

| Issue | MA | CT | WI | NJ |
|----------------------------|--|---|--|--|
| Frequency of Stack Testing | Every other quarter from 10/06 to 1/08, CEMs required after 1/08 | Quarterly with phase-out of stack tests after CEMs are employed. | Annual | Quarterly with phase-out of stack tests after CEMs are employed |
| Other | Units shutting down can use early or off-site reductions to 2010. Units with less than 5 lb in 2001 can use early or off site red to phase 2 | Alternative limit can be developed if technology proven feasible. Stricter standard may also be issued. | Phase I waved if multi-pollutant approach taken. Variances for reliability, technical or economic infeasibility incl. Trading among 4 utilities allowed. | Compliance deadline extended to Dec. 15, 2012 – if an enforceable agreement w/ Dept. by Dec. 15, 2007, to install & operate multi-pollutant control systems by Dec. 15, 2012 |



Summary: State and Federal Mercury Regulations/Legislation

The proposed federal regulations – uncertain future

Pending federal legislation – passage in an election year questionable

States –A number of state regulations already in place in view of uncertainty at federal level



Summary & Conclusions

- Control technologies are now commercially available; new technologies are rapidly emerging; 90% and higher control is feasible
- cost effectiveness of Hg control is quite comparable to, and more attractive than the cost effectiveness of SO₂ and NO_x controls from power plants (Hg:SO₂:NO_x::1 to 3 mills/kwhr :3-5 mills/kwhr:2-3 mills/kwhr)
- CEMS instruments are accurate and rapidly emerging toward increased reliability; should not slow down the application of control technologies
- Many states in the U.S. are moving at a faster and a more certain pace than the federal regulation, based on the assumption that environmental regulation drives technology innovation and implementation