

Boiler MACT CIBO Presentation

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Timetable for Rulemaking Completion

- August 23 – Comment period closed
- October – EPA deliberations and decisions
- November – start interagency review process
- December – confirm or change key decisions
- January – create record to defend all four rules
- January 14th – Administrator sign all four rules
- *Note:* 4-8 month extension needed to “do right”

Rulemaking Procedures

- SBREFA Panel – Pre-Proposal Consultation with OIRA, EPA and SBA Advocacy
- Interagency Review – EO 12866

Jobs at Risk from Boiler MACT

- Fisher-URS-AF&PA study - end of August
 - Boiler MACT – 16,888 jobs direct; nearly 72,000 total
 - Other air regulations – 43,666 jobs direct; 185,000 total
- CIBO-Global Insights Boiler MACT study – 330K total (EPA 6-12K)
- Administration should reexamine broader economic impacts on imports/exports and competitiveness

Boiler MACT basics

- Applies to boilers and process heaters at major sources of hazardous air pollutants.
- Affects 1,600 facilities and 13,555 boilers
- Emission limits for PM, HCl, Hg, CO, and dioxin
- Will require addition of multiple controls and complex monitoring to meet proposed limits
- Limits based on fuel for PM, HCl, Hg and by fuel and boiler design for CO and dioxin

EPA has underestimated Boiler MACT Costs

- RIA indicates that capital cost is \$9.5 Billion
- AF&PA conservative analysis based on EPA database shows capital cost of \$21B for industry.
- Largest MACT ever!
- Most stringent set of limits in the World!
- Pulp and Paper: \$4.5 B
- Chemical: \$3.8 B
- Utilities: \$3.5 B
- Wood Products: \$1.8 B
- Food Mfg: \$1.6 B
- Primary Metal: \$1.1 B
- Furniture: \$300 M
- Dozens of other sectors

Key Fixes to Boiler MACT rules

1. Use health threshold standard to target environmental investments where risks.
2. Set limits on the overall performance of actual sources, not on a mythical boiler.
3. Base standards on the best performing 12% of sources; not “best of the best.”
4. Reflect the variability in boilers due to fuels, operations, designs and testing.
5. Establish work practices for clean gas fired boilers (Gas I & II)
6. Non-Hazardous Secondary Materials rule.

Key Fixes to Boiler MACT rules

1. Set work practices for smaller biomass, coal and oil fired boilers in Boiler GACT.
2. Narrowly define solid waste in the Non-Hazardous Secondary Materials rule.

Health Threshold Option

- Clearly allowed under the law – provided substantial technical and legal support rebutting preamble claims
- Facilities should be able to avoid HCl scrubber controls OR PM controls (manganese) if analysis shows risk are acceptable – billions of dollars at stake

Health Threshold Option

- *Not* “risk off-ramp” – site specific limits apply
- EPA not allowed to use co-benefits (PM/SO₂) to discredit section 112(d)(4) – use NAAQS/SIPs

Health Threshold Option

- Unanimous SBREFA Panel Recommendation:
Adopt HBCA unless EPA determines
“inconsistent” with CAA
- No such determination made by EPA
- 2006 DOJ Brief said that such contentions were
“meritless”
- EPA should have proposed HBCA standards
for both HCl and manganese

Source by Source Approach

- Law requires limits based on “source”, not “pollutant by pollutant approach”
- EPA failed to verify that 12% of boilers meet limits, only 6 of 2300 meet all limits (0.3%)
 - Even units with best controls fail to meet limits
- Alternative: rank each boiler by each pollutant (Hg, HCl, PM) then average ranking

Source by Source Approach

- Example: 57 biomass boilers had data for all 3 HAPs, so top 12% is 7 boilers; add fuel variability factors where data inadequate

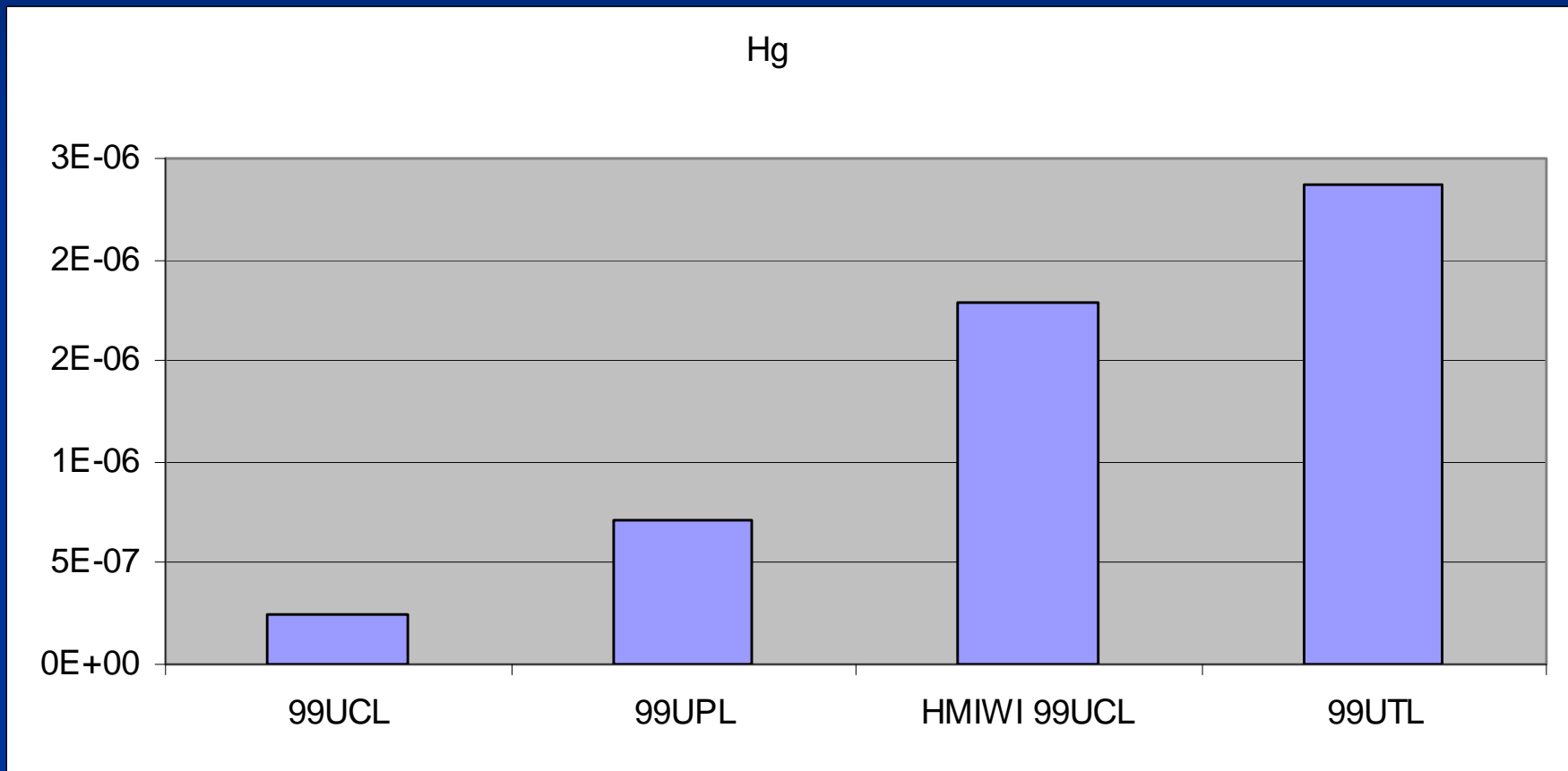
Using Source Approach

Biomass Boilers	Proposed MACT Limit	Source Approach UPL	Source Approach Limit With Variability	Proposed New Source MACT	Source-based New Source Limit
Mercury (Hg)	9.E-07	2.E-06	3.E-06	2.E-07	7.E-07
Hydrogen Chloride (HCl)	0.006	0.02	0.04	0.004	0.004
Particulate Matter					

Avoid “Best of the Best”

- EPA cherry picked the data ignored other data
- EPA HAP testing program was skewed toward top performers
 - made sense to avoid spending money on data that would not be used in floor setting
 - However, not representative of whole population
- Alternative statistical approaches justified given data
- Mixed fuel boilers adjust CO and dioxin limits – 10% coal/ 90% biomass

Mercury Biomass limit changes dramatically with statistical approach



Consider variability more fully

- EPA's CO standard was based on 3-run stack tests, which does not reflect high variability
- The emissions data does not take into account emissions from startup, shutdown, or malfunctions
- Limits of detection vary with different test methods and with lab doing test – apples and oranges
- EPA excluded data outliers on purpose
- Unachievable limits for dioxin – set work practice

GACT should be work practices

- Use work practice for biomass, oil and coal CO (POM) limits
 - done for mercury and PM
 - GACT more stringent than MACT
- Very low new source limits – kill boiler construction business
- Annual energy assessment – “above the floor”

Broad Definition of Fuel

- Honor RCRA principle of “discard” in Non-Hazardous Secondary Material rule
- Too many secondary materials could become wastes
- CISWI limits are even worse – landfill materials with BTU values, contrary to RCRA goals; stigma of incinerator
- Vulnerable biomass residuals: resinated wood, recycling process residuals, urban wood, and sludge

Broad Definition of Fuel

- Other common materials: Tire-derived fuel and used oil
- Make petition process streamlined and predictable

Other SBREFA Panel Recommendations

- No Energy Audits
- Increased Subcategorization – lacks subcategories (e.g. limited use boilers)
- Emissions Averaging – Proposal lacks flexibility

Broad Support for Better Rule

- Need rule , just one that does not harm jobs
- Senate letter – 41 members (18 Ds, 23 Rs); more coming
- House letters – 114 members (48 Ds, 66 Rs)
- Governors – 15 states (AL, AR, CA, GA, HI, ID, ME, MS, MI, OH, OR, TN, VA, WA, and WI)
- Labor very interested – US Steelworkers
- State legislatures also concerned in key states – PA unanimous resolution

EPA Response to Hill letters

- EPA signaling changes but how much?
- “Benefits outweigh costs” – Hg and PM co-benefits
 - MACT should focus on HAPs
- Need more data from industry to make adjustments
 - Use different methods to set limits using existing data

EPA Response to Hill letters

- Problems with health-based option given uncertainties
 - Comments rebutted all technical and policy concerns
- AF&PA & CIBO jobs studies flawed and opaque
 - Met with EPA and responded to concerns