



Research

EPA's \$1.2 Million Regulatory Tax

SAM BATKINS | FEBRUARY 14, 2012

EPA just released new regulations on Polyvinyl Chloride (PVC) production but what does the rule actually do? The regulation dictates new maximum achievable control technologies (MACTs), the most stringent standard under law. These changes were dictated to reduce facility emission of PVC below 10 tons a year or below 25 tons a year for all toxic chemicals.

What is being regulated: vents, stripped resins, equipment leaks, wastewater, heat exchanges, and storage vessels.

Costs:

- Capital costs of **\$18 million**, borne by only 15 emission facilities (**\$1.2 million per-facility**), requiring each of these facilities to spend \$4 million in annual installment costs (\$270,000 per-facility-per-year);
- Facilities would need to cough up nearly \$4 million annually to comply until the next assessment is released;
- Aggregate long-term costs of approximately **\$60 million** (over ten years) for all facilities if other new technology mandates a new MACT for reduction of a different chemical;
- Two smaller sites would bear a \$485,000 premium and a \$167,000 total annual cost, which would bring this total to nearly **\$63 million** during a ten-year period.

Benefits:

- Reduce elevated carcinomas in occupational exposure, which is questionable;

- Reduce total air toxics by 262 tons;
- Reduce 21 tons of hydrogen chloride.

States Affected: Delaware, Illinois, Kentucky, Louisiana, Michigan, Mississippi, New Jersey, and Texas.

Thomas Hale-Kupiec contributed to this report.