Regulation Review

Regulation Review: Boiler MACT

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EPA has revised its new Boiler MACT regulations. Originally a series of final rules issued on March 21, 2011, EPA delayed the measures on May 16, 2011. The revised regulations arrive with a higher price tag but extend, and relax, compliance periods for some boilers.

Here is some background on the rules:

- There are approximately 1.5 million boilers in the U.S.; roughly 14 percent would be covered by the final rules, or approximately 201,000 boilers;
- Final standards would regulate mercury, particulate matter, dioxin, lead, and nitrogen dioxide emissions from covered entities;
- New rules would add more than 300 affected major source boilers subject to regulation;
- Regulations would require boiler tune-ups for existing boilers after two years, as opposed to one year in the original rules;
- EPA estimates that the regulations could eliminate approximately 3,000 jobs.

Here is a breakdown of the costs, based on the final rules and the March 21st iterations:

- Major Boilers:
  - March 21st Rule: **$1.59 billion** in costs and 280,459 paperwork hours
  - *Revised Rule*: **$1.59 billion** in costs and 324,964 paperwork hours

- Solid Waste Incinerators:
  - March 21st Rule: **$318.5 million** in costs and 15,530 hours
  - *Revised Rule*: **$1.1 billion** in costs and no changes in paperwork requirements

- Area Boilers:

- March 21st Rule: **$897 million** in costs and 2.7 million paperwork hours
- *Revised Rule*: No quantified changes

- Net Change: **+$791 million** in higher costs and 44,505 more paperwork hours

Strangely, during the press conference call announcing release of the revised rules, EPA's Gina McCarthy noted that new Boiler MACT regulations would reduce costs and increase benefits. Including more boilers under the regulatory framework will provide additional health benefits but a quick cost comparison reveals higher costs as well.

According to the North American Electric Reliability Corporation (NERC), the agency tasked with ensuring "the reliability of the North American bulk power system," these regulations could "result in the potential loss of a significant amount of generation, either through retirements or de-rates associated with powering on-site environmental controls equipment, during a short time frame (2012-2015)."

EPA also released a "list of facilities" that the rule will impact. Based on a Forum analysis, North Carolina (16), Virginia (15), and Wisconsin (12) contain the highest number of affected boilers. Click here for the complete list.