

Research



American Energy Companies Report Over Three Times Higher Utility MACT Compliance Costs

SAM BATKINS | JUNE 11, 2012

A handful of American energy businesses will face a combined \$32 billion in costs to comply with the Obama Administration's Utility MACT rule, according to recent annual reports from two dozen energy producers that have announced power plant closures. While two dozen companies hardly encompasses the entire American energy industry, their compliance costs alone are three times higher than EPA's estimate for Utility MACT for the entire country. The EPA estimated this rule would cost Americans [\\$9.6 billion](#). No small discrepancy.

For example, First Energy [reported](#), “[E]nvironmental retrofits still will be required at our other coal units to meet new MATS regulations [Utility MACT]. While our current estimated investment for these retrofits is about \$1.3 billion to \$1.7 billion, we continue to evaluate options that could further reduce our costs.”

Of the 24 companies that have reported Utility MACT cost estimates, only a few announced direct layoffs from the rule, totaling 5,100 jobs so far. Yet according to recently-announced power plant retirements, seen in this [map](#) [here](#), more than 9,100 jobs are being directly affected by Utility MACT.

These figures have also been affected by CSAPR (Cross-State Air Pollution Rule) and other EPA rules. Figures could worsen with changing cooling water tower regulations, coal ash disposal rules, and pending litigation.

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