

Environmental Rules Impacting Energy Costs



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- CAIR and CSAPR rules.
- NSPS and 111(d) Greenhouse Gas rules.
- New 1-hour SO₂, 1-hour NO₂, and Annual PM_{2.5} Standards
- Clean Water 316(a) and 316(b) affecting thermal discharge and impaction/ impingement.
- MATs Rule
- Coal waste, Regional Haze, etc.

CAIR and CSAPR Rules

- Like Acid Rain and NO_x SIP Call Rules these are Cap and Trade rules.
- Deal with long range transport.
- Battle of States' interests. Upwind States vs. Downwind States.
- CAIR - CSAPR – CAIR – CSAPR. Supreme Court had the final word.
- Regulates NO_x as Ozone precursor and NO_x and SO₂ as fine particulate precursors.
- Cost of Credits will drive strategies to meet these rules.

GHG Rules for Power Plants

- Supreme Court Decision is due on EPA's Tailoring Rule for Title V and PSD permit rules.
- Section 111b rule was proposed in September 2013 for new power plants.
- Section 111d rule for existing power plants proposed on June 2, 2014
- Reduce Carbon emissions by 30% from 2005 baseline by 2030.
- Reduce PM, NOx and SO2 emissions by 25%.
- Claim is that electricity bills will shrink by 8%
- Done through Section 111d of the CAA which puts onus on State's.

GHG Rules for Power Plants (Cont.)

State Plans due June 2016

- demand-side energy efficiency programs
- renewable energy standards
- efficiency improvements at plants
- co-firing or switching to natural gas
- construction of new Natural Gas Combined-Cycle plants

New Standards

New 75 ppb 1-hour SO₂ standard.

- SIPs for newly designated non-attainment areas due April 2015, with compliance due January 1, 2017 (Marion, Morgan, Vigo, Davies, Pike Counties).
- Control strategies could include fuel switching, closure of coal plants, and possibly new SO₂ controls.
- New EPA proposal for dealing with areas with insufficient monitoring data to either upgrade monitoring or do modeling. Could Lead to new non-attainment areas.

New Standards

New 100 1-hour NO₂ standard.

- Mainly a problem for new sources power plants having to model under the PSD rules.

New 12 µg/M³ annual PM_{2.5} standard.

- New non-attainment designations due by end of this year. (Limited Scope in Indiana).
- Downward trend throughout state in PM_{2.5} values.
- Most significant impacts remains with new sources subject to PSD in attainment areas.