



Ayres Law Group

The STAPPA/ALAPCO MODEL RULE

How States Can Provide Better
Protection from Mercury Effects
on Health and Welfare

Goals of Model Rule

- Policy Objectives:
 - Protect public health and welfare
 - Reduce Coal-Fired EGU emissions Hg to <7 tons/year
 - Provide flexibility to reduce cost
 - Spur rapid technological development

Goals of Model Rule

- Improve on EPA proposal
- Treat EGU Hg as a HAP
 - Expeditious application of Maximum Achievable Control Technology
 - Substantial reductions in Hg emissions in 2008; 90-95% reductions in 2012
 - No emission trading

Architecture of the Model Rule

- Applicable to Coal-Fired EGUs
- Addresses only Hg
- Two Options
- All new EGU must achieve
 - 90-95% capture; or
 - Outlet standard of 0.0025-0.0060 lb/GWh

Existing EGUs - Option I

- Phase 1 - end 2008
 - 80 per cent capture; or
 - Outlet standard 0.010 lb/GWh
 - Emissions averaging allowed among owned or operated EGUs w/in state

Existing EGUs - Option I

- Phase 2 - End 2012
 - 90-95% capture; or
 - Outlet standard 0.0060-0.0025 lb/GWh
 - Compliance on plant basis

Existing EGUs - Option II

- Phase 1 – end 2008
 - 90-95% capture; or
 - Outlet standard 0.006-0.0025 lb/GWh
 - May postpone 50% EGUs 4 years if agree to:
 - Meet multi-pollutant standards 2012
 - Prevent Hg emission increases in interim

Existing EGUs – Option II

- Phase 2 – end 2012, meet multipollutant standards:
 - SO₂: 95% reduction or 0.10-0.15 lb/mmBtu
 - NO_x: 0.07-0.10 lb/mmBtu
 - PM: 0.0150-0.0300 lb/mmBtu
 - Hg:
 - 90-95% capture; or
 - Outlet standard of 0.0025-0.0060 lb/GWh

How Can a State Adopt the Model Rule?

- EPA rule not national MACT standard under section 112 of CAA
- EPA rule under section 111(d) of CAA
 - “SIP-like” process required
 - Cap and trade regime optional
 - Emissions must meet EPA cap for State
- Model Rule reductions will exceed what EPA requires