



EPA FINAL Clean Air Mercury Rule: A Supplement to the RFF Legislative Comparison Table.¹ Version: 05/20/05.

EPA FINAL Clean Air Mercury (Hg) Rule	
Federal Register Title (Date)	Environmental Protection Agency 40 CFR Parts 60, 63, 72, and 75 Standards of Performance for New and Existing Stationary Sources: Electric Utility Steam Generating Units (signed by EPA Administrator: March 15, 2005; published in CFR: May 18, 2005) [OAR-2002-0056; FRL-] [RIN 2060-AJ6J]
Summary	Establishes a national annual cap and trade program ² for Mercury emissions from coal-fired ³ electricity generating units (EGUs). The program covers all 50 states and three EGUs in what the rule calls “Indian country.” ⁴ States may opt-out of the Hg trading program. Any State that opts-out must meet State-level emissions caps equal to that State’s share of the national allowance pool. Phase I of the program begins in 2010; Phase II, which further reduces Hg emissions, begins in 2018.
Affected Facilities	Coal-fired EGUs with a capacity greater than 25 MW, AND Coal-fired steam co-generation units with a capacity greater than 25 MW that supply more than 1/3 of their potential electric output (or 290,000 MWh, whichever is greater) to an electricity generator.
National Annual Allowance Allocation Caps	38 tons ⁵ beginning in 2010. 15 tons beginning in 2018.

¹ Prepared by David Lankton. This document can be found at www.rff.org/multipollutant/. For a comparable table describing the proposed version of the CAMR see www.rff.org/multipollutant/propcamr.

² Proposed rule included MACT option that was not selected for the final rule.

³ A coal-fired unit is any unit that fires coal or coal in combination with any other fuel.

⁴ The three EGUs in “Indian country” are: Navajo Generating Station (Salt River Project; Page, AZ), Bonanza Power Plant (Deseret Generation and Transmission Cooperative; Vernal, UT), and Four Corners Power Plant (Salt River Project / Arizona Public Service; Fruitland, NM). In this document, the term “States” will refer to the 50 States and the three EGUs in “Indian country.”

⁵ EPA analysis suggests that the 38-ton emissions cap will be met through co-benefits from implementation of the Clean Air Interstate Rule. The proposed rule had included a 34-ton emissions cap and a safety valve on mercury allowance prices not included in the final rule.

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Allowance Allocation Method	<p>EPA apportions allowances to states according to each State's allowance pool. States are free to choose the method of allocating allowances (including auction, updating, and grandfathering) to individual units. However, EPA suggests that allocations to existing sources be based on a unit's share of baseline heat input and adjusted according to coal type:</p> <ul style="list-style-type: none"> ▪ Bituminous Unit: 1.0 times the share of heat input, ▪ Subbituminous Unit: 1.25 times the share of heat input, ▪ Lignite Unit: 3.0 times the share of heat input. <p>EPA also suggests that allocations to new units be based on their modified share of output (output in kWh * 7900 Btu / kWh) among total modified output of all new units.</p> <p>A new unit pool of 5% of total allowances is established from 2010 to 2014. In 2015 (and beyond), the new unit pool is 3% of total allowances.⁶</p>
New Source Performance Standards (NSPS)	<p>New coal-fired utility units will be subject to emission rate limitations for Hg (* 10⁻⁶ lb / MWh)⁷:</p> <ul style="list-style-type: none"> ▪ Bituminous: 21, ▪ Subbituminous (Wet Scrubber): 42, ▪ Subbituminous (Dry Scrubber): 78, ▪ Lignite: 145, ▪ Waste Coal: 1.4, and ▪ IGCC: 20.
Penalties for Excess Emissions	<p>Any unit in non-compliance must surrender permits to cover excess emissions. That unit's next future year allocation is reduced by 3 times the amount of excess emissions.</p>
Banking	<p>Hg allowances may be banked for future use without restriction.</p>
State Authority	<p>States may require Hg emission reductions in addition to those proposed by EPA.</p>

⁶ The new unit pool was not included in the proposed rule.

⁷ The new unit standards differ from those in the proposed rule and include more categories of emission rate limits.