

OMB MACT Meeting
March 9, 2011

UMWA Issues

- We have been following the development of the Utility MACT rule for a year, and have met with senior EPA management and staff on several occasions to express our concerns about potential job losses in the coal, rail and utility sectors.
- Several union presidents have met with Administrator Jackson to convey their concerns.
- We have urged flexibility in the design of the rule, such as: 1) extensive use of subcategorization; 2) alternative compliance measurements such as percent reductions and emission rate limits; 3) the need for an extended compliance timetable beyond 36 months given the more than 1,000 units affected by the rule (Marine MACT is a precedent); and 4) a health-based alternative standard for acid gases, to avoid shutdowns at hundreds of units that are not economic to retrofit with scrubbers.
- We have estimated the potential "units at risk" based on units between 25 and 400 GW, more than 40 years old, without scrubbers. More than 430 units meet these criteria, 56 Gigawatts total. The average unit is 133 MW and 55 years old (handout). We have summarized the findings by state. Largest job impacts are in the Rust Belt states.
- We estimate potential direct job losses (coal, rail, utility) at these units at 54,000 jobs, with a total of more than 250,000 direct and indirect jobs using RIMS II multipliers from the Dept. of Commerce.
- Our estimates are in-line with other studies such as Credit Suisse, Bernstein Research, and the Brattle Group.
- We will not be in position to know the actual risk to jobs until we see the proposed rule, and we hope that our concerns will be reflected in the proposal.
- At a recent meeting, EPA urged us to "get into the ICR database." We did, looking particularly at acid gases (handout).
- Two issues emerged from our review of the ICR data: 1) it is critical that the rule use the EPRI method of taking the top-135 units in the sample as a proxy for the top-12% of the universe of units, because EPA did not do a truly random sample of the entire universe, but looked mainly at the top performing units; and 2) even with the EPRI method, there appear to be substantial numbers of very well-controlled units (scrubbers, SCRs, etc.) that may not meet the acid gas standard, depending on where it is set. The same may be true of other limits.
- If the rule requires the retrofit of fabric filters or baghouses, in addition to scrubbers, to meet particulate limits, then current estimates of the rule's impacts on plant shutdowns are likely very conservative. Most studies assume only scrubber retrofits, and many companies believe that their existing scrubbed/SCR plants will comply with the rule.
- We also are concerned that limits for new coal units be achievable using commercially available technologies, and not be based on unrealistically low emission rates from unscrubbed units. There needs to be subcategorization to set limits for new plants based on the kinds of control equipment needed to comply with other provisions of the Act, such as scrubbers and SCRs.
- We greatly appreciate your willingness to meet with us.