

Proposed state rules are based on inaccuracies

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The debate over reducing mercury emissions from coal-fired power plants is not about whether it should be done -- the federal government already made that decision -- but over how it can be done without threatening electric reliability, family-sustaining jobs and dramatically increasing electric costs.

Unfortunately, the approach taken by the state Department of Environmental Protection is based largely on inaccuracies and misconceptions driven by the erroneous belief that most mercury emissions from Pennsylvania power plants fall in the state close to their sources.

The fact is, data from the U.S. Environmental Protection Agency shows just 10 percent of the mercury emitted in Pennsylvania falls in the state, but even this figure may be overestimated based on work done by Brookhaven National Laboratory.

Importantly, DEP's own Mercury Monitoring Network has not even registered the 33 percent drop in mercury emissions that has occurred from Pennsylvania power plants between 1999 and 2004. And monitors in other areas next to Pennsylvania power plants that have made even greater reductions do not show the reductions either. This strongly suggests that a federal approach to controlling mercury emissions over a wide geographic area would be more effective than a state-specific approach.

Through the two-year regulatory development process, DEP has been unable to document any added health or environmental benefits between the plan they proposed and the federal Clean Air Mercury Rule or an alternative plan our coalition of labor and business groups suggested.

Where we differ with DEP is in the use of market-based mercury allowance trading to comply with the second step in the mercury reduction program -- meeting the more stringent federal mercury emissions cap -- but not over how to comply with the basic 80 percent and 90 percent reductions by the deadlines DEP proposed. Our alternative would allow trading to meet the more stringent federal emission caps in a cost-effective way so that smaller power plants would not be put at risk of premature retirement, while DEP's proposal institutionalizes the punitive disadvantages imposed on Pennsylvania by CAMR -- the very disadvantages DEP said it was going to redress with its state-specific rule.

Instead, DEP has made those disadvantages even worse for the state's electric generators, coal producers, manufacturers and electricity customers. In reality, DEP's own proposal would also use mercury allowances to meet this second step, only the DEP would assign the allowances from a supplemental pool. But to the DEP, a pool is not trading, even though mercury allowances could be assigned to plants 400 miles apart in either corner of the state. We fail to see any difference in terms of real environmental impact.

It is ironic that DEP has testified before the Public Utility Commission expressing concerns about the cost of electricity when the rate caps come off in 2009-10, when its own rule would impose more than \$1.7 billion in unnecessary costs on electric generators and customers for no meaningful environmental benefits.

It is also ironic that on the same day an article recently appeared in The Patriot-News about DEP's mercury rule, an article was published right next to it reporting on the latest National Institute of Medicine report showing the benefits of eating fish, even for women and infants, far outweigh concerns about contaminants like mercury that they might contain. The DEP proposal represents a real loss for consumers, coal producers and the entire state through higher costs, reduced use of Pennsylvania coal and the potential closure of power plants, all for no added environmental or health benefits.