

# Air Quality Committee Reviews State Specific Mercury Rule; Benefits Questioned

The proposal to adopt a Pennsylvania specific mercury emissions rule began its path to full regulatory consideration when it was reviewed Monday by the Air Quality Technical Advisory Committee (AQTAC) in Harrisburg. The committee recommended that the Department of Environmental Protection (DEP) make technical changes to the language before a final review by AQTAC in a few weeks.

Meanwhile, opponents of the proposed standards that will require in-state generators to adopt controls stricter than federal requirements continue to question the need for what they say amounts to minimal, or non-existent benefits.

“The bottom line is we’re talking about generators contributing one percent of all the mercury in the environment,” said one business lobbyist working against the proposal. “When you look at what the DEP is proposing over the federal requirement, it gets to be an almost meaningless difference.”

In general, the Department’s proposed regulation requires a 90 percent reduction in mercury emissions by 2015. The federal rules call for an 86 percent reduction by 2018. The state rules, moreover, would prevent interstate trading of mercury emissions credits. Utility experts say that the trading is a key component of the federal rules because they allow power plants to employ new emission control technologies as they become commercially available, and provide a way to minimize and partially recover costs.

“Doing away with the trading will have a direct impact on some of the best union jobs in Pennsylvania because it affects the ability of our plants to remain competitive,” said Douglas Biden, President of the Electric Power Generation Association. “We’re already seeing proposals to add transmission lines so that generators from other states can move into the Pennsylvania market. We welcome competition, but it needs to be on a level playing field where everyone is subject to the same environmental rules and the costs they impose on our businesses.”

Organized labor and the coal industry have likewise come out against the state specific rule. An attorney representing the United Mine Workers, the Pennsylvania Coal Association, and the International Brotherhood of Electrical Workers, said that they have concerns what the state specific rules would do to coal production, mining employment, and the future of smaller generating plants.

“In Pennsylvania the stakes are very high,” Eugene M. Trisko, Esq. said. “We rely on coal for nearly 60 percent of our electricity production.”

After another AQTAC review, the proposed language moves to the Environmental Quality Board for formal introduction as a proposed regulation. The Department is pushing to have the final regulations approved by November and made it clear at the March 13 AQTAC meeting that it intended to move forward with the rule whether AQTAC approved it or not.

## Grid Requests Early Designation of National Interest Transmission Corridors in Pennsylvania

The operator of the electricity grid that covers Pennsylvania, the PJM Interconnection, has approached the Department of Energy (DOE) to consider classifying two recently proposed transmission lines in Pennsylvania to be ‘National Interest Transmission Corridors’. Such a classification would give the DOE jurisdiction over approval of the new lines, termed the Allegheny Mountain path and the Delaware River path by PJM.

The utilities behind the proposed lines, Allegheny Power in the west and AEP in the east, argue that the lines will help improve the efficiency of electricity markets in the eastern part of the U.S.

Allegheny Power made the announcement of the new line in early March. The 330 mile, \$1.4 billion line would run from Wylie Ridge in the northern panhandle of West Virginia to Kempton, Maryland. The vice president of transmission for Allegheny Power, Jim Haney, said that the line would increase power reliability and allow Allegheny to transmit large volumes of electricity between generators in the West Virginia region to power-hungry areas along the east coast.

“It would move lower cost power to the eastern markets where demand is high,” Haney said.

[Click here to view entire PJM petition.](#)

## Three Mile Island Powers Economy of Central Pa.

AmerGen’s Three Mile Island Generating Station is more than just one of the world’s best nuclear plants; it is also a major economic engine for Dauphin County and the Commonwealth of Pennsylvania.

A new economic impact study found that in 2004 the operation of TMI increased Pennsylvania’s economic output by \$86.1 million, including \$5.8 million in Dauphin County.

AmerGen Energy commissioned the Nuclear Energy Institute, of Washington D.C., to conduct an extensive fiscal impact analysis study. The study, completed in November 2005, analyzed employment and production information supplied by AmerGen, as well as economic data from Dauphin, Lancaster, Cumberland, Lebanon and York Counties, the Commonwealth of Pennsylvania and the federal government.

The resulting 34-page report, *The Economic Benefits of Three Mile Island Unit 1*, contained the following major findings for 2004:

- Direct and indirect compensation from Three Mile Island (TMI) resulted in \$24.8 million in labor income in Dauphin County and \$91.2 million in Pennsylvania in 2004.
- Three Mile Island spent \$25.3 million in Dauphin County and \$87.8 million in Pennsylvania on materials and supplies.
- The operation of TMI and the secondary effects of the plant account for 275 jobs in Dauphin County and 1,376 jobs in Pennsylvania.
- TMI employs 532 people (not including full time security and other contract personnel), with 208 employees living in Dauphin County and 187 living in Lancaster County.
- TMI generates almost \$1 million in state and local tax revenue each year. Adding the economic activity generated by Three Mile Island through increased business, corporate, payroll and personal taxes results in a total state and local tax impact of \$5.7 million.

“Three Mile Island provides stable employment to our residents and purchases supplies and services from our local business establishments,” said Daryl LeHew, Londonderry Township Supervisor. “This report seems to confirm what local residents have known about the benefits of having the plant in our community.”

Besides the economic benefit TMI contributes to central Pennsylvania in the form of jobs, income and taxes, the plant also contributes to the local community in other ways.

Each year, TMI and its employees contribute more than \$100,000 to more than 25 local charitable organizations, fire companies and community organizations. Employees also annually donate more than 200 pints of blood to the Central Pennsylvania Blood Bank.

TMI generated about 7.3 million megawatt-hours of electricity in 2004. This reliable, low-cost electricity helped to keep energy prices affordable in the Mid-Atlantic Area Council Sub-Region, where TMI resides. In 2004, TMI’s production cost was 1.76 cents per kilowatt-hour, compared with an average production cost of 2.84 cents per kilowatt-hour for the rest of the regional market.

The research report is intended to provide citizens with a better understanding of the positive economic impact TMI and its employees have in Dauphin, Lancaster,

Cumberland, Lebanon and York Counties. Copies of the report are available by contacting TMI Communications at (717) 948-8930.

## Minimum Regulation of Coal Combustion Residue Endorsed

The National Research Council suggests there should be minimum national standards for "coal combustion residue" from power plants in old underground mines.

At the same time, however, the report endorses increased use of coal waste by-products in materials commonly used in construction or road building.

“Pennsylvania is well positioned in that it already has comprehensive rules regulating use of coal ash for mine reclamation,” noted an energy expert. He added that the other recommendations from the National Academy of Sciences are mostly technical suggestions, many of which are already consistent with industry practices.

The NRC report was issued March 1. The NRC is a sister research organization to the National Academy of Sciences within the National Academies.

The residues left after coal is burned to generate power — often referred to as coal ash — consist of noncombustible coal matter and material trapped by pollution control devices. Enforceable federal standards are needed to guide the placement of coal ash in mines to minimize health and environmental risks, the report says.

Coal combustion in the United States leaves behind enough residue to fill 1 million railroad coal cars each year, and the volume continues to grow along with rising energy demands and improved pollution-control measures. Most of this ash is disposed of in landfills and surface impoundments, but it is increasingly being used in mine reclamation.

Under the federal Surface Mining Control and Reclamation Act, states are generally responsible for broadly regulating the management of coal combustion residues during mine reclamation. While general enough to cover putting residues in mines, SMCRA does not specifically regulate the practice, leading some states to say they lack the power for more explicit regulation.

# World's First 'Zero Emissions' Coal Plant Issues Host Site Request for Proposals

The FutureGen Industrial Alliance has released the final Request for Proposals (RFPs) for parties interested in hosting the world's first coal-fueled "zero emissions" power plant.

The final RFP and responses to questions and comments made on the Draft RFP are posted on the Alliance's website at <http://www.FutureGenAlliance.org>. Proposals for the host site are due May 4, 2006. Based on an evaluation of the proposals received, the Alliance will develop a list of candidate sites by the summer of 2006.

The FutureGen project will integrate several technologies to generate electricity and hydrogen from coal -- an abundant energy resource in the U.S. and other regions of the world -- while nearly eliminating emissions.

It will combine several technologies including advanced Integrated Gasification Combined Cycle (IGCC) technology with carbon dioxide capture and storage in deep saline reservoirs, which have the greatest capacity for sequestration. This approach will help ensure global transferability of the technology.

The FutureGen Alliance is a coalition representing some of the world's largest coal companies and electric utilities that are partnering with the U.S. Department of Energy to facilitate design, construction, and operation of the world's cleanest coal plant. Member companies are contributing up to \$250 million to help fund project development and include: American Electric Power; Anglo American; BHP Billiton; the China Huaneng Group; CONSOL Energy Inc.; Foundation Coal; Kennecott Energy; Peabody Energy and Southern Company.

The U.S. government, working with other nations, plans to invest \$700 million. There is growing international interest in the project with India recently announcing its intent to contribute to the U.S. government's share of the costs of FutureGen.

The FutureGen Alliance member companies provide energy to tens of millions of U.S. and international residential, business, and industrial customers. Member companies have global operations serving customers in Asia, Australia, Canada, Continental Europe, the People's Republic of China, South Africa and the United States, among other regions.