

State Mercury Programs for Utilities **May 23, 2006**

The following table is an overview of state actions directed at reducing mercury emissions from coal-fired electric utility boilers including the response states are considering to meet the federal Clean Air Mercury Rule (CAMR) that become effective on May 18, 2005. The table indicates if a state will participate in EPA's interstate trading program and how each state is planning to distribute the mercury allowances in their state budget. The status of state laws and regulations is also summarized. Note that Idaho, Rhode Island and Vermont did not receive a mercury budget under the CAMR and therefore are not required to develop and implement a state plan.

State Participation in National Trading Program

EPA allows states flexibility in achieving the mercury reductions required under CAMR, including optional participation in a national mercury allowance trading program. Under the national program, owners of coal-fired electric generators must hold one allowance for each ounce of mercury emitted in a given year. Allowances can be readily transferred from one utility to another and may be banked for use in later years. If a state chooses to participate in the national trading program, EPA has an allowance tracking system to manage emission reporting and trading based upon the each participating states' methodology for allocation of allowances. EPA has also developed a model rule for their trading program for states to use as the basis for their state plans to implement the CAMR. Any state that does not participate in the national program must establish regulations that set emission limitations and compliance schedules to meet their mercury budget.

Allocation of Allowances

In EPA's model rule a states' mercury budget is distributed as emission allowances to the affected coal-fired electric utility boilers. States have the flexibility to determine the cost of allowance distribution (free or auction), frequency of allocations, basis for the distribution and the use and size of allowance set asides (e.g. new units, small units, energy efficiency and IGCC development). States may select a higher or lower set aside amount for new sources depending upon expected growth.

STAPPA/ALAPCO Model Rule

STAPPA/ALAPCO prepared a model rule that contains options for states that wish to adopt a program that is more stringent than the CAMR. Additional information is available on www.4cleanair.org.

State Contact and Additional Information

Included are links to state web pages that have been established for legislative and regulatory actions. A lead state contact is also provided.

State	Rules or Legislation - Proposed or Adopted	Participation in National Trading Program	Allocation of Allowances	State Contact and Additional Information
Region 1				
Connecticut	State statute requires 90% reduction or comply with a mercury emissions limit of 0.6 lb/TBTU by 7/1/2008, with provision for an alternative if controls fail to achieve limitation. More stringent limits possible after 7/1/2012.	No.	No.	Ric Pirolli Ric.pirolli@po.state.ct.us (860) 424-4152 state statute: www.cga.ct.gov/2005/pub/cha/p446c.htm#Sec221-199.htm
Maine	All facilities in Maine have a mercury emission limit of 50 lbs/yr; proposed legislation for mercury emissions to 35 lbs/yr in 2007 and to 25 lbs/yr in 2010, with a mercury reduction plan requirement for facilities emitting more than 10 lbs/yr.	No.		Only one EGU subject to the utility rule. Maine disagrees with EPA's applicability determination of this source; believes source should be covered under industrial boiler MACT. Also disagrees with EPA's mercury allocation for Maine and filed comments to EPA on both issues. Lisa.higgins@maine.gov
Massachusetts	Adopted rule requires 85% capture or 0.0075 lb/GW-hr by 1/1/2008 and 95% capture or 0.0025 lb/GW-hr by 10/1/2012.	No. Averaging between units at the same facility allowed.		www.mass.gov/dep/images/hg_reg.doc www.mass.gov/dep/images/hg_rtc.doc Sharon Weber Sharon.weber@state.ma.us (617) 556-1190
New Hampshire	January 2006 proposed legislation providing for a minimum 80% reduction of mercury emissions from coal-burning power plants by requiring the installation of scrubber technology no later than 7/1/2013 and provides economic incentives for earlier installation and greater reductions in emissions.	No. State will set emission limitations and compliance schedules to meet its federal mercury budget.		Jeff Underhill junderhill@des.state.nh.us

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Rhode Island	No budget under CAMR. Not required to participate.			
Vermont	No budget under CAMR. Not required to participate.			
Region 2				
New Jersey	Adopted rule requires control efficiency of 90% or 3 mg/MW-hr by 12/15/2007, for coal-fired boilers of any size. A multi-pollutant approach can reduce the initial reduction required and extend compliance to 12/15/2012.			http://www.nj.gov/dep/aqm/1997adop.htm
New York	Governor's office reviewing the options of a state rule versus CAMR.			Steve DeSantis sxdesant@gw.state.ny.us
Region 3				
Delaware	Governor's proposal for stakeholder consideration is the adoption of a more stringent state rule that would not include banking and trading.	No. Proposal under consideration does not allow interstate trading.		Robert Clausen Robert.clausen@state.de.us Regulation No. 1146, "Electric Generating Unit (EGU) Multi-Pollutant Regulation" Development Documents http://www.dnrec.state.de.us/air/aqm_page/Multi-PReregulation.htm
Maryland	Healthy Air Act of 4/6/2006. Phase I reduction of 80% by 2010; Phase II reduction of 90% by 2013.	No.		Maryland Healthy Air Act http://www.mde.state.md.us/Air/MD_CPR.asp
Pennsylvania	In February 2006, DEP released concepts for proposed rule that requires 80% reduction in mercury emissions by Jan. 2010 and 90% reduction by Jan. 2015. The	No. Interstate trading would not be allowed under the February 2006 proposal.		Dean Van Orden dvanorden@state.pa.us (717) 787-9702 Krishnan Ramamurthy

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	proposed rule will be considered by the Environmental Quality Board on 5/17/2006. Legislation introduced in April 2006 requires compliance with the CAMR.			kramamurth@state.pa.us (717) 787-9257 John Slade jslade@state.pa.us (717) 787-4325 DEP accepted a citizen petition requesting a state rule more stringent than CAMR. www.dep.state.pa.us/dep/deputate/airwaste/aq/regs/mercury_rule.htm
Virginia	Governor signed Clean Smokestacks Legislation, effective 7/1/2006. Requires adoption of CAMR and state-specific rule. Largest operator must meet reductions by 2015 and cannot purchase allowances to comply, but may sell excess credits. Second largest operator may use emission credits generated from other units under common ownership that are within 200 km of VA's border. Units within a nonattainment area cannot purchase credits to comply. However, credits generated at units under common ownership within 200 km of VA's border may be used to comply with the state rule.	Participating in interstate trading is limited for three companies operating units within the state. Smaller companies are allowed to fully participate in national trading program.	New source set aside of 5% for the first 5 years of program, then 2% thereafter.	An assessment of mercury deposition in VA will be conducted. More details on the assessment are available http://leg1.state.va.us/cgi-bin/legp504.exe?061+ful+HB1055ER+pdf Melissa Porterfield mporterfield@deq.virginia.gov
West Virginia	Plan to adopt EPA model rule.	Yes.		
Region 4				
Alabama	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	

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Florida	Proposal to adopt rule that reflects CAIR and reductions achievable through existing and emerging technologies.	While participation during the 2010-2018 Phase 1 period will likely not be allowed, all CAMR units could participate in the Phase 2 cap period, from 2018 on.		http://www.dep.state.fl.us/air/rules.htm
Georgia	Options paper issued on 2/20/2006. Considering more stringent emission limits than CAMR. Phase I 80-85% by 2010. Phase II reductions of 90% between 2012 and 2015. Possible third phase achieving additional reductions 5 years after Phase II. Held stakeholder meetings on CAMR 4/6/2006 and 4/18/2006 in Atlanta.	Decision Pending: Option 1 under consideration would allow intrastate trading but would prohibit interstate trading.		Susan Jenkins: (404) 362-4598 Dan Cohan: (404) 362-4569 www.air.dnr.state.ga.us/airpermit/cair (Note: URL for CAIR and CAMR are the same.)
Kentucky	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	John Lyons John.lyons@ky.gov
Mississippi	Plan to adopt EPA model rule.	Yes.		
North Carolina	Draft rule adopts EPA model rule with provision for the installation of mercury control technology on all units by specified dates. 3 hearings are scheduled for May-June 2006 on draft rules that would require the control of mercury emissions from each utility-owned coal-fired EGU, equivalent control from an alternate unit, or the shutdown of the unit by some certain date to be specified in the final rule.	Yes.	Full allocation is distributed across sources based on historical combustion BTUs. Up to 5% mercury credits for new growth will come from allocations.	Paul Grable: (919) 733-1468 Paul.grable@ncmail.net Thom Allen: (919) 733-1489 Thom.allen@ncmail.net Draft rule: http://daq.state.nc.us/rules/draft

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South Carolina	Proposed rule that would adopt EPA model rule.	Yes.	Propose to withhold 20% of state budget annually.	Each utility may have access to their portion of the annual set-aside under certain circumstances. Unused allowances would be permanently retired at the end of a calendar year.
Tennessee	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	
Region 5				
Illinois	1/9/2006, Governor's proposal requests Illinois EPA to develop rules for a two-phase reduction approach. 90% reduction with intrastate averaging by 6/09; 75% individual plant reduction by 6/09; 90% individual plant reduction by end of 2012.	No.		http://www.epa.state.il.us/air/cair/
Indiana	Citizen petition for 90% control under review. Stakeholder group evaluating three options: Adopt CAMR, modify CAMR, or require 90% capture with no trading and 2010 compliance.			http://www.in.gov/idem/air/workgroups/mercury/
Michigan	4/17/2006, Governor announced proposal to reduce mercury utility emissions beyond CAMR. The first phase would use the reductions from the CAMR and other federal programs by 2010. The second phase would go beyond, for a 90% by 2015. System-wide averaging would be allowed as long as hot-spots do not result.	No.		http://www.michigan.gov/documents/Mercury_letter001_156319_7.pdf
Minnesota	Mercury Emissions Reduction Act	No.		J. David Thornton

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	<p>of 2006 calls for:</p> <ul style="list-style-type: none"> • 90% reduction (totaling 1,200 lb.) of annual Hg emissions at state's 3 largest coal-fired power plants; • state to exceed 70% reduction in Hg emissions well before 2018 federal deadline; • review of Hg-reduction plans for feasibility by Minn. Pollution Control Agency (MPCA); and • review of Hg-reduction plans by Minn. Public Utilities Commission to ensure cost to ratepayers is not excessive. 			<p>J.David.Thornton@pca.state.mn.us (651) 284-0382</p> <p>Unique situation in state, including:</p> <ul style="list-style-type: none"> • 2 power plants being converted to natural gas instead of coal, reducing Hg emissions in Twin Cities area by additional 170 lb/yr by 2009; • Wet scrubbers are in operation at a number of large power plants in the state; and • MN's plants burn western coal, which is lower in Hg than eastern coal, but emitted in a form that is more difficult to capture. <p>www.house.leg.state.mn.us/bills/billnum.asp?billnumber=HF3712&session_number=0&ls_year=84&year=2005</p>
Ohio	Plan to adopt EPA model rule.	Yes.		
Wisconsin	October 2004 adopted rule requires 40% reduction by 2010 and 75% reduction by 2015. Reductions from a baseline determined from mercury in coal. True-up to CAMR reduction levels and schedule required in the state rule.	Rule revision process will determine if interstate trading will be allowed.	Rule revision process will establish allocation of allowances.	Jon Heinrich jon.heinrich@dnr.state.wi.us http://dnr.wi.gov/org/aw/air/reg/mercury/camr.htm
Region 6				

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Arkansas	Reviewing the model rule as well as alternatives.	Considering participation in interstate trading.		Elizabeth Sartain sartain@adeq.state.ar.us
Louisiana	Plan to adopt EPA model rule.	Plan to participate.	Plan to use model rule.	Jim Orgeron James.orgeron@la.gov
New Mexico	Plan to adopt EPA model rule.	Consideration being given to not participating in interstate trading.		
Oklahoma	Plan to adopt EPA model rule, modify EPA model rule or adopt STAPPA/ALAPCO model rule. Initial hearings for comments in April 2006	Rule will determine if interstate trading will be allowed	Yet to be determined.	Morris.moffett@deq.state.ok.us
Texas	Plan to adopt EPA model rule.	Yes.		http://www.tceq.state.tx.us/implementation/air/sip/caircamr.html
Region 7				
Iowa	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	http://www.iowadnr.com/air/prof/caircamr/index.html
Kansas	Plan to adopt EPA model rule.	Yes. Statutory authority needed to engage in mercury trading program. Legislation has been introduced.	Plan to develop state specific allocation approach.	
Missouri	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	http://www.dnr.mo.gov/env/apcp/cair_camr.htm
Nebraska	Plan to adopt EPA model rule.	Yes.		Shelley Kaderly Shelley.kaderly@ndeq.state.ne.us
Region 8				
Colorado	Proposed rule that would adopt the	Yes.	Plan to develop state	Melanie Loyzim

State	Rules or Legislation - Proposed or Adopted	Participation in National Trading Program	Allocation of Allowances	State Contact and Additional Information
	EPA model rule with administrative modifications.		specific allocation approach. Proposing new unit set-aside of 36% through 2017, then 5% thereafter.	melanie.loyzim@state.co.us http://www.cdphe.state.co.us/ap/reg6.html
Montana	Evaluating proposal with reductions more stringent than the CAMR.		Proposing new unit set-aside of 29% until 2014 and 33% thereafter.	
North Dakota	Plan to adopt EPA model rule.	Yes.	Proposing 5% new unit set-aside from 2010 to 2014 and 3% thereafter.	Tom Bachman tbachman@state.nd.us
South Dakota	Plan to adopt EPA model rule.	Yes.	Proposing 5% new unit set-aside.	
Utah	Plan to adopt modified EPA model rule.	Yes.	Proposing 5% new unit set-aside from 2010 to 2014 and 3% thereafter.	
Wyoming	Plan to adopt modified EPA model rule.	Yes.	New unit set-aside of 10% under consideration. Allocations to existing sources will be made for 5-year blocks.	Tina Anderson tander@state.wy.us
Region 9				
Arizona	Considering imposition of reductions more stringent than CAMR.	Yes, but evaluating possible time limitations.	Plan to develop state-specific allocation approach, with possible set aside for future growth.	Steve Burr Sb5@azdeq.gov
California				
Hawaii				
Nevada				
Region 10				

State	Rules or Legislation - Proposed or Adopted	Participation in National Trading Program	Allocation of Allowances	State Contact and Additional Information
Alaska				
Idaho	No budget under CAMR. Not required to participate.			
Oregon	Plan to adopt modified EPA model rule. Will propose to opt into the national cap-and-trade program but require 60% control by 2018, with a reevaluation of the mandatory control requirement in 2014.	Yes.	Will propose 5% new source set aside with unused portions of the set aside banked for use by new units instead of going to existing units.	Gerald Ebersole Ebersole.Gerald@deq.state.or.us
Washington	Plan to be announced by mid-April 2006.		Plan to develop state-specific allocation program.	Elena Guilfoil Egui461@ecy.wa.gov (360) 407-6855