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ICAC: Control cost standard needed

The Institute of Clean Air Companies has seen increasing variability in the parameters for measuring the costs of control technology, and is calling on companies to provide a standard for what expenses should be included in the reported cost of emissions controls.

“The onus to provide guidance on what expenses should be included in the control cost is upon us and the industries we represent,” said David Foerter, executive director of the Institute of Clean Air Companies (ICAC). ICAC is a non-profit association of companies supplying stationary sources with air pollution control technology and emissions monitoring systems.

Foerter said the costs reported by companies, particularly for flue gas desulfurization units (FGDs), has started to vary widely. He said most of the companies involved in ICAC are quoting FGD installation costs to range from about \$125-\$225/kW. “But we are seeing companies report as much as \$325/kW to install FGDs,” Foerter said.

There are things other than the actual cost of installing control technology being embedded in the compliance costs, Foerter said. Compliance costs should be broader, to include consultant fees and balance of plant costs, he said. But there needs to be a standard cost of control that is applicable to all industries, because what is being reported currently is not in concurrence with EPA’s methodology of measuring control cost, Foerter said. The cost of the control technology itself should be standardized, with consultant fees and other emissions mitigation strategies coming separately, he added.

Any facility owner that emits sulfur dioxide, nitrogen oxides or particulate matter must go through a protocol to determine what the best available retrofit technology (BART) is if they want to modify their operations under EPA’s new Clean Air Visibility Rule (CAVR). The issue is that BART is defined using a cost effectiveness measure, but cost effectiveness itself is not defined in the language of the statute, said Vincent Albanese, senior vice-president of air pollution control at Fuel Tech.

Cost effectiveness also comes into play in determining rea-

sonably achievable control technology (RACT) under the new ozone standards, Albanese said. With the new, more stringent 8-hour standards for attainment of the national ambient air quality standards, industry needs to re-evaluate what is “cost effective” in terms of RACT.

“The issue is definitely real,” Albanese said. Interest will increase as regional planning organizations start to get their arms around CAVR applicability and attainment plans for the new 8-hour ozone standard, he said.

ICAC has agreed to shine the light on this issue and start to get industry moving toward standardization of a cost effectiveness measure for determining RACT and BART for a particular unit and for different pollutants.

Foerter said smaller sources will be where the cost effectiveness standard is most critical. The visibility rules and the 8-hour ozone standard affect industries other than electric utilities. There needs to be a measure defining the capital cost of controls for those smaller sources in order to determine the most cost-effective compliance technologies, Foerter said.

There is disparity in the definition of capital cost of control, Albanese said. “We need to be comparing apples to apples” when determining what to report as the cost of the controls facilities determine to be BART or RACT, Albanese said.

Foerter said ICAC’s board of directors has agreed to call upon different sectors of industry to come together and work on a methodology to determine what to include in that definition. The methodology needs to be able to be generally applied to all industries, Foerter said, to ensure a fair comparison of the different types of control based on capital cost, rather than other compliance costs and operating costs that will always add up differently for each facility.

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