

## **State Mercury Programs for Utilities** **August 2, 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](http://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
<b>Region 1</b>				
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 <a href="mailto:Ric.pirolli@po.state.ct.us">Ric.pirolli@po.state.ct.us</a> (860) 424-4152  state statute: <a href="http://www.cga.ct.gov/2005/pub/cha/p446c.htm#Sec221-199.htm">www.cga.ct.gov/2005/pub/cha/p446c.htm#Sec221-199.htm</a>
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 utility rule. Maine disagrees with EPA's applicability determination of source; believes source should be covered by industrial boiler MACT. Disagrees with EPA Hg allocation for Maine; filed comments to EPA on both issues. <a href="mailto:Lisa.higgins@maine.gov">Lisa.higgins@maine.gov</a>
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.		<a href="http://www.mass.gov/dep/images/hg_reg.doc">www.mass.gov/dep/images/hg_reg.doc</a> <a href="http://www.mass.gov/dep/images/hg_rtc.doc">www.mass.gov/dep/images/hg_rtc.doc</a> Sharon Weber <a href="mailto:Sharon.weber@state.ma.us">Sharon.weber@state.ma.us</a> (617) 556-1190
New Hampshire	Legislation passed house and Senate, signed by Governor. Calls for 80% reduction of mercury emissions from coal-burning power plants through installation of scrubber technology no later than 7/1/2013. Emission credits for SO <sub>2</sub> for early mercury reductions.	No.		Jeff Underhill <a href="mailto:junderhill@des.state.nh.us">junderhill@des.state.nh.us</a>
Rhode Island	No budget under CAMR. Not required to participate.			

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Vermont	No budget under CAMR. Not required to participate.			
<b>Region 2</b>				
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.			<a href="http://www.nj.gov/dep/aqm/1997adopp.htm">www.nj.gov/dep/aqm/1997adopp.htm</a>
New York	<p>On 5/25/06, the Governor announced a plan: Applicability will be the same as CAMR; allocations will be distributed as facility-wide caps, which are applicable 2010 – 12/31/14 and represent a 50% reduction in emissions from the 1999 ICR data collection. Beginning in 2015, unit-based emission limits will be implemented and represent a 90% reduction in emissions from the 1999 ICR date collection. Emissions below facility-wide caps will be prohibited from trading or selling.</p> <p>Stakeholder meeting held July 17, 2006. Regulation expected for release for public comment toward end of summer.</p>	No		Steve DeSantis <a href="mailto:sxdesant@gw.state.ny.us">sxdesant@gw.state.ny.us</a>
<b>Region 3</b>				
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 <a href="mailto:Robert.clausen@state.de.us">Robert.clausen@state.de.us</a>  Regulation No. 1146, "Electric Generating Unit (EGU) Multi-

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				Pollutant Regulation” Development Documents <a href="http://www.awm.delaware.gov/info/regs/agmmultipreg.htm">www.awm.delaware.gov/info/regs/agmmultipreg.htm</a>
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 <a href="http://www.mde.state.md.us/Air/MD_CPR.asp">www.mde.state.md.us/Air/MD_CPR.asp</a>
Pennsylvania	On May 17, 2006, the Environmental Quality Board approved the rule for a 60-day public comment period with 3 public hearings. The proposed rule will require an 80% reduction in mercury emissions by 2010 and a 90% reduction by 2015. Legislation introduced in April 2006 requires compliance with CAMR.	No. Interstate trading would not be allowed under the February 2006 proposal.		Dean Van Orden <a href="mailto:dvanorden@state.pa.us">dvanorden@state.pa.us</a> (717) 787-9702  Krishnan Ramamurthy <a href="mailto:kramamurth@state.pa.us">kramamurth@state.pa.us</a> (717) 787-9257  John Slade <a href="mailto:jslade@state.pa.us">jslade@state.pa.us</a> (717) 787-4325  DEP accepted a citizen petition requesting a state rule more stringent than CAMR. <a href="http://www.dep.state.pa.us/dep/deputate/airwaste/aq/regs/mercury_rule.htm">www.dep.state.pa.us/dep/deputate/airwaste/aq/regs/mercury_rule.htm</a>
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	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 <a href="http://leg1.state.va.us/cgi-bin/legp504.exe?061+ful+HB1055ER+pdf">http://leg1.state.va.us/cgi-bin/legp504.exe?061+ful+HB1055ER+pdf</a>  Melissa Porterfield <a href="mailto:mporterfield@deq.virginia.gov">mporterfield@deq.virginia.gov</a>

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	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.			
West Virginia	Adopted EPA model trading rule. May 1, 2006 rule effective date	Yes.	5% set-aside to be sold by state. No adjustment for coal type. Heat input based allocations.	Laura Crowder: (304) 926-0499, ext. 1247  State is conducting a mercury study: <a href="http://www.wvdep.org/dag/">www.wvdep.org/dag/</a> and select the mercury link.
<b>Region 4</b>				
Alabama	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	
Florida	Proposal relies on co-benefits of CAIR, with hold-back of projected surplus allowances to prevent build-up of large bank during Phase 1. Rules approved by state board 6/29/06.	Yes	Existing units allocated 70% of Phase 1 allowances for 2012-2017 with remaining allowances placed in "compliance set aside" for existing units that exceed their allocations despite add-on controls, and for new units as supplement to 5% new unit set aside.	Larry George (850) 921-9555 <a href="mailto:larry.george@dep.state.fl.us">larry.george@dep.state.fl.us</a>  <a href="http://www.dep.state.fl.us/air/rules/regulatory.htm">www.dep.state.fl.us/air/rules/regulatory.htm</a>
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	Decision Pending: Option 1 under consideration would allow intrastate trading but would		Susan Jenkins: (404) 362-4598  Dan Cohan: (404) 362-4569

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	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.	prohibit interstate trading.		<a href="http://www.air.dnr.state.ga.us/airpermit/cair">www.air.dnr.state.ga.us/airpermit/cair</a>  (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 <a href="mailto:John.lyons@ky.gov">John.lyons@ky.gov</a>
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. Three hearings were held in May and 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 <a href="mailto:Paul.grable@ncmail.net">Paul.grable@ncmail.net</a>  Thom Allen: (919) 733-1489 <a href="mailto:Thom.allen@ncmail.net">Thom.allen@ncmail.net</a>  Draft rule: <a href="http://daq.state.nc.us/rules/hearing/rules.pdf">http://daq.state.nc.us/rules/hearing/rules.pdf</a> <a href="http://daq.state.nc.us/rules/hearing/">http://daq.state.nc.us/rules/hearing/</a>
South Carolina	Proposed rule that would adopt EPA model rule.	Yes.	Propose to withhold 20% of state budget annually.	Heather Preston <a href="mailto:prestohs@dhec.sc.gov">prestohs@dhec.sc.gov</a> or L. Nelson Roberts <a href="mailto:robertln@dhec.sc.gov">robertln@dhec.sc.gov</a> Each utility may have access to their portion of the annual 20% set-aside if their utility-wide annual emissions exceed their annual utility-wide allocation. The unused portion of the set-aside will continue to roll over and will be available

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				until the end of the 2021 control period. The remainder will be retired in 2022.
Tennessee	Adopted EPA model rule.	Yes.		Travis Blake: (615) 532-0617 <a href="mailto:Travis.blake@state.tn.us">Travis.blake@state.tn.us</a>
<b>Region 5</b>				
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.		<a href="http://www.epa.state.il.us/air/cair/">www.epa.state.il.us/air/cair/</a>
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.			<a href="http://www.in.gov/idem/air/workgroups/mercury/">www.in.gov/idem/air/workgroups/mercury/</a>
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.		<a href="http://www.michigan.gov/deq/0,1607,7-135-3310-142890--,00.html">www.michigan.gov/deq/0,1607,7-135-3310-142890--,00.html</a>
Minnesota	Mercury Emissions Reduction Act of 2006 effective May 2006: <ul style="list-style-type: none"> <li>90% reduction (totaling 1,200 lb.) of annual Hg emissions existing EGUs GT 250 MW.</li> <li>Reductions required by 2009 for</li> </ul>	Yes.		J. David Thornton <a href="mailto:J.David.Thornton@pca.state.mn.us">J.David.Thornton@pca.state.mn.us</a> (651) 284-0382 <a href="http://www.pca.state.mn.us/air/merc">www.pca.state.mn.us/air/merc</a>

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	dry PM controlled units; 2014 for wet PM controlled units.  CAMR remains unchanged by Reduction Act. Presumably reductions create allowances for redistribution.			<a href="#">ury.html</a>  <a href="http://www.house.leg.state.mn.us/bills/billnum.asp?billnumber=HF3712&amp;session_number=0&amp;ls_year=84&amp;year=2005">www.house.leg.state.mn.us/bills/billnum.asp?billnumber=HF3712&amp;session_number=0&amp;ls_year=84&amp;year=2005</a>
Ohio	Ohio's draft CAMR rules went out for interested party review on July 24. They are basically the federal model.	Yes.		Lee Burkleca: (614) 728-1344 <a href="mailto:Lee.burkleca@epa.state.oh.us">Lee.burkleca@epa.state.oh.us</a>  <a href="http://www.epa.state.oh.us/dapc/page/whatsnew.html">www.epa.state.oh.us/dapc/page/whatsnew.html</a>  <a href="http://www.epa.state.oh.us/dapc/regs/regs.html">www.epa.state.oh.us/dapc/regs/regs.html</a>
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 <a href="mailto:jon.heinrich@dnr.state.wi.us">jon.heinrich@dnr.state.wi.us</a>  <a href="http://dnr.wi.gov/org/aw/air/regs/mercury/camr.htm">http://dnr.wi.gov/org/aw/air/regs/mercury/camr.htm</a>
<b>Region 6</b>				
Arkansas	Reviewing the model rule as well as alternatives.	Considering participation in interstate trading.		Elizabeth Sartain <a href="mailto:sartain@adeq.state.ar.us">sartain@adeq.state.ar.us</a>
Louisiana	Will propose to adopt EPA model rule on June 20, 2006.	Yes, as proposed.	Yes, as proposed.	Jim Orgeron <a href="mailto:James.orgeron@la.gov">James.orgeron@la.gov</a>
New Mexico	Plan to adopt EPA model rule.	No.		
Oklahoma	Plan to adopt EPA model rule.	Yes.	Proposing 5% new unit set-aside from 2010 to 2014 and 3% thereafter.	<a href="mailto:Morris.moffett@deq.state.ok.us">Morris.moffett@deq.state.ok.us</a>
Texas	Plan to adopt EPA model rule.	Yes.		<a href="http://www.tceq.state.tx.us/implementation/air/sip/caircamr.html">www.tceq.state.tx.us/implementation/air/sip/caircamr.html</a>

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<b>Region 7</b>				
Iowa	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	<a href="http://www.iowadnr.com/air/prof/cair_camr/index.html">www.iowadnr.com/air/prof/cair_camr/index.html</a>
Kansas	Plan to adopt EPA model rule.	Yes. Statutory authority needed; legislation passed, effective 7/1/06.	Developing state-specific allocation.	Miles Stotts <a href="mailto:mstotts@kdhe.state.ks.us">mstotts@kdhe.state.ks.us</a>
Missouri	Plan to adopt EPA model rule.	Yes.	Plan to develop state specific allocation approach.	Rick Campbell: (573) 751-4817 <a href="mailto:Rick.campbell@dnr.mo.gov">Rick.campbell@dnr.mo.gov</a>  <a href="http://www.dnr.mo.gov/env/apcp/cair_camr.htm">www.dnr.mo.gov/env/apcp/cair_camr.htm</a>
Nebraska	Plan to adopt EPA model rule.	Yes.		Melissa Woolf <a href="mailto:Melissa.woolf@ndeq.state.ne.us">Melissa.woolf@ndeq.state.ne.us</a>
<b>Region 8</b>				
Colorado	Proposed rule that would adopt the EPA model rule with administrative modifications.	Yes.	Plan to develop state specific allocation approach. Proposing new unit set-aside of 36% through 2017, then 5% thereafter.	Melanie Loyzim <a href="mailto:melanie.loyzim@state.co.us">melanie.loyzim@state.co.us</a>  <a href="http://www.cdphe.state.co.us/ap/reg_6.html">www.cdphe.state.co.us/ap/reg_6.html</a>
Montana	Evaluating proposal with reductions more stringent than the CAMR.		Proposing new unit set-aside of 29% until 2014 and 33% thereafter.	Charles Homer: (406)444-5279 <a href="mailto:chomer@mt.gov">chomer@mt.gov</a>  <a href="http://www.deq.state.mt.us/ber/index.asp">www.deq.state.mt.us/ber/index.asp</a>
North Dakota	Plan to adopt EPA model rule.	Yes.	Proposing 5% new unit set-aside from 2010 to 2014 and 3% thereafter.	Tom Bachman <a href="mailto:tbachman@state.nd.us">tbachman@state.nd.us</a>
South Dakota	Plan to adopt EPA model rule.	Yes.	Proposing 5% new	

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			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.	Bill Reiss <a href="mailto:breiss@utah.gov">breiss@utah.gov</a>
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 <a href="mailto:tander@state.wy.us">tander@state.wy.us</a>
<b>Region 9</b>				
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 <a href="mailto:Sb5@azdeq.gov">Sb5@azdeq.gov</a>
California				
Hawaii	Plan to adopt modified EPA model rule. Possible revisions to the allocation of allowances	Yes.	Considering shortening the allocation lead time and retaining unused new unit set-asides for undetermined future use.	Scott Takamoto <a href="mailto:Scott.takamoto@doh.hawaii.gov">Scott.takamoto@doh.hawaii.gov</a>
Nevada	Proposing to adopt a modified version of EPA's model rule. The Nevada rule would include incentives that encourage mercury reductions and drive state-of-the-art mercury reduction technologies.	Yes.	Plans to develop a state-specific allocation approach allowing for future growth and incentives for low mercury-emitting units.	Lori Campbell <a href="mailto:loric@ndep.nv.gov">loric@ndep.nv.gov</a>
<b>Region 10</b>				
Alaska	Plan to adopt EPA model rule. Rule applies to two existing sources in AK.	Yes.	Likely to allocate same as EPA calculated.	Tom Turner: (907) 269-8123 <a href="mailto:Tom_turner@dec.state.ak.us">Tom_turner@dec.state.ak.us</a>

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Idaho	No budget under CAMR. Not required to participate. However, DEQ's board adopted a motion to start the rulemaking process to opt out of the trading program and also to initiate negotiated rulemaking to potentially opt in at a later date with a more specific rule.			
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 <a href="mailto:Ebersole.Gerald@deq.state.or.us">Ebersole.Gerald@deq.state.or.us</a>
Washington	1 source and 1 potential new source. Rule development during summer. Propose October and adopt by February.	Yes. Mitigated trading for first 3 years, then controls will be required, likely at 80-90% reduction.	Low allocation with ability to access additional amount up to actual emissions.	Elena Guilfoil <a href="mailto:Egui461@ecy.wa.gov">Egui461@ecy.wa.gov</a> (360) 407-6855