

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR DIVISION**

INTRA AGENCY MEMORANDUM

TO: File

FROM: Mary E. Major
Policy Analyst

SUBJECT: Meeting Minutes,—August 24, 2005- Regulatory Ad Hoc Advisory Group
Concerning Clean Air Mercury Rule (Rev. F05)

DATE: August 26, 2005

INTRODUCTION

At 9:30 a.m., August 24, 2005, a meeting of the ad hoc advisory group concerning the Clean Air Mercury Rule (CAMR) was held in the Seventh Floor Conference Room, Department of Environmental Quality, 629 East Main Street, Richmond, Virginia. A record of meeting attendees is included as Attachment A.

SUMMARY OF DISCUSSION

The meeting facilitator explained the purpose of the group: to assist the Department of Environmental Quality (DEQ) in the development of a proposed regulation for the control of mercury emissions within the Commonwealth and to have the proposed regulation to the State Air Pollution Control Board (Board) by its December 2005 meeting. This timeframe is necessary to achieve the deadline established by the U. S. Environmental Protection Agency (EPA) for a State Implementation Plan (SIP) submittal required in the fall of 2006. The facilitator also indicated that the Office of the Attorney General has informed DEQ that the Board does not have the legal authority to adopt a regulation that permits the trading of mercury. The ad hoc group is proceeding under the assumption that no trading is permitted for any regulations that are developed, however, some members indicated that the implications of trading vs. no trading should be investigated and addressed.

The group listed issues or topics that need to be considered to be able to effectively assist the DEQ. The issues follow:

Cost/ Benefits of Regulating Mercury

Specific health/environmental risks to Virginia

- Virginia fish tissue data
- Measurable health benefits for Virginia
- Impact on Virginia economy
 - Positive/negative impacts
 - Impact on coal
- Science of the deposition of mercury
 - National and international implications of mercury deposition
- Timeframe for implementation needs to be moved forward
- Deviations from EPA model rule need to be modeled to demonstrate specific Benefits and associated costs.
- Implications of deviating from EPA model rule; SIP approvability

Comprehensive Approach for Mercury Reductions

- The EPA model rule only regulates electric generating units (EGUs).
- Should non-EGUs be regulated?
- Implications of regulating non-EGUs?
- Are assumptions in federal rule binding?
- What is the baseline for EPA cap program?
- Assessment of other sources of mercury
 - Scrap Industry recycling contribution to mercury pollution stream
 - Roll of steel mills
- What is the baseline for EPA cap program?
- Accuracy of current emissions inventory
- Technologies available for mercury removal from non-EGUs
- Standard of performance for industries other than EGUs

Appropriate Standard

- Maximum achievable control technology (MACT) standard, lb/Btu or mg/mwh
- What are other states using?
- Appropriate percentage of control efficiency needs to be 90%
- How to demonstrate compliance with any standard

Implications of No Trading

- What are other options?
- Averaging?
- What is permissible under the federal program?
- Are there any incentives under a non-trading program?
- Desirability/benefits of cap-n-trade program

Market Forces

- Encourage markets for all forms of power generation
- Importance of cap-n-trade to national strategy of electric production
- Set-a-side for environmental/renewable and energy efficiency

INFORMATION TO BE DISCUSSED AT THE NEXT MEETING, SEPTEMBER 7, 2005

The group did not specifically prioritize all topics and issues listed during the meeting. However, the group did agree that additional research and discussion was necessary on a number of issues, as follows.

Presentation by DEQ staff concerning: Toxic Release Inventory data, National Emissions Inventory, Virginia Emissions Inventory, and mercury concentration in Virginia fisheries.

Discussion on alternatives to cap-n-trade
Other states activities

Inclusion of non-EGUs

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Attachments