Testimony on EPA's Proposed Rule for "National Emission Standards for Hazardous Air Pollutants From Coal-and Oil-Fired Electric Utility Steam Generating Units and Standards of Performance for Fossil-Fuel-Fired Electric Utility, Industrial-Commercial-Institutional, and Small Industrial- Commercial-Institutional Steam Generating Units" Docket Number EPA–HQ–OAR–2009–0234

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My name is Susanne Brooks and I am a Senior Economic Policy Analyst with Environmental Defense Fund (EDF), a non-partisan environmental organization with more than 700,000 members nationwide. EDF is dedicated to working towards innovative cost-effective solutions to environmental problems, building on a foundation of sound science, economics, and law.

Thank you for the opportunity to testify today. EPA's Proposed Mercury and Air Toxics Rule for power plants will provide long overdue health protections for all Americans. EDF supports EPA's Proposed Rule, yet given the availability of cost-effective, made-in-America, technology solutions, urges the agency to strengthen the standards for coal-fired power plants to secure even greater health and environmental benefits.

Background

Over two decades ago, the U.S. Congress took the vital step of identifying mercury and other toxic contaminants as harmful and hazardous air pollutants as part of the 1990 Clean Air Act Amendments. In the year 2000, after years of careful study, the EPA determined that it was "appropriate and necessary" to control mercury and other toxic air contaminants from power plants. Now, over twenty years after the Clean Air Act Amendments, EPA's Proposed Rule represents a long overdue and critical step in the right direction towards protecting American human health by reducing mercury and air toxics from the largest unregulated source: coal-fired power plants.

Health and Environmental Benefits of the Proposed Rule

Mercury is a toxic heavy metal that contaminates water bodies across the nation, threatens the development of newborns and children, and contributes to the risk of heart disease. Human exposure through consumption of contaminated fish and shellfish can harm the brain, heart, kidneys, lungs, and immune system of people of all ages. Unborn babies and young children are particularly vulnerable, since mercury exposure can impair normal brain development, reducing IQ and damaging the ability to think and learn later in life. Hundreds of thousands of U.S.

newborns are affected by mercury each year.[1] According to the EPA's National Listing of Fish Advisories, in 2008 nearly half of all U.S. river-miles and lake-acres were under water contamination advisories – 80% of which were issued because of mercury contamination (that's some 17 million lake-acres and 1.3 million river-miles under mercury-related contamination advisories).[2]

According to EPA, the Proposed Rule will prevent 91% of the mercury in coal burned in power plants from being emitted into the air. The health benefits of these regulations will benefit Americans across the country. EPA estimates that when carried out these pollution reductions will annually prevent up to 17,000 premature deaths, 11,000 heart attacks, 120,000 asthma attacks, over 12,000 hospital and emergency room visits, 4,500 cases of chronic bronchitis, and will provide various other health benefits. These benefits are particularly critical for minority and low income populations who are disproportionately impacted by asthma and other health conditions.[3]

Economic Benefits Overwhelm the Costs

These enormous health benefits also translate to real economic benefits since healthier Americans means lower health care costs, fewer missed work days and sick days, and enhanced worker productivity. EPA estimates that the Proposed Rule will yield monetized net benefits of up to $130 billion every year once the rule is in place. The benefits will outweigh the costs by between 5 and 13 times – meaning that every dollar spent to reduce pollution, Americans get $5-13 in health benefits. Note that this is a conservative estimate, since not all the benefits of the Proposed Rule could be quantified.[4]

Each time EPA has considered new clean air standards, it has been challenged with claims that meeting the standards would not be feasible, practical or affordable. Yet time after time, the reverse has proved true. Benefits have overwhelmed the costs, which have been consistently lower than predicted. For example, the actual costs of the Clean Air Act Amendments turned out to be around 20% of initially projected costs[5] and the actual costs of the Acid Rain SO_2 reductions were around 20-30% of initial forecasts.[6]

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[1] Kathryn R. Mahaffey, NHANES 1999-2002 Update on Mercury & Northeast Regional Mercury Conference, U.S. EPA, April 2006

[2] EPA, National Listing of Fish Advisories, 2008
http://water.epa.gov/scitech/swguidance/fishshellfish/fishadvisories/upload/2009_09_22_fish_advisories_nlfaslides.pdf

[3] Regulatory Impact Analysis of the Proposed Toxics Rule: Final Report, March 2011.

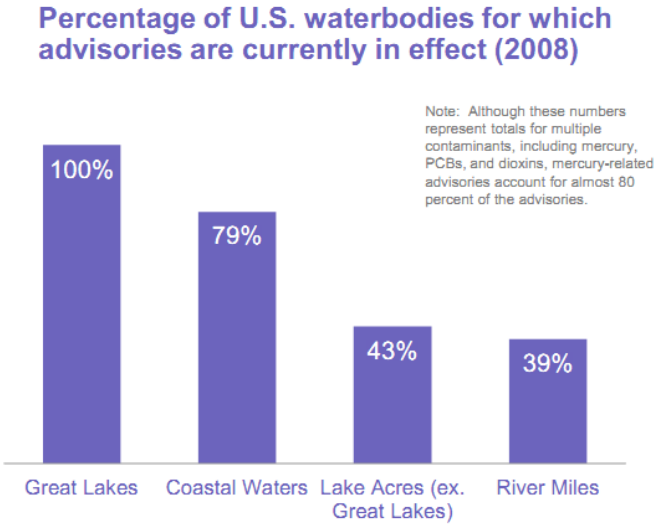
[4] Regulatory Impact Analysis of the Proposed Toxics Rule: Final Report, March 2011.

[5] In 1990, the Business Roundtable estimated costs as high as $104 billion per year. In 1995, five years after implementation, EPA estimated costs of $22 billion per year.
Business Roundtable. "Clean Air Act Legislation Cost Evaluation," January 18, 1990; E.H. Pechan & Associates, Inc., contracted by EPA. "Clean Air Act Section 812 Prospective Assessment: Cost Analysis Draft Report," September, 1995.

[6] The first EPA estimate (1990) for annual Phase II costs was approximately $6 billion. In 2005, an Office of Management and Budget (OMB) analysis estimated costs of between $1.1 and $1.8 billion per year. (All 2000 dollars).
"National Acid Precipitation Assessment Program Report to Congress: An Integrated Assessment," 2005.
http://www.esrl.noaa.gov/csd/aqrs/reports/napapreport05.pdf

Illinois and the Great Lakes Region
Seventeen states, including Illinois, have already established mercury limits for coal plants. Since 1999, mercury air emissions from U.S. coal-fired power plants have decreased by almost 27%, driven by several policies including these state standards.[7] Illinois' state standard places it ahead of the game.

Despite Illinois' progress, however, Chicago residents and others within the state remain vulnerable to pollution from outside its borders. A recent EDF analysis[8] identified the top 25 mercury emitting coal plants in the nation – twenty are located within 50-100 miles of some of the largest metropolitan areas of the country, including Chicago which is less than 100 miles from the Columbia power plant in neighboring Wisconsin. Further, other coal plants on the list of top 25 mercury emitters are located in nearby states including Indiana, Michigan, Missouri, Ohio, and Nebraska – and 100% of the Great Lakes and their connecting waters were listed under EPA's National Listing of Fish Advisories in 2008. Federal EPA action is clearly critical for the health of the residents of Illinois, the Great Lakes region, and nationwide.



Source: EPA, National Listing of Fish Advisories, 2008
http://water.epa.gov/scitech/swguidance/fishshellfish/fishadvisories/upload/2009_09_22_fish_advisories_nlfaslides.pdf

EDF looks forward to submitting more detailed comments on the Proposed Mercury and Air Toxics Rule to EPA. Thank you again for the opportunity to testify. I am happy to answer any questions.

[7] Environmental Defense Fund Analysis, "Mercury Alert: Cleaning up Coal Plants for Healthier Lives," March 2011. http://www.edf.org/documents/11661_mercury-alert-cleaning-up-coal-plants.pdf
[8] Environmental Defense Fund Analysis, "Mercury Alert: Cleaning up Coal Plants for Healthier Lives," March 2011. http://www.edf.org/documents/11661_mercury-alert-cleaning-up-coal-plants.pdf