

# Reinhold Environmental Ltd.



2008 APC Round Table  
& Expo Presentation

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# Impact of DC District Courts Vacating of EPA CAMR Regulation on Activated Carbon Demands

## A Suppliers Perspective

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# CAMR Ruling Impact

On February 8, 2008 DC Circuit Court of Appeals Ruled that EPA erred in establishing the lenient Clean Air Mercury Rule (CAMR)

- EPA will likely have to develop stricter emission limits under more stringent Section 112 guidelines
- On March 14, 2008, the DC Circuit Court ordered effectiveness of its “mandate” requiring all permits for all new plants to include MACT for mercury control, which requires 90% mercury reduction
- Bills requiring 90% mercury control for all power plants have been introduced in both the Senate and the House with bipartisan support
- An anticipated stricter Federal MACT Rule likely to be implemented by EPA in 2012-2015 time frame for 90% Hg Reduction
- Likely to be a legislative ruling early in the next administration

# Impact on Activated Carbon Demands



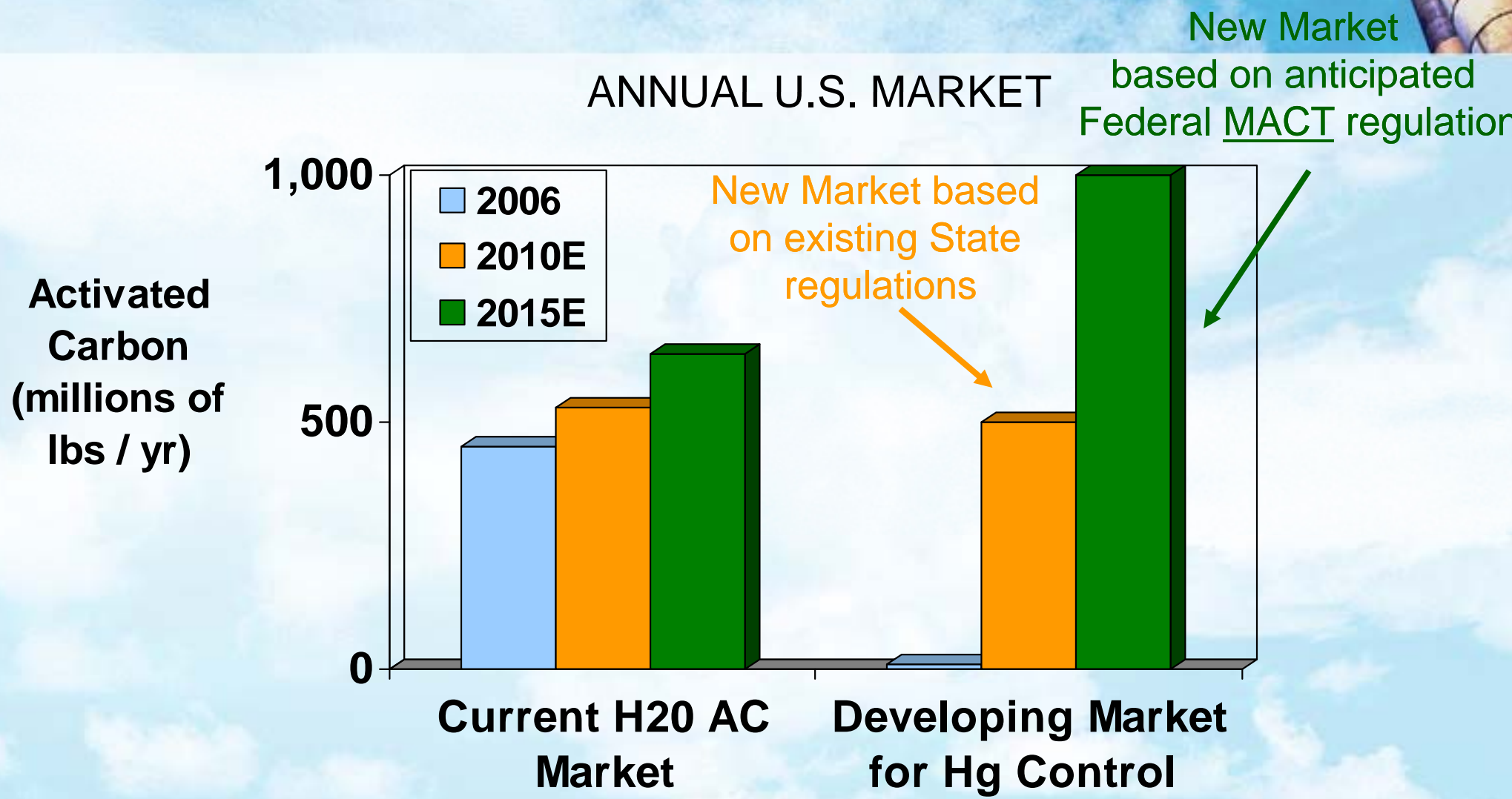
- Immediate impact was confusion amongst the electric utilities located in the CAMR states
- Several projects for ACI systems were either canceled or placed on indefinite hold until a clear regulation has been defined (needed to include costs of Hg reduction in rate base)
- Some utilities have reduced or eliminated immediate AC demands or needs
- No impact was felt in states with more stringent mercury reduction rules and in fact additional states now adopting stronger rulings such as Wisconsin
- Canadian mercury reduction needs start in Jan. 2011 and has initiated AC procurement activities

# Impact Continued



- Formal RFQ's for activated carbon continue to be issued and orders are being placed with AC demands increasing starting in late 2008 and building through 2010 when many state rules kick in for as much as 90% compliance
- While near-term demands may have decreased, long-term carbon demands will increase significantly with anticipated MACT rulings in place as early as 2012
- Additional production/supply demands will be amplified and shortages of activated carbon could occur without additional investment in activated carbon production facilities or upgrades to existing production fleet
- Additionally, on Friday the 11<sup>th</sup> of July, the U.S. Court of Appeals for the District of Columbia Circuit unanimously rejected EPA's Clean Air Interstate Rule, saying it found several flaws. The impact of this ruling to the APC industry has yet to be determined.

# New Demands for Activated Carbon Created for Mercury Control



Significant production gap identified



**Thank you**