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February 28,2012

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EPA Region L 5 Post Office Square Boston, MA 02.109-3912

# Re: Proposed NPDES Permit for the Merrimack Station, Bow, New Hampshire. NPDES Permit No. NH 0001465

Dear Sir or Madam:

Enciosed is a copy of the Utility Water Act Group's Comments on the proposed permit for the Merrimack Slation. Please note that, under an agreement reached with Mr. John King and Mr. Mark Stein, an electronic version of these comments and its attachments was e-mailed today to Mr. King.

If you should have any questions regarding either the electronic version or the enclosed copy, please do not hesitate to contact me.

Sincerely,

fames n. Christman

J.N.C.

Enclosures





# **COMMENTS OF THE UTILITY WATER ACT GROUP ON PROPOSED NPDES PERMIT FOR THE MERRIMACK STATION IN BOW, NEW HAMPSHIRE NPDES Permit No. NH 0001465**

**February 28, 2012** 

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# **COMMENTS OF THE UTILITY WATER ACT GROUP ON PROPOSED NPDES PERMIT FOR THE MERRIMACK STATION IN BOW, NEW HAMPSHIRE NPDES Permit No. NH 0001465**

EPA Region 1 has proposed a draft NPDES permit for the Merrimack Station in Bow,

New Hampshire. *See* [http://www.epa.gov/region1/npdes/merrimackstation/index.html.](http://www.epa.gov/region1/npdes/merrimackstation/index.html) In the

words of EPA's Web summary, EPA proposes the following "key permit conditions":

1. **Thermal:** The draft permit includes monthly and yearly limits on heat based on the levels achievable by a closed-cycle cooling system, reducing the facility's thermal discharges by 99.6%.

2. **Entrainment:** EPA is proposing limits on cooling water withdrawals based on closed-cycle cooling, which would apply during the April to August period. This is designed to minimize mortality to fish eggs and larvae from entrainment.

3. **Impingement:** To reduce fish mortality from impingement, the draft permit would require that Merrimack Station modify its cooling water intake structures to include low pressure spray washes to remove impinged fish from the intake screens, a new fish return system to return impinged fish to the river, and operational controls to reduce exposure of impinged fish to chlorine.

4. **FGD Wastewater:** The draft permit includes limits to control the discharge of chemical pollutants in wastewater from the wet flue gas desulfurization (FGD) scrubber system (and other sources, such as metal cleaning).

The Utility Water Act Group (UWAG) submits these comments on the draft NPDES

permit for the Merrimack Station. UWAG is a voluntary, *ad hoc*, non-profit, unincorporated

group of 184 individual energy companies and three national trade associations of energy

companies: the Edison Electric Institute, the National Rural Electric Cooperative Association,

and the American Public Power Association. The individual energy companies operate power

plants and other facilities that generate, transmit, and distribute electricity to residential,

commercial, industrial, and institutional customers. The Edison Electric Institute is the

association of U.S. shareholder-owned energy companies, international affiliates, and industry associates. The National Rural Electric Cooperative Association is the association of nonprofit energy cooperatives supplying central station service through generation, transmission, and distribution of electricity to rural areas of the United States. The American Public Power Association is the national trade association that represents publicly-owned (units of state and local government) energy utilities in 49 states representing 16 percent of the market. UWAG's purpose is to participate on behalf of its members in EPA's rulemakings under the CWA and in litigation arising from those rulemakings.

UWAG's interest in this permit proceeding is considerable. Region 1's determination comes only weeks before EPA Headquarters is to announce its proposed rule for national effluent limitations guidelines. Importantly, for the flue gas desulfurization wastewater limits (discussed first below), the Region's analysis relies on a memorandum from EPA Headquarters, which in turn relies on historic self-monitoring data from two Duke Energy power plants, the Allen and Belews Creek stations. *See* Ronald Jordan & Cuc Schroeder, Memorandum: Determination of Effluent Limits for Flue Gas Desulfurization (FGD) Wastewater at PSNH Merrimack Station (August 11, 2011) (hereinafter "Jordan-Schroeder Determination").

Hence, if there are mistakes in the Region's analysis – and there appear to be – they will likely propagate into the national effluent limitations guidelines as well. The Merrimack permit may be a precedent for other BPJ permits and also for the national rulemaking. Thus, every power company subject to the national steam electric guidelines may be affected. It is important that both the Merrimack permit and the national rulemaking – which are intertwined and use the same data – be done right.

### <span id="page-7-0"></span>**I. Summary of UWAG Comments**

The requirement of closed-cycle cooling for Merrimack and the limits on metals in flue gas desulfurization (FGD) wastewater are not supported by the record.

The limits on FGD wastewater are based on EPA's selective use of data from two plants with a physical/chemical treatment system followed by a biological treatment system, the Duke Energy Allen Steam Station and the Belews Creek Steam Station in North Carolina. EPA took data from these two plants, threw out certain data that EPA said were collected during an "upset" (even though the operator could find no evidence of upset conditions), used "boxplots" inappropriately to exclude data, used some data that the operator later reported to be incorrect, and finally produced limits that are probably not achievable by any plant. Indeed, not even the sources of the data, Allen and Belews Creek, could meet the Merrimack limits consistently.

Moreover, in calculating limits for FGD wastewater, EPA disregarded operating conditions that affect how the biological treatment system performs: type of coal burned, oxidation-reduction potential in the scrubber, and the materials used to construct the scrubber. EPA also disregarded total dissolved solids, chlorides, and bromides in the wastewater, which affect the laboratory analysis of metals in water.

Also, EPA did only a cursory analysis of the cost of using a biological system to remove pollutants. EPA's analysis of the number of pounds removed cannot be followed or replicated by anyone else. But it appears that the costs of physical/chemical treatment alone, let alone biological treatment in addition, are greater than EPA has required for BAT technology in the past.

As a result of these errors, the limits for the Merrimack FGD wastewater are not supported by the record and not characteristic of normal operation at Merrimack (or probably any other power plant). The limits are, in short, arbitrary and capricious.

Besides the limits on FGD wastewater, the proposed Merrimack permit requires closedcycle cooling. The requirement for closed-cycle cooling both to prevent impingement of fish and entrainment of fish, eggs, and larvae and to eliminate the heated discharge is likewise not supported by the record and not consistent with law or EPA's own precedents. Closed-cycle cooling is being required to eliminate a level of impingement and entrainment that the operator accurately describes as "de minimis," and at enormous cost. EPA is obligated to consider cost, and, whatever standard of cost it uses from its own precedents ("reasonableness," "wholly disproportionate," or "significantly greater than"), closed-cycle cooling at Merrimack fails the test. Moreover, EPA Region 1 is requiring closed-cycle cooling at this one plant only five months before EPA Headquarters prescribes intake structure requirements nationwide, and Headquarters did not require closed-cycle cooling for existing plants in either the "Phase II" rule it promulgated in 2004 or the current proposed rule.

Finally, requiring closed-cycle cooling to eliminate the discharge of heated water is not justified by the evidence, which consists of some 40 years of biological monitoring. EPA has selected a few numbers out of a large record (notably some showing that yellow perch have declined), and concluded that the thermal effluent has harmed the aquatic community. But the record *as a whole* shows that, whether one measures the health of the community in the Hooksett Pool against a comparable waterbody not affected by the thermal plume (Garvins Pool, located only two miles upstream and separated by the Garvins Falls Dam) or against the Hooksett Pool itself in the 1970's, there is no trend toward a less robust aquatic community caused by the thermal effluent. Aquatic communities fluctuate naturally, and there have been changes in Hooksett Pool, including improving water quality since the 1960s. But it is irrational to use mere change – the dynamic nature of aquatic communities – to show harm from thermal effluent.

### <span id="page-9-0"></span>**II. Limits on FGD Wastewater**

As noted above, the Merrimack permit limits for flue gas desulfurization wastewater are based on a memorandum from EPA Headquarters, the Jordan-Schroeder Determination. The Jordan-Schroeder Determination in turn depends on monitoring data from Duke Energy's Allen and Belews Creek plants, which are equipped with a physical/chemical treatment system followed by biological treatment (that is, treatment by microbes) called the GE  $ABMet^{\circledast}$  system. The data EPA used to characterize the biological system were self-monitoring data collected by Duke over a few years of operation from 2008 to 20[1](#page-9-1)1. Jordan-Schroeder Determination at 5-7.<sup>1</sup>

The Allen and Belews Creek scrubbers (FGD systems) are similar to each other and generally burn Central Appalachian coal (though Belews Creek sometimes burns Northern Appalachian coal). The FGD wastewater treatment systems at Allen and Belews Creek are operated by experienced vendor personnel from Siemens and supervised by a chemical engineer. They are fine-tuned to a degree not found at most plants.

In particular, Duke Energy recently began monitoring the oxidation-reduction potential (ORP) in the scrubbers, because the performance of a bioreactor is affected by ORP, as well as by other factors like the amount of sulfur in the coal, the quality of limestone used in the scrubber, the operation of a selective catalytic reduction (SCR) system, and the exposure of the wastewater to coal ash.

Operating a bioreactor requires keeping the microbes biologically active, both when the system is operating and when it is not The microbes reduce selenate and selenite to elemental form so it can be removed. Hence they function best in a reducing environment, and fluctuations in ORP may render them ineffective. High ORP indicates the presence of oxidizing agents like

<span id="page-9-1"></span><sup>&</sup>lt;u>1</u> <sup>1</sup> In these UWAG comments, page number references to the Jordan-Schroeder Determination refer to the 58-page "Determination," not the two-page cover memo.

hypochlorous or hypobromous acids that can kill the microbes.<sup>[2](#page-10-1)</sup> A sudden ORP change can happen randomly and without warning.

Moreover, microbes are susceptible to harm from cold weather. EPA fails to note that temperatures as low as -37ºF have been recorded in the Merrimack Station locale.

### **A. EPA's limits are too low**

<span id="page-10-0"></span>The proposed limits on FGD wastewater at Merrimack Outfall 003C, from pages 33-34 of the Fact Sheet (as corrected), include stringent limits on arsenic, mercury, and selenium, among others:



*See* Fact Sheet at 33-34; Region 1 "Corrections to Transcription Errors" (December 16, 2011) at 2; Table 26, p. 39, Jordan-Schroeder Determination at 38-39.

Even if we ignore costs (discussed below) and assume that biological treatment is the "best" technology, EPA's limits are systematically too low, especially for mercury. As we will show below, EPA made errors in the choice of data it used (or did not use) and in how it treated those data statistically. In particular, EPA chose not to consider data at the extremes of normal operation, in effect simply declaring, without scientific basis, that the highest numbers are

<span id="page-10-1"></span> <sup>2</sup>  $\degree$  ORP indicates the chemical form of oxidizing constituents like chlorine and bromides. A high ORP would indicate that chlorine was in the hypochlorous acid form and bromide in the hypobromous acid form (both of which are disinfectants). As is well known, oxidizing agents like bleach, chlorine, and hydrogen peroxide are commonly used as antimicrobials. At concentrations as low as 1 ppm, these chemicals can inhibit microbial activity.

somehow atypical and should not be used to characterize normal operation. This approach to qualifying data is arbitrary. Moreover, EPA did not take into account the characteristics that affect the performance of biological treatment, such as coal type, FGD materials, and oxidationreduction potential.

### **B. EPA inappropriately discarded data based on an "upset" for which there is no evidence**

<span id="page-11-0"></span>The statistical analysis by EPA Headquarters in the Jordan-Schroeder Determination excluded certain data from the Duke Energy stations (Allen Steam Station and Belews Creek Steam Station). Ignoring these data is not justified, for the following reasons.

Regarding the excluded data collected on January 17, 2011, at Belews Creek, EPA stated in the Jordan-Schroeder Determination that "[t]hese results indicate that the laboratory experienced difficulties while analyzing the samples, or perhaps mishandled the samples during analysis." Jordan-Schroeder Determination at 11.

Duke Energy informed EPA that the January 17 samples required a higher dilution to achieve quality control requirements. But this could have been caused by reasons other than laboratory error, such as an unexpected change in characteristics of the wastestream. The Duke Energy lab has become familiar with the Belews Creek wastestreams, and this familiarity allows the lab to achieve aggressive (that is, low) reporting (quantitation) limits. Nevertheless, if there is a change in the wastestream, it can keep the lab from achieving the lowest reporting limits.

When the data for January 17, 2011, were collected, Duke was sampling twice a month; however, during December, due to the Christmas holidays, a sample was taken only on December 8, which was 40 days before January 17. Duke collected another sample January 26, nine days after the January 17 sample. Due to this sampling frequency, we cannot determine if

the higher dilution was due to the characteristics of the wastewater (for example, total dissolved solids or chloride levels).

As for the mercury data from Belews Creek that EPA excluded from its analysis, Duke explained to EPA that the variation could be due to a change in coal type (from Central Appalachian to Northern Appalachian) rather than to different sources of the same type coal. Belews Creek receives Central Appalachian coal from several sources, but the specifications (percent sulfur, percent ash, BTU value) are generally the same for all the sources. When the station burns a different type of coal (such as Northern Appalachian rather than Central or a blend of coals), the specifications (ash content, sulfur content) can change, which in turn can affect boiler performance, scrubber performance, and the wastewater treatment system. During this period, the average sulfur content of the Northern Appalachian coal was 3.3 times higher than the Central Appalachian coals burned at Belews Creek.

It is normal for a facility to conduct test burns and burn different types of coal during the year. Duke is still learning how the Belews Creek systems interact with each other and how changes in fuel, operation of the boiler, and operation of the scrubber affect the wastewater stream. In addition, if the operators try to lower air emissions even further, it could affect the constituents in the wastewater. $3$ 

### **C. EPA used some data that are incorrect**

<span id="page-12-0"></span>Duke Energy, which provided the data for its Allen and Belews Creek stations, discovered errors in the data and reported them to EPA.

<span id="page-12-1"></span> $\frac{1}{3}$ <sup>3</sup> EPA excluded the Belews Creek data point for selenium on July 14, 2010. However, the June arsenic data from the Allen Steam Station, which also had a higher-than-normal value, was included. This is inconsistent.

By e-mail of December 22, 2011, Duke told EPA that some of the low-level mercury results for Allen and Belews Creek might be questionable due to quality control issues. Duke provided a spreadsheet for Allen and one for Belews Creek that identified the problems that were readily noted.

By e-mail of January 13, 2012, Duke informed EPA that total mercury results from the physical/chemical effluent (bioreactor 1 influent) at Belews Creek were recorded incorrectly for June, July, and August 2010. The data were recorded in units of ppm (mg/L) instead of ppb  $(\mu g/L)$ .

These changes in the data call for EPA, at a minimum, to redo its calculations using only correct data.

# **D. EPA used inappropriate statistical techniques to calculate the Merrimack FGD wastewater limits from Allen and Belews Creek data**

<span id="page-13-0"></span>UWAG analyzed the same FGD wastewater data from Allen and Belews Creek that Jordan and Schroeder used, plus additional data described below. Based on that analysis, it appears that EPA used inappropriate statistical techniques that bias the limits in the more stringent direction.

First, EPA treated the FGD effluent data from Allen and Belews Creek as though they were from simple random samples, when in fact they were collected according to two-stage sampling designs. Treating the data as if they came from a simple random sample gave too much weight to samples collected immediately after the commissioning period and caused the annual average to be underestimated. Samples were collected weekly for seven months after the commissioning period. Then the sampling frequency changed to monthly samples for ten months and then to bimonthly sampling for the following 17 months. EPA should correct this

bias, which correction would increase the Daily Maximum Limit for mercury above the 55 ng/L reported by Jordan and Schroeder.

EPA (Jordan and Schroeder) used only historical self-monitoring data for Allen and Belews Creek collected by the operator from 2008 to 2011. Additional samples were collected by EPA at both Allen and Belews Creek during its FGD wastewater sampling program. First, samples were collected during four-day sampling events for Allen on August 1-6, 2010, and for Belews Creek on June 6-11, 2010. Second, four additional samples were provided for both plants taken on single days in October, November, and December 2010 and January 2011. (We refer to these additional samples as "split samples" because EPA and UWAG both participated and analyzed split samples.) UWAG analyzed both the historical data EPA used and also the split samples collected by UWAG. Including the additional data and using design-based methods for computing means would increase the mercury DML and Monthly Average Limit and the selenium DML and MAL, compared to what EPA calculated.

In addition, EPA's method of calculating the Monthly Average Limit (MAL) was flawed. The statistical method for calculating the MAL that was used by Jordan and Schroeder assumes that only two kinds of outcomes from monthly sampling are possible: either all four samples collected during the month would be *below* detection limits, or all four samples collected during the month would be *above* detection limits. Accordingly, the cumulative distribution function on page 22 of the Jordan-Schroeder Determination ignores all outcomes where some of the four samples were below detection and some were above. This significant omission would bias the estimation of the cumulative distribution function (CDF) and the  $95<sup>th</sup>$  percentile derived from the CDF.

UWAG does not know the overall extent of bias caused by EPA's assumption. However, one consequence of EPA's assumption is that the lognormal part of the distribution was assumed to be based on four samples. The variance of a mean based on four samples is smaller than the variance of a mean based on one, two, or three samples. Therefore the omission of outcomes with one, two, or three samples above detection limits would underestimate the variance of the lognormal portion of the distribution and contribute to underestimating the  $95<sup>th</sup>$  percentile.

Jordan and Schroeder did not provide a citation for their method of calculating MAL with multiple detection limits. Neither Kahn and Rubin (1989) nor Aitchison and Brown (1969), the two citations listed in the Jordan-Schroeder Determination, discuss the MAL method for multiple detection limits. A 1995 EPA document<sup>[4](#page-15-1)</sup> discusses the MAL method for multiple detection limits, but it cites no peer-reviewed literature on that subject. For datasets with multiple detection limits and analytical results having both "above detection" and "below detection" numbers, a scientifically robust estimation procedure such as the Meijer-Kaplan method can be used (Helsel  $2005$  $2005$ ).<sup>5</sup>

### **E. Region 1 used "boxplots," inappropriately, to exclude data**

<span id="page-15-0"></span>Looking at the historic data from Allen and Belews Creek, Jordan and Schroeder made their own assessments of data quality based partly on "boxplots." Jordan-Schroeder Determination at 12, App. 3. The boxplots are not shown in the Determination.

<span id="page-15-1"></span> $\overline{4}$  EPA, *Statistical Support Document For Proposed Effluent Limitations Guidelines And Standards For The Centralized Waste Treatment Industry* (EPA-821-R-95-005 January 1995).

<span id="page-15-2"></span><sup>5</sup> Helsel, D.R. 2005. *More Than Obvious: Better Methods for Interpreting Nondetect Data*. Envtl. Science & Tech., October 15, 419A-423A, [http://pubs.acs.org/action/doSearch?action=search&title=More+than+obvious%3A++Better+met](http://pubs.acs.org/action/doSearch?action=search&title=More+than+obvious%3A++Better+methods&qsSearchArea=title&type=within&publication=40025991) [hods&qsSearchArea=title&type=within&publication=40025991.](http://pubs.acs.org/action/doSearch?action=search&title=More+than+obvious%3A++Better+methods&qsSearchArea=title&type=within&publication=40025991)

Based in part on these boxplots, Jordan and Schroeder eliminated certain data as

"outliers" or as collected during "commissioning," namely:

- 1. They identified as an outlier the selenium effluent concentration value of 229 ppb from Belews Creek observed on 14 July 2010.
- 2. They identified as outliers mercury effluent concentrations from Belews Creek observed on 5 October 2009, 26 May 2010, 9 June 2010, 11 August 2010, 8 September 2010, and 7 October 2010.
- 3. They identified 26 August 2009 as the end of the commissioning period for Allen.
- 4. They identified 31 July 2008 as the end of the commissioning period for Belews Creek.

EPA's longstanding practice has been to assume that effluent data are lognormally distributed. *See* EPA, *Office of Water Technical Support Document for Water Quality-Based Toxics Control* (EPA/505/2-90-001 March 1991) at 95 ("it is reasonable to assume … that treated effluent data follow a lognormal distribution"). Helsel and Hirsch  $(2002)^6$  $(2002)^6$  note that the presence of data points outside one step of a standard boxplot ("one step" being defined as data points greater than the  $75<sup>th</sup>$  percentile plus 1.5 times the interquartile range) is typically indicative of a dataset that is *not* normally distributed.

In fact, mercury concentrations from Belews Creek that Jordan and Schroeder identified as "outliers" may *not* be outliers by the usual statistical definition (the 75<sup>th</sup> percentile plus 1.5 times the inner quartile range ), when the split sample data are included and the data are logtransformed. Moreover, even if some data actually were outliers based solely on the "boxplot" definition, there is no reason to conclude they are *a priori* not representative and should be

<span id="page-16-0"></span> <sup>6</sup> Helsel, D.R., and R.M. Hirsch. 2002. *Chapter A3: Statistical Methods in Water Resources, Techniques of Water-Resources Investigations of the United States Geological Survey – Book 4: Hydrologic Analysis and Interpretation.* USGS. Reston, VA. <http://water.usgs.gov/pubs/twri/twri4a3>.

removed. Helsel and Hirsch (2002) provide guidance on how statistical outliers should be managed:

> Whenever outliers occur, first verify that no copying, decimal point, or other obvious error has been made… If no error can be detected and corrected, **outliers should not be discarded based solely on the fact that they appear unusual**. Outliers are often discarded in order to make the data nicely fit a preconceived theoretical distribution such as the normal. There is no reason to suppose that they should!

<span id="page-17-1"></span><span id="page-17-0"></span>Helsel and Hirsch at 11 (original bold).

# **F. EPA's limits are too low and not representative of Merrimack or of power plants in general**

# **1. EPA relies on data from only two power plants, Belews Creek and Allen**

EPA emphasizes that it needs only one plant to demonstrate that BAT limits are

achievable, even a pilot plant. Merrimack Fact Sheet, Attachment E at 8-9. EPA cites court

decisions<sup>[7](#page-17-2)</sup> that a technology can be BAT if it is demonstrated only at a single plant (even a pilot

plant), a facility in a different industry, or even a "research" installation. *Id.* at 8-9.

However, no one, least of all EPA, disputes that BAT technology must be

"technologically and economically achievable." (See, *e.g*., Attachment E at 8.) For a BPJ

determination of BAT for a single plant, being "technically and economically achievable" can

only mean achievable *at the plant being permitted* – in this case, Merrimack.

<span id="page-17-2"></span> $\frac{1}{7}$ <sup>7</sup> EPA cites *Chem. Mfrs. Ass'n v. EPA*, 870 F.2d 177, 239, 240, 243 (5<sup>th</sup> Cir. 1989); *Texas Oil* & Gas *Ass'n v. EPA*, 161 F.3d 923, 928 (5th Cir. 1998), quoting *Chem. Mfrs.* Ass'n *v. EPA*, 870 F.2d 177, 226 (5th Cir. 1989); *Kennecott v. EPA*, 780 F.2d 445, 448 (4th Cir. 1985); *NRDC v. EPA*, 863 F.2d 1420, 1431 (9th Cir. 1988); *Am. Meat Inst. v. EPA*, 526 F.2d 442, 451, 462-63 (7<sup>th</sup> Cir. 1975); *Ass'n of Pac. Fisheries v. EPA*, 615 F.2d 794, 816-17 (9<sup>th</sup> Cir. 1980); *Am. Petroleum Inst. v. EPA*, 858 F.2d 261, 264-66 (5<sup>th</sup> Cir. 1988); *BASF Wyandotte Corp. v. Costle*, 614 F.2d 21, 22 (1st Cir. 1980); *Am. Iron & Steel Inst. v. EPA*, 526 F.2d 1027, 1061 (3rd Cir. 1975); A Legislative History of the Water Pollution Control Act Amendments of 1972, 170, 798 (1973).

For FGD wastewater, the characteristics of the influent wastewater, and its treatability, depend on factors that are not necessarily controllable at an already-built plant. As noted in EPA's 2009 Detailed Study Report on the steam electric industry, "pollutant concentrations in FGD scrubber purge vary from plant to plant depending on the coal type, the sorbent used, the materials of construction in the FGD system, the FGD system operation, and the air pollution control systems operated upstream of the FGD system." EPA, *Steam Electric Power Generating Point Source Category: Final Detailed Study Report* (EPA 821-R-09-008 October 2009), page 4-17,

# [http://water.epa.gov/lawsregs/guidance/cwa/304m/archive/upload/2009\\_10\\_26\\_guide\\_steam\\_fin](http://water.epa.gov/lawsregs/guidance/cwa/304m/archive/upload/2009_10_26_guide_steam_finalreport.pdf) [alreport.pdf](http://water.epa.gov/lawsregs/guidance/cwa/304m/archive/upload/2009_10_26_guide_steam_finalreport.pdf).

In particular, the dissolved fraction (as distinguished from the particulate fraction) changes depending on the oxidation-reduction potential in the absorber. Also, the higher the ORP, the greater the amount of selenate compared to selenite. Also important are the materials in the scrubber. An FGD system can be designed with expensive, corrosion-resistant materials like fiberglass that allow more cycles of circulating water through the scrubber.

Thus it is wrong to rely on court decisions for the principle that the effluent from a biological treatment system at two plants is achievable at every other plant in the country (especially when those two plants are similar to each other and Merrimack is different in important ways). When the judges writing those decisions said that one or two examples could establish "best available technology," they meant that identifying what treatment method was used at a few best-performing plants could show that that the "technology" is best, not that the exact same effluent could be achieved with that technology everywhere.

But EPA does not ordinarily prescribe a "technology" as such. Rather, EPA chooses the technology, calculates the concentrations of pollutants that should exit from it, and sets those concentrations as requirements. It is one thing to say every plant must install the "technology" used in one or two model plants; it is another thing altogether to require that the same effluent be produced at every other plant that installs the technology. In the case of biological treatment, that simply will not work.

Before prescribing a particular treatment technology for a particular plant, the regulator needs to understand the important operating parameters that affect the result. Biological treatment systems are inherently less predictable than physical or chemical treatment, just as organisms are more complex and variable than chemical reactions. The information about biological treatment in this section of the UWAG comments does not necessarily apply to Merrimack, or to Belews Creek or Allen either; indeed, it comes from UWAG members other than Duke Energy and PSNH.

But that is the point. The biological treatment that works best, and the results from using it, will vary from plant to plant. Region 1 has based the Merrimack limits on a single biological treatment system. Other biological systems are available and should have been considered. For example, there is at least one suspended biomass system, in contrast to the fixed biomass system that EPA considered.

Moreover, EPA failed to consider the operating requirements of biological systems. Swings in chlorides, nitrogen compounds, pH, and other constituents will impact the performance of biological treatment systems, as mentioned elsewhere in these comments.

The materials of construction of the scrubber can significantly change scrubber blowdown. Chloride concentrations of water from a scrubber can range from 12,000 ppm to

25,000 ppm and possibly even wider. The chloride concentration greatly influences the growth of biomass. The higher the chloride concentration, the less likely the biomass will perform well.

Biological systems need time to become acclimatized during startup and after upsets. For example, it can take months to get a biomass system acclimatized to high chloride concentrations. For that reason alone, meeting the very low Merrimack effluent limits would probably be impossible at certain times, particularly during the first few months of operation.

The microbes in a biological treatment system prefer warm temperatures, and consistent ones. The northern climate of New Hampshire will likely require Merrimack to place the biosystem indoors and, if it is indoors, additional ventilation to remove and treat H2S emissions will likely be needed as well. Both heating and ventilation/treatment will add to the cost.

Nitrogen compounds need to be removed from the FGD wastewater in order for selenium reduction to occur. Nitrites and nitrates in the wastewater coming from the scrubber may hinder the biological treatment process and require deeper beds and add to the annual O&M costs so that the system can maintain appropriate ORP conditions.

The effluent from a biological system may contain high BOD. If so, the system would need to be followed by an aerobic biological system to remove the BOD before discharge. This is a significant cost (\$10 to \$15 million, plus annual O&M).

The effluent from a biological system may also contain hydrogen sulfide. Hydrogen sulfide may be more toxic to aquatic life than selenium. Removing hydrogen sulfide would require filtration and oxidation. This could add another \$1 to \$3 million to the cost.

Depending on the population density of the microbes, an odor control system may be required, again adding cost.

### **2. Data from Merrimack itself are now available**

<span id="page-21-0"></span>Whatever EPA's justification may have been for calculating Merrimack limits from Allen and Belews Creek data, without considering dissimilarities, the justification is much weaker now that actual data from Merrimack itself are available. EPA should reconsider the Merrimack limits, taking into account the character of the FGD wastewater *at Merrimack*.

# **3. Both Allen and Belews Creek use the same type coal, which might not be characteristic of Merrimack**

<span id="page-21-1"></span>Several things affect the quality of effluent, particularly the type of coal burned and the oxidation-reduction potential in the scrubber. For example, when a plant changes from lowsulfur coal to higher sulfur, the ORP rises. Under these high oxidizing conditions, the FGD wastewater treatment performance can be impacted.

Both Allen and Belews Creek burn eastern bituminous coal, typically Central Appalachian. When Belews Creek burns Northern Appalachian coal, the effluent changes: ORP rises, the dissolved fraction of metals increases, the treatment system may become less efficient, etc. The chemical composition of coal varies both between and within seams in the same geographic region. For example, Tewalt *et al.*  $(2001)^8$  $(2001)^8$  reported that the mean mercury content of coal from Northern Appalachian seam samples was  $18.8 \text{ lb}/10^{12}$  BTU, whereas the mean content of mercury in Central Appalachian coal seam samples was  $11.3$  lb/ $10^{12}$  BTU, a difference of 40%. Neuzil *et al.*  $(2005)^9$  $(2005)^9$  cite the following when describing the spatial variation in selenium concentrations in coal samples within the entire Appalachian Plateau:

<span id="page-21-2"></span> <sup>8</sup> Tewalt, S.J., L.J. Bragg, and R.B. Finelman. 2001. *Mercury in U.S. Coal – Abundance, Distribution, and Modes of Occurrence*. USGS Fact Sheet FS-095-01. USGS, Reston, VA. <http://pubs.usgs.gov/fs/fs095-01/>.

<span id="page-21-3"></span><sup>9</sup> Neuzil, S.G., F.T. Dulong, and C.B. Cecil. 2005. *Spatial Trends in Ash Yield, Sulfur, Selenium, and Other Selected Trace Element Concentrations in Coal Beds of the Appalachian* 

The selenium concentration in coal beds with more than 30 samples ranges from a low average and median in the Pittsburgh coal bed of 1.7 and 1.4 ppm Se, respectively, to a high average and median in the No. 5 Block coal bed of 7.1 and 6.4 ppm Se, respectively (table 4a). *The increase from low to high selenium values by coal bed, for either average or median selenium concentration, is approximately a factor of four.*

Neuzil *et al.* (2005) at 11 (emphasis added).

Merrimack burns bituminous coal as well. But varying characteristics of coal even from the same source can affect the FGD wastewater stream. Moreover, it is common to blend coal; the ratios of the different kinds of coal blended add uncertainty to the wastewater characteristics.

Other factors, too, change the wastestream: the way the coal is burned (low-load versus high-load operation, cyclone burners (as at Merrimack) versus pulverized coal boilers), operation of selective catalytic reduction, etc.

Hence, EPA cannot rely on Allen and Belews Creek in setting limits for Merrimack unless it is confident they are similar in the important characteristics that affect FGD wastewater. EPA must identify and characterize the factors (such as those mentioned above) that affect effluent quality.

### **4. Mercury concentrations are more variable than EPA represents**

<span id="page-22-0"></span>Recent studies of mercury chemistry in FGD scrubbers reveal why mercury changes phase routinely and, thus, why FGD wastewater systems have variable results after treatment. Data from 15 different scrubbers show that, when the oxidation-reduction potential in a scrubber

*Plateau Region, U.S.A.* USGS Open-File Report 2005-1330. USGS, Reston, VA. <http://pubs.usgs.gov/of/2005/1330/>.

 $\overline{a}$ 

is high, more mercury is present in the dissolved phase than is bound to particulates.<sup>[10](#page-23-0)</sup> The more highly oxidizing the system, the greater the concentration of dissolved mercury.

Many factors affect ORP. Those factors include, among other things, the use of selective catalytic reduction (SCR) or not, generating load, the amount of sulfur in the coal, pH, and the quality of makeup water for the scrubber. Because ORP in a scrubber routinely fluctuates, the mercury phase in the wastewater exiting the scrubber varies too. Therefore, the level of treatment possible with an FGD wastewater treatment system also varies over time.

The variability of FGD wastewater under normal, though varying, operating conditions is illustrated by recent sampling done by UWAG and EPA in connection with the rulemaking to revise the steam electric guidelines.<sup>[11](#page-23-1)</sup> Samples were taken at Allen and Belews Creek over a four-day period at each plant. Then additional samples were taken on a single day in each of four consecutive months.

According to EPA, the focus of Sampling Episode 6558 at Belews Creek (the four-day sampling on June 6-11, 2010) was to characterize the purge stream entering the flue gas desulfurization wastewater treatment system and the influent to and effluent from the FGD

<span id="page-23-0"></span> <sup>10</sup> Allen, J.O., D. Eggert and C.A. Tyree. 2011. *Effect of FGD Chemistry on Wastewater Composition*, presented at Air Quality VIII Conference, Arlington VA, October 25 (Attachment 1 to these comments).

<span id="page-23-1"></span> $11$  In 2010, EPA's sampling of seven plants – three of them completed by August 2010 – focused on scrubber wastewater, settling ponds, vapor compression evaporation systems, zero liquid discharge systems, and chemical and physical/chemical precipitation systems. UWAG collaborated with EPA on this project by analyzing split samples using different methods.

EPA expanded its wastewater sampling for the effluent guidelines rulemaking with two separate efforts. EPA required the seven facilities that were sampled in summer and fall 2010 to collect additional samples over a four-month period. For some facilities, this meant sampling into early 2011. Again, UWAG took and analyzed split samples for each of the sampling events.

bioreactor treatment system. The primary goal of the sampling program was to characterize both the untreated FGD wastewaters and the effluent quality after treatment.

As noted above, the effectiveness of the Belews Creek FGD wastewater treatment system can change dramatically based on the constituents of the coal, the effectiveness of the air pollutant control technology (such as the performance of the FGD scrubber and electrostatic precipitator), and other factors. Furthermore, future changes in operation, such as different types of coal or the addition of additives to remove more contaminants from the flue gas, could affect the performance of the system as well.

Within an FGD absorber module itself, certain conditions can promote the re-emission of mercury from liquid to gaseous form. In a recent publication, Scheutze *et al.*  $(2012)^{12}$  $(2012)^{12}$  $(2012)^{12}$  reported that the volatilization of mercury in FGD systems is enhanced at pH levels greater than 7.0 s.u., elevated gypsum levels, and iron in the form of ferrous ( $Fe^{+2}$ ). Thus, the partitioning of mercury (and possible other volatile trace elements) between the liquid and gaseous phase can be dynamic, which ultimately affects the mass and speciation of mercury that enters the FGD wastewater treatment system. Changes in the performance of the FGD wastewater treatment system can occur suddenly, based on operating conditions. Depending on the sample collection day, these changes in effluent quality may not be immediately detected.

The variability of the system is evident from EPA's sampling at Belews Creek on Day 1 of the four-day sampling episode (June 1). EPA measured the influent to the FGD wastewater system (SP1) as having dissolved mercury at 49.3  $\mu$ g/L, much higher than the 0.119  $\mu$ g/L and

<span id="page-24-0"></span> <sup>12</sup> Scheutze, J., D. Kunth, S. Weissbach, and H. Koeser. 2012. *Mercury Vapor Pressure of Flue Gas Desulfurization Scrubber Suspensions: Effects of pH Level, Gypsum, and Iron*. Envtl. Science & Tech., February 12.

0.142  $\mu$ g/L for EPA's Day 2 and 3 samples. UWAG's split sample result for Day 1 (42.5  $\mu$ g/L) confirms EPA's Day 1 result.

Such variability is not unusual, as shown by the self-monitoring data from the bioreactor influent on June 9, July 14, and August 11, 2010, when mercury was detected at  $59.3 \mu g/L$ , 49.9  $\mu$ g/L, and 47.7  $\mu$ g/L, compared to the mercury concentrations detected on September 8 and October 7, 2010, of 0.150  $\mu$ g/L and 0.892  $\mu$ g/L. These sampling episodes demonstrate that the monitoring data selected by EPA to set limits for Merrimack do not adequately characterize the performance of the system under all operating scenarios.

In response to the above monitoring results, EPA posed the following question to Duke Energy:

> Several mercury results appear inconsistent with self-monitoring data Duke Energy has provided for Belews Creek. Please describe any unusual conditions that were occurring with the FGD system or FGD wastewater treatment system at the time of sampling, or that may have occurred in the preceding days that may have affected sampling results. Please provide all total and dissolved arsenic, mercury, and selenium data for the split samples collected by Duke Energy/UWAG (on behalf of Duke Energy), for each day and sample point.

Eastern Research Group, Inc., Sampling Episode Report, Duke Energy Carolinas' Belews Creek Steam Station, Belews Creek, NC, Sampling Episode 6558 (December 13, 2011) at 4-2. Thus, EPA assumed that higher measurements of arsenic, mercury, and selenium reflected not normal variability but rather some unusual upset.

To the contrary, the results EPA obtained during the four-day sampling event in 2010 are

not inconsistent with the self-monitoring data Duke Energy provided for Belews Creek. As

shown in the table below, Duke Energy's self-monitoring data collected during the four days are

consistent with the results EPA obtained during the four-day sampling event. Duke Energy says

it is not aware of unusual conditions with the FGD system or the FGD wastewater treatment system at the time of sampling or on the preceding days. During this time, a blend of Northern Appalachian with Central Appalachian coal was burned, and this could have been a cause of the increased mercury results compared with data from previous years. Duke Energy believes this is indicative of normal and potential future operations.

<b>Sample Day</b>	<b>FGD Purge</b>	<b>Bioreactor Influent</b> <sup>(1)</sup>
	total recoverable mercury (ppb)	
06/09/10	114	59.3
07/14/10	228	49.9
08/11/10	378	47.7
09/08/10	197	0.150
10/07/10	213	0.892

**Belews Creek Self-monitoring Data** 

(1): The bioreactor influent total mercury results for June 9, July 14 and August 11, 2010 were reported incorrectly in the original data submittal. The above provides the correct results.

Table BC-1, page 9, of letter from Duke Energy to Ronald P. Jordan, EPA (January 31, 2012).

In short, the data summarized above, particularly as pared down arbitrarily by EPA, do not characterize the performance of biological treatment options. In setting permit limits (or national guidelines, for that matter), EPA should consider the variability of the performance of the system, especially for mercury.

### **5. TDS, chlorides, and bromides**

<span id="page-26-0"></span>EPA should consider whether the limits on metals proposed for Merrimack will be measurable by an ordinary commercial laboratory. Contaminants in wastewater samples can interfere with analysis and make it difficult to measure down to the concentrations prescribed by the permit limits.

In particular, total dissolved solids in a sample dictate the dilution factor the lab uses, and the dilution factor in turn determines the detection limit (MDL being the commonly used detection limit, as prescribed by Appendix B of 40 C.F.R. Part 136).

Analysis of FGD wastewater by ICP-MS often requires significant dilution to prevent physical interferences from this matrix, which tends to have high TDS. All three EPA methods for ICP-MS analysis (Methods 200.8 § 4.1.4, 1638 § 4.4.4, and 6020a § 4.5) recommend dilution of the sample to maintain a TDS level less than 0.2%, or 2000 mg/L. Controlling TDS prevents physical bias due to transport/ionization inefficiencies or enhancements resulting from deposition of solids on the sampling cone interface and nebulization artifacts.

Also, an under-diluted sample will cause plasma suppression, causing a decreased recovery of the internal standards which, in turn, can cause an over-correction of the analyte-tointernal-standard ratio. This can result in an overcorrected, biased-high sample result. This under-dilution also can cause the internal standard recoveries to fall below acceptable limits, causing the analytical batch to be prematurely terminated.

When selecting a dilution factor (DF) for FGD wastewater, a typical target for the final aliquot TDS concentration is 1,500 mg/L. This can be achieved by dividing the measured TDS by 1,500 and then rounding to the nearest unit of five. For example, if an FGD wastewater has a TDS level of 36,000 ppm TDS, then dividing by 1,500 gives a DF of 24. Rounding to the nearest unit of five gives a final DF of 25.

Sample dilution inherently raises the sample-specific reporting limit (RL) as a function of dilution. The sample-specific RL is the undiluted method RL multiplied by the final sample DF. Therefore, if the method RL is 1.0  $\mu$ g/L and the DF is 25, the final sample-specific RL is 25 µg/L. Any analytical noise around the RL can be exacerbated by the dilution factor used.

Great care should be used in determining the true method RL for an analyte. A traditional MDL study, such as the 40 C.F.R. Part 136 Appendix B procedure, may not account adequately for instrument precision when analyzing FGD wastewaters. Depending on the complexity of the sample matrix, it is sometimes recommended that the final, calculated RL be multiplied by an uncertainty factor of 2 or 3 in an effort to represent more accurately the true quantification limit (reporting limit) in this type of wastewater.

The RLs required to analyze metals in the FGD wastewater samples at Belews Creek and Allen will not necessarily be the same for other FGD wastewaters. TDS levels in FGD wastewater are determined by the recycle rate of the system. This recycle rate is determined by the materials of construction (*i.e.*, the type of corrosion-resistant materials in the system). So, depending on the materials of construction, the TDS content in FGD wastewater will vary considerably from facility to facility. Existing FGD wastewater treatment systems are designed (sized) based on FGD purge blowdown rates. In order to reduce TDS levels to meet these RL requirements, the facility would have to increase its blowdown rate. This would not be possible due to the size of the existing treatment system.

Also, chlorides in the sample can interfere with analysis for arsenic, and bromides with analysis for selenium.

In short, EPA should not be setting limits for Merrimack without understanding the TDS, chloride, and bromide levels in the Merrimack FGD wastewater. The lab would have to adjust instrument controls and dilution schemes to optimize for suppression of Merrimack sample interferences. This may present considerable challenges even for a suitably equipped lab if it has samples to run the same day from sources with highly variable chemical matrices. In such cases, it is likely that the lab would pay little attention to optimization.

### **6. Nitrates are unusually high in the Merrimack effluent from the physical/chemical system**

<span id="page-29-0"></span>Nitrate levels in the wastewater at Merrimack are unusually high. The plant has been recording levels of nitrates in the range of 60 to 100 mg/L, with some early readings as high as 130 and 150. At the same time, ammonia in the water at Merrimack is typically less than 1 mg/L, which is unusually low. Apparently ammonia is being converted to nitrates somewhere in the Merrimack system, possibly in the FGD itself.

The specification for inflow to biological systems is typically less than 25 mg/L, whereas the ABMet system has a nitrate criterion of < 100 mg/L. Nitrate concentrations as high as at Merrimack can impact the treatability of selenium. The microbes will reduce the nitrates first (denitrification), and this may inhibit reduction of selenate and selenite to elemental selenium thereafter.

Moreover, if the bacteria in the biosystem become acclimated to living with 100 mg/L nitrates, they may become dependent on those conditions to survive and maintain optimal metabolic function. This site-specific condition at Merrimack could lead to more frequent upsets of a biosystem and to biomass mortality. Undoubtedly Merrimack will require greater amounts of nutrient feed, which will result in more frequent backwash of the bioreactors and increased loading of solids.

### **7. Limits close to reporting (quantitation) levels**

<span id="page-29-1"></span>The limits derived from EPA's statistical analysis are below the levels measurable by standard analytical methods and close to the reporting levels (that is, the quantitation limits of the analytical methods). Some commercial labs may not be able to consistently achieve results at or below the derived limits. A lab's ability to obtain low reporting limits depends on the lab's experience with the specific wastewater and especially the TDS levels of the sample. Duke

Energy is able to establish that experience with an in-house, full-capability laboratory, but, based on UWAG's experience, there are only a handful of labs that can consistently achieve reporting limits for metals below 10 ppb. The Hanlon June 7, 2010 memo states the same conclusion.

Given the variables associated with each individual wastestream, and in particular the challenges presented by the multi-contaminant interferences, commercial labs will not likely be able to consistently report at the unprecedented levels of the proposed Merrimack limits.

### **8. The effect of excluding data**

<span id="page-30-0"></span>By arbitrarily excluding some of the data from Allen and Belews Creek that EPA *assumed* to be uncharacteristic, EPA created permit limits more stringent than justified. EPA excluded the very data that are most relevant.

A key element of EPA's method for establishing effluent limitations is the characterization of the tail of the frequency distribution of effluent concentrations. Accurate estimates of the  $99<sup>th</sup>$  percentile of daily values and the  $95<sup>th</sup>$  percentile of monthly averages depend on accurate characterizations of the tails of the distribution. Excluding extreme observations from the analysis eliminates the very data that are most relevant to that characterization. Absent direct evidence of treatment system malfunction or laboratory error, extreme observations should be included in the analysis.

#### **G. Region 1 has inappropriately turned "guidance" into a legal requirement**

<span id="page-30-1"></span>If BPJ limits are set, it is clear that the permit writer must consider the statutory factors for BAT. EPA's NPDES rules provide that, when setting BPJ limits:

> The permit writer shall apply the appropriate factors listed in Sec. 125.3(d) [which lists the statutory factors for each type of ELG] and shall consider:

> (i) The appropriate technology for the category or class of point sources of which the applicant is a member, based upon all available information; and

(ii) Any unique factors relating to the applicant.

40 C.F.R. § 125.3(c)(2).

Case law confirms that permit writers are not only authorized, but *required*, to consider

the same factors EPA would have to consider if it were setting a national ELG. *NRDC v. EPA*,

863 F.2d 1420, 1425 (9th Cir. 1988); *NRDC v. EPA*, 859 F.2d 156 (D.C. Cir. 1988); *see also*

*NPDES Permit Writers' Manual* (EPA-833-K-10-001 September 2010) at 5-45 to -46,

[http://www.epa.gov/npdes/pubs/pwm\\_2010.pdf.](http://www.epa.gov/npdes/pubs/pwm_2010.pdf)

For BAT, the "factors" are set out in  $\S$  304(b)(2)(B):

the age of equipment and facilities involved, the process employed, the engineering aspects of the application of various types of control techniques, process changes, the cost of achieving such effluent reduction, non-water quality environmental impact (including energy requirements), and such other factors as the Administrator deems appropriate.

<span id="page-31-0"></span>33 U.S.C. § 1314(b)(2)(B).

### **1. Once EPA has adopted ELGs for an industry category, permit writers need not develop additional limits**

EPA has adopted national effluent limitation guidelines for steam electric plants in

40 C.F.R. Part 423. In particular, "wastewaters from wet scrubber air pollution control systems" are included in "low volume waste sources" (40 C.F.R. § 423.11(b)), and low volume wastes have new source performance standards for total suspended solids, oil and grease, pH, and PCBs (40 C.F.R. §§ 423.15(a)-(c)).

Once EPA has adopted ELGs for an industry category, the authority of permit writers to set additional limits is limited. Section 402(a)(1) of the Act authorizes BPJ limits "*prior to* the taking of necessary implementing actions relating to all such requirements." 33 U.S.C.  $§ 1342(a)(1)$  (emphasis added). By its terms, this authorizes – and does not compel – EPA to set BPJ limits only as "necessary" and only "prior to the taking of necessary implementing actions." 33 U.S.C. § 1342(a)(1).

Ordinarily this means when industry-wide guidelines have not yet been promulgated. *See Catskill Mts. Chapter of Trout Unlimited, Inc. v. City of New York*, 451 F.3d 77, 85 (2d Cir. 2006); *NRDC v. EPA*, 863 F.2d at 1424 (EPA may establish BPJ limits where "industry-wide guidelines have not yet been promulgated"); *NRDC v. EPA*, 859 F.2d 156 (D.C. Cir. 1988); *Citizens Coal Council v. EPA*,  $447$  F.3d  $879$ ,  $891$  n.11 ( $6<sup>th</sup>$  Cir. 2006) (BPJ applies "where the EPA has not promulgated an applicable guideline"); *Am. Mining Cong. v. EPA*, 965 F.2d 759, 762 n.3 ( $9<sup>th</sup>$  Cir. 1992) (EPA is authorized to develop BPJ limits when it has "not yet issued national effluent guidelines" for a category of point sources); *NRDC v. EPA*, 822 F.2d 104, 111 (D.C. Cir. 1987) (the permit writer is authorized to use BPJ if "no national standards" have been promulgated for a particular category of point sources).

EPA Region 1 appears to read  $\S 402(a)(1)$  of the Act as giving it discretion to impose BPJ requirements on a wastestream already regulated by the national guidelines. That is not what the Act or EPA's implementing regulations  $(40 \text{ C.F.R.}$  §§  $125.3(c)(2), (3)$  say.

Even if Region 1 had authority to set limits based on BPJ, it would be especially unwise to set such BPJ limits at precisely the time when EPA Headquarters is about to propose new national ELGs. EPA has been studying the need to update the existing steam electric guidelines for some time, with particular emphasis on flue gas desulfurization wastes. EPA has said that it will expeditiously review and revise the steam electric guidelines, including BAT ELGs for FGD wastewater. 74 Fed. Reg. 68,599 (Dec. 28, 2009); *see also* EPA Expects to Revise Rules for Wastewater Dischargers from Power Plants, Sept. 15, 2009, [http://www.epa.gov](http://www.epa.gov/) (under Newsroom, then under News Releases).

Although EPA determined that it should develop ELGs for FGD wastewaters for the

industry as a whole, it has not determined what ELGs are needed or whether it is best to

subcategorize to accommodate differences among FGD systems. Thus, EPA's preliminary

characterization of FGD wastewaters and potentially available treatment technologies does not

necessarily apply to the Merrimack Station.

In a similar situation, EPA declined to set BAT requirements for a permit that would have

required re-injection of produced water for offshore oil platforms in the Gulf of Mexico:

The recent "anti-backsliding" amendment to the Act is designed to prevent "backsliding" from limitations in BPJ permits to less stringent limitations which may be established under the forthcoming national effluent limitation guidelines. It prohibits a permit containing effluent limitations issued under a BPJ determination from being "renewed, reissued, or modified on the basis of effluent guidelines promulgated under [the national rulemaking] ... subsequent to the original issuance of such permit," if the permit would contain effluent limitations which are "less stringent than the comparable limitations in the previous permit." 33 U.S.C.A. § 1342(o)(1) (West Supp. 1988). *See id.* at section  $1342(o)(2)$  (exceptions to the general "anti-backsliding" prohibition). If the EPA were to require as BAT the retrofitting of all drilling sources for reinjection of produced water in the Gulf of Mexico, and, the eventual national standards were less stringent in any respect, there would be an inconsistency between BAT for Gulf drilling and BAT for the rest of the nation's off-shore drilling. This inconsistency would lack any apparent scientific or equitable basis. If, on the other hand, the eventual national standards embody more stringent standards than this permit requires, this permit can be reopened and its standards made more stringent. *See* 51 Fed. Reg. at 24922, II(A)(3)(d). Given the large commitment of resources that would be necessary to begin retrofitting, the values of certainty and uniformity inherent in the congressional scheme take on added significance. There is a justification for some delay in this situation in order to ensure that the produced water limitation in the Gulf conforms with the national standard.

*NRDC v. EPA*, 863 F.2d at 1427.

## **2. EPA relies too much on "guidance," particularly the Hanlon memorandum of June 7, 2010**

<span id="page-34-0"></span>Region 1's decision to propose FGD limits appears to be dictated by EPA documents that are not law but merely "guidance."

As of about June 17, 2010, EPA published on its website a memorandum from James A. Hanlon to EPA Water Division Directors for its Regions. Memorandum, James A. Hanlon to Water Division Directors, Regions 1-10, "National Pollutant Discharge Elimination System (NPDES) Permitting of Wastewater Discharges from Flue Gas Desulfurization (FGD) and Coal Combustion Residuals (CCR) Impoundments at Steam Electric Power Plants" (June 7, 2010), <http://www.epa.gov/npdes/pubs/hanlonccrmemo.pdf>,

[http://www.epa.gov/npdes/pubs/steamelectricbpjguidance.pdf,](http://www.epa.gov/npdes/pubs/steamelectricbpjguidance.pdf)

<http://www.epa.gov/npdes/pubs/wqp-coalcombustionwasteimpoundments.pdf>.

But the Hanlon memo is not legally binding, and says so on its face. It is basic textbook law that agency "guidance" is not binding, and Attachments A and B to the Hanlon memorandum have a "disclaimer" saying they are not legally enforceable and do not impose legal obligations.

An agency pronouncement, whether it is called "policy" or "interpretation" or "guidance," cannot be used as a "binding norm" (have "binding effect") unless it has been promulgated with notice-and-comment rulemaking procedures (which the Hanlon memo has not). *McLouth Steel Products Corp. v. Thomas*, 838 F.2d 1317, 1320-23 (D.C. Cir. 1988); *Cement Kiln Recycling Coal. v. EPA*, 493 F.3d 207, 226-27 (D.C. Cir. 2007) (three-factor test for when a guidance is a "rulemaking"); *S. Org. Comm. for Econ. and Social Justice v. U.S. EPA*, 333 F.3d 1288 (11th Cir. 2003); *Appalachian Power v. EPA*, 208 F.3d 1015, 1020 (D.C. Cir. 2000) (criticizing lawmaking by "guidance" documents).

Recently, federal courts in the District of Columbia have ruled against EPA efforts to make law by "guidance." In *NRDC v. EPA*, 643 F.3d 311 (D.C. Cir. 2011), the D.C. Circuit held that EPA violated the Administrative Procedure Act by relying on interpretive guidance, rather than a regulation, to allow states to propose alternatives to required fees for ozone nonattainment areas. And a district court found that EPA probably exceeded its statutory authority by relying on guidance to establish protective standards under the Clean Water Act. *Nat'l Mining Ass'n v. Jackson*, 768 F. Supp. 2d 34 (D.D.C. 2011). EPA had used guidance on mountaintop removal coal mining to set "conductivity" levels for streams impacted by coal mining and target certain permits for additional environmental review. The National Mining Association filed suit, arguing that EPA had exceeded its statutory authority by using interpretive guidance instead of rulemaking. Although the district court did not grant a preliminary injunction, it did conclude that NMA "established that it will likely succeed in showing that the EPA has exceeded its statutory authority under the [CWA] by adopting and implementing the [guidance]…." *Id.* at 50.

In the Merrimack case, EPA has treated the Hanlon memorandum, and the Jordan-Schroeder Determination as well, as binding. For that reason alone, the proposed limits need to be reconsidered.

### **3. It would be unfair to preempt EPA Headquarters' national rulemakings**

<span id="page-35-0"></span>EPA Headquarters is committed to *finalize* a rule on intake structures by July 27, 2012, and to *propose* a rule revising effluent limitations guidelines for the steam electric industry by July 23, 2012. The ELG rulemaking must be finished by January 2014. As noted above, a permit writer has authority to set case-by-case BPJ permit limits only when EPA has failed to set
national guidelines. Here, EPA's national guidelines classify FGD wastewater as low volume waste, and limits are set for low volume waste.

Under EPA's "antibacksliding" regulation, 40 C.F.R. § 122.44(l), if Region 1 sets a limit more stringent than EPA Headquarters decides is appropriate nationwide, the permitted facility will be locked into the more stringent limit. Thus a Region can override a national rule, and thwart the uniformity of national guidelines, so long as it acts quickly enough and makes its limits more stringent than Headquarters.

But it would be unfair, after 14 years of reviewing the Merrimack permit, to impose a § 316(b) intake requirement on the very eve of Headquarters' setting a national standard. Likewise, it would be unfair to impose BPJ limits on wastewater less than two years before EPA finalizes the ELG rule (especially where an existing ELG rule is already in place).

At a minimum, the permit should have a "reopener" provision allowing the permit limits to be reconsidered once EPA has determined categorical national BTA standards for intakes in July 2012 and BAT for wastewater in January 2014.

#### **III. Region 1 Has Redefined "Metal Cleaning Waste" Contrary to EPA Regulations**

Under the present Merrimack permit, chemical cleaning wastes from cleaning the boiler tubes (waterside boiler wastes), as well as various wastes considered "low volume wastes," are treated in the wastewater treatment plant and then discharged to a combined treatment pond.

In the draft permit, EPA Region 1 made three changes for Outfall 003B that redefine "metal cleaning waste" and differ from EPA regulations. First, it expanded the scope of regulation from traditional waterside "chemical cleaning" boiler wastes to also include all gas side ash washwater. This means Outfall 003B must meet limits not once every seven years or so, as in the past, but more like six or seven times a year. Second, Region 1 moved the compliance point from the combined treatment pond outfall to the wastewater treatment plant discharge.

Third, Region 1 now would require each metal cleaning waste to be stored, managed, treated, discharged, and monitored separately, with no commingling with other wastewater.

It appears that EPA's intent is for 003B conditions to apply only while "metal cleaning waste" is being discharged, but the general description indicates that the outfall includes all wastewater discharged from Waste Treatment Plant #1, including low volume wastes and stormwater. Thus, the permit would require a composite sample to be collected every day there is any discharge from the existing facility.

#### **A. The requirements for Outfall 003B are not achievable**

While the existing facility might be able to isolate boiler chemical cleanings, it is physically impossible to do this for all ash washwater.

Fireside washes occur more frequently than chemical cleanings and often involve larger volumes of water. A Unit 2 annual outage might generate a million gallons or more of ashrelated washwater. It is not possible to segregate and treat such large volumes of water in a system that consists of three 250,000-gallon basins.

Prohibiting the discharge of other (low volume) wastestreams to the treatment plant while metal cleaning wastes are being managed is also impossible. The flow of wastewater from an operating unit cannot be stopped with the simple turn of a valve. Floor drains continue to flow, demineralizers must be regenerated, and rain will fall. Wastewater management at a power plant is a full-time business.

# **B. Neither the combined wastestream rule nor the internal limits rule prohibits commingling**

Region 1's purported legal basis for forbidding metal cleaning wastes from being combined with ash and low volume wastes before monitoring is a misreading of EPA's own regulations, as follows:

Thus, it is not acceptable to determine compliance for different wastewater streams after they have been mixed (or diluted) with each other, unless the effluent limits applicable to them are the same. . . . The metal cleaning wastes may not be combined with the ash and low volume wastes prior to compliance monitoring because the metal cleaning wastes are subject to additional effluent limitations for copper and iron.

Fact Sheet at 20. Region 1 relies largely on 40 C.F.R. § 125.3(f), a general provision that says technology-based requirements cannot be met by flow augmentation or in-stream mechanical aerators.

EPA's rules do prohibit "dilution" in lieu of treatment; but they clearly do *not* forbid commingling wastestreams *for* treatment, even if the wastestreams have different limits. The correct rule is the "combined wastestream" rule in the BAT requirements for the steam electric industry:

In the event that waste streams from various sources are combined for treatment or discharge, the quantity of each pollutant or pollutant property controlled in paragraphs (a) through (g) of this section attributable to each controlled waste source shall not exceed the specified limitation for that waste source.

40 C.F.R. § 423.13(h); *see also* 40 C.F.R. § 423.12(b)(12) (BPT).

Indeed, EPA *encourages* centralized treatment. Its 1980 Steam Electric Development

Document says "[c]onsolidation of waste streams to a centralized treatment system is permitted

and encouraged." Dev. Doc. at 470. The 1974 preamble to the steam electric guidelines says

much the same thing:

It is also recognized by EPA that, due to the economies of scale, combining similar waste streams for treatment to remove the same pollutants is generally less costly than separate treatment of these waste streams. The employment of cost-saving alternatives in meeting the effluent limitations should not be discouraged.

39 Fed. Reg. 36,186, 36,196 col. 3 (Oct. 8, 1974).

Clearly, 40 C.F.R. Part 423 does not prohibit commingling. Rather, it explains what to do when commingling occurs. Section 423.13(h) prescribes how to apply limits "(i)n the event that waste streams from various sources are combined for treatment or discharge…."

The regulation Region 1 relies on, 40 C.F.R. § 125.3(f), says "[t]echnology-based treatment requirements cannot be satisfied through the use of 'non-treatment' techniques such as flow augmentation…." In the case of Merrimack, the plant and ancillary components were specifically designed to incorporate the maintenance-related waters with routine operational wastewater. The current practice of blending streams is not a "non-treatment" technique that relies on dilution, but part of the original treatment plan and design. In fact, without the ability to mix, Merrimack Station will be forced to abandon the washwater return system that allows ash waters to be recycled back to the cleaning process to reduce overall volume.

EPA also cites the internal limits rule, 40 C.F.R. § 122.45(h), as a reason to prohibit the mixing of wastestreams. But this rule says that internal monitoring points should be imposed only when the final discharge location is inaccessible or the wastes become "so diluted as to make monitoring impracticable":

#### **122.45(h) Internal waste streams.**

40 C.F.R. § 122.45(h)(1)

When permit effluent limitations or standards imposed at the point of discharge are impractical or infeasible, effluent limitations or standards for discharges of pollutants may be imposed on internal waste streams before mixing with other waste streams or cooling water streams. In those instances, the monitoring required by Sec. [122.48](http://www.law.cornell.edu/cfr/text/40/122/48) shall also be applied to the internal waste streams.

40 C.F.R. § 122.45(h)(2)

Limits on internal waste streams will be imposed only when the fact sheet under Sec. [124.56](http://www.law.cornell.edu/cfr/text/40/124/56) sets forth the exceptional circumstances which make such limitations necessary, such as when the final discharge point is inaccessible (for example, under 10 meters of water), the wastes at the point of discharge are so diluted as to make monitoring impracticable, or the interferences among pollutants at the point of discharge would make detection or analysis impracticable.

Region 1 has failed to document the "exceptional circumstances" that it believes exist at Merrimack.

Indeed, at Merrimack Station the final discharge point (003) *is* accessible. If EPA contends that the canal and treatment pond waters dilute the metal cleaning wastes to make monitoring "impracticable," then the new 003B outfall can serve as an internal monitoring location of the combined flow from the existing treatment plant when metal cleaning wastes are being discharged. At times when they are produced, the metal cleaning wastes dominate the facility and are the most prevalent wastestream. As such, the dilution from low volume wastes is minor and plainly does *not* make monitoring the metal cleaning wastes impracticable.

# **C. Region 1 is contradicting longstanding EPA practice on nonchemical cleaning wastes**

EPA has set BAT limitations guidelines for chemical metal cleaning waste (Part 423.13(e)) but has reserved BAT for nonchemical metal cleaning waste, *e.g.*, ash washwaters (Part 423.13(f)). In the draft Merrimack permit, EPA suggests that the BAT standard for chemical metal cleaning waste applies to nonchemical metal cleaning waste. But EPA did *not* do that in the 1982 ELGs. Instead, it reserved judgment until more information was known regarding the cost and economic impact that would result from requiring the entire industrial category to ensure that nonchemical metal cleaning wastes satisfy the same limits that had been set for chemical metal cleaning wastes. 47 Fed. Reg. 52,290, 52,297 (Nov. 19, 1982). Nonchemical waste is not to have BAT limits applied until more is known about the financial impact.

Moreover, until EPA addresses the question, dischargers are entitled to continue to rely on EPA's 1975 guidance that metal cleaning wastes are those where chemical additives, not just water, are used for washing. In 1975, EPA issued the "Jordan Memorandum," which said that wastestreams produced by metal cleaning without chemical additives would *not* be regulated as "metal cleaning wastes" but rather as low volume wastes. Pursuant to the Jordan Memorandum, wastestreams produced by metal cleaning with only water were not subject to the 1 mg/L iron and copper limitations that apply to metal cleaning wastes.

In 1980, EPA proposed to revise the steam electric guidelines. 45 Fed. Reg. 68,328 (Oct. 14, 1980). In the preamble, EPA renounced future adherence to the Jordan Memorandum (*id*. at 68,333 col. 2), stating that "metal cleaning wastes" are defined broadly enough to include wastes derived from cleaning any metal process equipment.

However, the final regulations tempered this extreme position. Although nonchemical metal cleaning wastes were explicitly regulated under BPT, they remained reserved for future regulation under BAT and NSPS. Furthermore, the preamble to the final guidelines stated that "until the Agency promulgates new limitations and standards, the previous [Jordan Memorandum] guidance policy may continue to be applied in those cases in which it was applied in the past." 47 Fed. Reg. at 52,297 col. 3. Thus, a permit writer may allow those companies that followed the Jordan Memorandum in the past to continue without BPT limits for iron and copper in nonchemical metal cleaning wastestreams.

Nonchemical metal cleaning waste (fireside ash washwater) is similar in quality to other wastewaters that are managed in a power plant on a daily basis. Chemical metal cleaning waste (chemical cleanings), on the other hand, is unique, infrequent, and aggressive. By their nature,

chemical cleanings deserve to be in a separate category. Ash washwater needs to be managed like all other wastewater collected at the facility and requires no special provisions.

Just as with closed-cycle cooling and biological treatment, EPA is using its "Best Professional Judgment" to enforce the most stringent controls possible on Merrimack Station with the justification that "PSNH can afford these expenditures given that Merrimack Station is a profitable, baseload power plant." This is an inadequate and superficial justification for imposing new costs on PSNH's customers, and it is also incorrect, in that Merrimack is not a "baseload" plant but rather one whose power is dispatched based on economics.

EPA makes a token comment that, "from an engineering standpoint," the ash washwaters can be segregated and treated with some "scheduling adjustments." This conclusion appears to be unfounded. PSNH will be required to make a significant investment to comply with this requirement, including the addition of at least 100-percent more storage capacity. The most unfortunate consequence is that there is no question that the existing technology and practices treat the wastestream to below the copper and iron limits of  $1.0 \text{ mg/L}$  – the conflict is simply over when the various wastestreams are allowed to mix.

For the above reasons, the nonchemical metal cleaning wastes should continue to be grouped together and monitored with other low volume wastes.

The 003B conditions should continue to only apply to chemical cleanings.

If EPA insists on regulating nonchemical metal cleaning wastes as "chemical," PSNH requests a compliance schedule be established so that sufficient information can be gathered to allow for a combined wastestream formula to be created so that the wastestreams may continue to be commingled and monitored together.

# **IV. Biological Treatment Is Not Cost-effective**

Everyone agrees that permit limits must be "economically achievable" and that Region 1 must take cost into account. Merrimack Fact Sheet, Attachment E at 12. Region 1 believes it can use either of two varieties of cost-effectiveness or neither, as it chooses.[13](#page-43-0) It does concede, however, that its cost estimate must be "reasonable." *Id.*

Selecting BAT requires not just that the effectiveness at removing pollutants be assessed, but also that cost and energy requirements (and other factors) be taken into account (Clean Water Act § 304(b)(2)(B)). Region 1's analysis of "cost" is not adequate to justify the proposed limits on FGD wastewater.

EPA's analysis of "cost" for Merrimack (apart from footnotes) consists of the following table in a memo from Ronald Jordan to Sharon DeMeo of September 13, 2011 (No. 118 in the record):

<b>Technology Option</b>	Capital Cost $(2010 \text{ } \text{S})$	Annual O&M $(2010 \text{ } \text{S})$	<b>Annualized Costs</b> $(2010 \text{ } \text{S})$	Pollutant Reductions (lbs/yr)
<b>Chemical Precipitation</b>	\$4,869,000	\$430,000	\$889,000	16,900
Chem Precip/Biological	\$9,823,000	\$727,000	\$1,654,000	639,000
Chem Precip/Softening $&$ Evaporation	\$27,949,000	\$1,524,000	\$4,162.00	830,000

<span id="page-43-0"></span><sup>&</sup>lt;sup>13</sup> Region 1 says that the most "cost-effective" option is the least expensive way of getting to the same (or nearly the same) performance goal. Or it may mean a comparative assessment of the cost per unit of performance by different options. Fact Sheet, Attachment E, at 12. Region 1 also says it is not required to perform cost-benefit balancing (but presumably can if it wants) and that it can consider any other factors it thinks appropriate. *Id.* at 13. Finally, in the Merrimack proceeding, Region 1 seems to rely on an "affordability" test and on the test used by the Second Circuit of what costs industry can "reasonably bear."

Thus Region 1 interprets court decisions to give it a choice of four or more different "cost" tests, none of which has a precise standard for what is acceptable. It is at least open to question whether Region 1 may have given itself such unfettered discretion as to have no standard of decision at all, making its decision arbitrary and capricious. The "affordability" test in particular can produce "unreasonable" or "irrational" decisions, because it can justify requirements that do little or no good, so long as the permittee can pay for them.

E-mail, Ronald Jordan to Sharon DeMeo, Estimated costs & pollutant reductions for treatment options at Merrimack Station (September 13, 2011). EPA feels the costs in the second row above (almost \$10 million in capital costs and about \$727,000 yearly) are reasonable for PSNH customers to bear. Attachment E at 29, [http://www.epa.gov/region1/ npdes/merrimackstation/.](http://www.epa.gov/region1/npdes/merrimackstation/) Apparently this is because PSNH "has been a profitable company" and because the total cost of the FGD system, including wastewater treatment, is \$430 million. *Id.* at 29. Apparently Region 1 feels that any cost is affordable if it is not too big a percentage of the cost of controlling air and water pollution. *Id.* By this reasoning, the more a company has already spent to treat pollution, the more it can afford to spend still more.<sup>[14](#page-44-0)</sup>

Besides the above cost estimates, Region 1 says it has "additional information" on reasonableness, included in a footnote. *Id.* at 29 n.16. This consists of the information that other biological systems have cost about \$35 million, \$20 million, and less than \$27 million. Apparently these numbers come from industry responses to EPA's questionnaire and are considered confidential business information – hence not available to commenters on the Merrimack permit. Region 1 also cites a technical paper, Sonstegard, J. *et al.* ABMet: Setting the Standard for Selenium Removal, presented at an International Water Conference in October 2010.

Finally, EPA concludes that operating costs are "relatively small," referring to "published values" but again citing only the industry questionnaire and Sonstegard *et al*.

<span id="page-44-0"></span> $14$  Region 1's version of affordability or ability to "reasonably bear" costs is capricious in another way. If the ratio of the cost of chemical precipitation plus biological treatment to the total cost of the FGD system does not look small enough, EPA can compare it to the value of the whole plant or the whole company and reach the same conclusion.

In the September 13, 2011 e-mail, the "primary data sources" for the costs are said to be

the industry survey and information from "treatment equipment vendors." The pollutant

reduction estimates are based on "data collected during EPA's recent detailed study" and

"subsequent wastewater sampling." *Id.* It is not clear whether the information from vendors is

in the Merrimack record or exactly what "data" Region 1 relied on.

Another e-mail, dated September 16, 2011 (No. 634 in the record), reads as follows:

In response to your question about non-water quality environmental impacts (NWQI), we reviewed the solid waste generation (i.e., treatment solids that require transport/disposal) and increased electricity demand associated with operation of the treatment technologies.

The chemical precipitation technology option is estimated to generate 1,976 tons of solids per year, and require 339,017 kW-hr of electricity. Please keep in mind that these values are based on the characteristics of the FGD purge entering the treatment system, and thus the solids removal estimate includes solids that would have been removed if Merrimack Station had installed a settling pond or other system to meet the BPT effluent limits in 40 CFR part 423 (i.e., 30 ppm TSS). For this NWQI estimate, we did not calculate the fraction of solids that would've been removed by BPT-level treatment; however, since the FGD purge contains substantially more than 30 ppm TSS, the NWQI associated with BAT-level control options (e.g., chem precip, biological, or other technology) is only a portion of the 1,976 tons/year.

The technology option of chemical precipitation in conjunction with biological treatment is estimated to generate a total of 1,986 tons of solids per year (0.5 percent more than the chemical precipitation technology), and require 354,085 kW-hr of electricity (4.4 percent increase relative to chemical precipitation).

Memo from Ronald Jordan to Sharon DeMeo, Record Doc. 634 (September 16, 2011). Since

this September 16 e-mail came after the September 13 e-mail with the cost estimates (above), it

appears not to have been used to estimate costs. If it was used, it is not clear how.

About a month later, in October, EPA Headquarters provided a bit of cost information in Supplemental Information Package #2 for Federalism and Unfunded Mandates Reform Act (UMRA) Consultations (October 18, 2011), as follows:



Table 2. Treatment Option Costs for Model Plants (Preliminary Estimates, October 2011)

 $(MW)$  noted in the table header are approximate values.

2. Estimated costs donot reflect offsetting cost reductions associated with ceasing operation of an existing settling pond or avoiding installation of a settling pond to comply with the current effluent limits at 40 CFR part 423.

3. Leachate costs are based on construction of a stand-alone treatment system for leachate flow. Actual costs may be lower if leachate is co-treated with FGD wastewater.

4. Annualized costs sum the operating and maintenance (O&M) costs and annualized capital costs, using a 7% interest rate and a 20-year service life for the equipment.

"Option 1" for all waste streams presumes no change to the current ELG limits, which are based on a settling pond.

CP: Chemical precipitation treatment

CP + Bio: Chemical precipitation plus biological treatment.

CP + Evap: Chemical precipitation plus evaporation.

Fly ash no discharge: Based on conversion to a dry vacuum ash handling system.

Bottom ash no discharge: Based on conversion to a mechanical drag system.

This Table 2 for UMRA purposes is apparently not in the Merrimack record and is dated October 2011, shortly after the draft Merrimack permit was released. Merrimack has an electrical output of about 470 MW (Fact Sheet Attachment E at ii). The UMRA data indicate that a 500-600 MW plant would pay a total annualized cost of \$4,476,000 for chemical precipitation plus biological treatment, compared to the \$1,654,000 estimated for Merrimack as shown in Attachment E to the Fact Sheet.

In short, it appears that, as of September 16, 2011, EPA Headquarters was estimating that physical/chemical and biological treatment at Merrimack (a 470-MW plant) would cost \$1,654,000 a year, while in October 2011 Headquarters was estimating that the same treatment would cost \$4,476,000 a year for an average 500- to 600-MW plant, almost three times the estimate for Merrimack. There does not seem to be any rational explanation for this difference, but it certainly makes the Merrimack estimate look artificially low.

# **A. Commenters cannot replicate EPA's calculation of pounds of pollutant removed**

As the above discussion shows, the public does not have enough information to understand how EPA calculated the pounds of pollutants removed by physical/chemical and biological treatment. The September 13 e-mail quoted above says that chemical precipitation removes only 16,900 pounds, whereas adding biological treatment removes 639,000 pounds – making biological treatment appear vastly more effective than chemical precipitation when much the opposite is true.

UWAG has tried to replicate the calculations in the September 13 e-mail and cannot do it. We doubt anybody outside EPA can do it. Thus, an important part of EPA's analysis is unsupported on the record.

### **B. Region 1 has not followed the government's "transparency" policy**

In a Memorandum on Transparency and Open Government, issued on January 21, 2009, the President committed the federal government to "transparency." By memorandum of December 8, 2009, the Director of OMB directed executive departments and agencies to implement the principles of transparency, participation, and collaboration set forth in the President's Memorandum. [http://www.whitehouse.gov/open/documents/open-government](http://www.whitehouse.gov/open/documents/open-government-directive)[directive](http://www.whitehouse.gov/open/documents/open-government-directive). *See generally* "Open Government Initiative," [http://www.whitehouse.gov/open.](http://www.whitehouse.gov/open)

By contrast, EPA Region 1's reasoning on the Merrimack permit limits is somewhat a mystery, at least for the FGD limits. UWAG has tried to replicate the Region's calculations of pollutant removals and is unable to do so. We believe we understand how Region 1 calculated the permit limits, but what calculations it used to get pollutant removals cannot be divined.

EPA has provided a long list of documents in response to a Freedom of Information Act (FOIA) request, but those documents are largely uninformative. For the most part, they are generic EPA documents not addressed to Merrimack at all.

If the public – and the regulated entity – do not have enough information to replicate EPA's calculations, the Region has failed to comply with Due Process of Law guaranteed by the U.S. Constitution and with the Administrative Procedure Act. It has also violated the Administration's policy of "transparency."

## **C. EPA calculated pounds removed but not toxic equivalent pounds**

In past effluent limitations guidelines rulemakings, EPA has calculated "costeffectiveness" in terms of dollars per pounds of pollutants removed in "toxic equivalents." Indeed, EPA used TWPEs to select the steam electric industry ELGs for revision. *See* EPA, *Final Detailed Study Report* at 4-69,

<http://water.epa.gov/scitech/wastetech/guide/upload/finalreport.pdf>. For the Merrimack permit, EPA apparently made no attempt to convert pounds of pollutant to toxic equivalents.

For this reason, EPA has not followed its own precedent. And it has failed to do a costeffectiveness calculation that can be compared to any standard and judged as to its reasonableness or unreasonableness.

#### **D. Region 1 based its cost estimates on average flow instead of peak flow**

EPA Region 1 developed its cost estimates based on 50 gpm flow (Attachment E at 37 and n.23). Discharge flow at Merrimack, however, may be as high as 100,000 gpd (about 70 gpm) (Attachment E at 37).

Wastewater treatment plants must be designed for peak flow, not average flow. The design flow affects costs significantly. Estimates of treatment costs should be based on peak design flow rate. By using average flow, EPA has underestimated the cost of treatment. This is a very significant flaw in EPA's cost analysis.

# **E. EPA's estimates of pounds of pollutant removed are too high and of cost too low**

Unable to replicate EPA's calculations of pounds removed or of the cost of removing them, UWAG did its own independent calculations of pounds removed and costs, based on the Allen and Belews Creek data but adjusted to Merrimack's average flow.

EPA's analysis presumes that Merrimack's flow is full-time, 24 hours a day 365 days a year. This has the effect of overstating the pounds of pollutant removed. The two Merrimack units are not "baseload" units that operate continuously at full load but rather "load following" units subject to economic dispatch.

Merrimack's output is 470 MW (120 MW for Unit 1 and 350 for Unit 2) and its flow on average about 50 gpm, ten times lower than Belews Creek at 509 gpm. Taking 50 gpm as the

Merrimack flow, UWAG calculated the pollutant reductions for Merrimack, based on EPA's sampling data from Belews Creek and Allen. UWAG's estimates are in Attachment 2 to these comments.

Magnesium and boron have a big impact on the pollutant removal calculations. Small increases or reductions in magnesium and boron concentrations change the total reductions significantly. For Belews Creek, magnesium appeared to *increase* across both the physical/chemical treatment system and the bioreactor; likewise, boron appeared to increase across the bioreactor. But it is unlikely that magnesium and boron really were added by the treatment system, and the apparent differences in magnesium and boron could be due to analytical variability. The apparent differences are too small to be quantifiable, and there is no apparent source of boron or magnesium from the treatment systems. Hence we judge that the treatment systems neither add nor remove magnesium or boron.

It appears that EPA estimated removals assuming that most power plants use settling ponds, though Merrimack does not have a settling pond prior to physical/chemical treatment. Thus EPA's use of a "settled" influent is not appropriate when estimating pollutant reductions for Merrimack. Instead, EPA should have taken into account the fact that Merrimack has an existing physical-chemical treatment system that removes particulate-phase pollutants as well as some dissolved-phase.

UWAG used total recoverable metals data from Allen and Belews Creek to represent the pollutant loadings entering the treatment system at Merrimack. While there are likely significant differences between the Merrimack and Allen and Belews Creek FGD wastewater and their treatment systems, UWAG is using EPA's Allen and Belews Creek sampling data for two reasons. First, EPA used Allen and Belews Creek historical data in its calculations for the

Merrimack permit, so for comparison purposes we are using data from the same plants. Second, Merrimack has only recently begun operating its physical/chemical treatment system and has no biological treatment. FGD wastewater characteristics are variable, and Merrimack's FGD wastewater may be very different from the Duke Energy facilities. Since EPA is making a BPJ determination, UWAG urges the Agency to evaluate the new, site-specific FGD wastewater data being collected by Merrimack.

Here are UWAG's calculations of pounds of pollutants removed for Merrimack based on "total" influent, compared to EPA's "settled" influent:

**Estimated Pollutant Reductions for Merrimack in Pounds per Year at 50 gpm Using EPA's Belews Creek and Allen Data**

<b>Technology Option</b>	<b>EPA</b> "Settled" lbs/year	<b>Belews Creek</b> "Total" lbs/year	Allen "Total" lbs/year
<b>Physical/Chemical</b>	16,900	45,100	33,700
<b>Incremental Biological</b>	623,000	2,980	2,060
Phys./Chem. + Biological	639,000	48,100	35,700

For Merrimack, EPA estimates that chemical treatment removes 16,900 pounds a year. But this estimate does not represent the pollutant reductions achieved at Merrimack. Using a total influent, which best represents Merrimack's influent to its treatment system, UWAG calculates 45,100 pounds a year removed based on Belews Creek and 33,700 pounds a year based on Allen, both facilities with the same type of treatment.

Thus EPA's estimate for physical/chemical removal of pollutants at Merrimack greatly underestimates the amount of pollutants removed. In fact, using preliminary data from Merrimack's own physical/chemical treatment system, the pollutant reductions are on the order of 84% or about 81,000 pounds per year (not including boron or magnesium, for the reasons

stated above). Merrimack's average metals reductions are about 99.8% or about 79,450 pounds a year.

Adding biological treatment to Merrimack, EPA estimates, will remove 623,000 additional pounds, whereas UWAG calculates only 2,980 additional pounds based on Belews Creek and 2,060 pounds per year based on Allen.

Thus, at Merrimack, by EPA's calculations the effectiveness of physical/chemical treatment is grossly underestimated. EPA should have considered that Merrimack does not have a settling pond prior to treatment and that the solid-phase pollutants are in fact treated in the existing physical-chemical treatment system. In addition, EPA's calculations indicate that the biological system will remove over 209 times as much pollutants as Belews Creek data indicate. This is simply not the case. The result of the inflated pounds-removed numbers for biological treatment at Merrimack is to lower the cost per pound of treatment.

In past effluent limitations guidelines rulemakings, EPA has calculated "toxic weighted pound-equivalent" or TWPE per year and evaluated "cost-effectiveness" of technologies in terms of dollars per TWPE. For the Merrimack permit, EPA did not provide this information. The table below provides TWPE per year for Merrimack at 50 gpm using the same Belews Creek and Allen data.



# **Estimated Pollutant Reductions for Merrimack in TWPE per Year at 50 gpm Using EPA's Belews Creek and Allen Data**

For physical-chemical treatment, the TWPE per year for Belews Creek and Allen are 8,440 and 3,020, respectively. Adding biological treatment removes 1,520 TWPE per year for Belews Creek and 60 for Allen. Using the preliminary Merrimack metals data, the TWPE per year is only 77.

As noted above, EPA's analysis of "cost" for Merrimack is provided in a memo from Ronald Jordan to Sharon DeMeo of September 13, 2011. A summary of these costs are provided in the following table:

<b>Technology Option</b>	Annualized Costs $(2010 \; \text{S})$	<b>Pollutant</b> <b>Reductions</b> (lbs/yr)	<b>Costs per</b> Pound (5/yr)
<b>Chemical Precipitation</b>	\$889,000	16,900	\$52.60
<b>Chem. Precip./Biological</b>	\$1,654,000	639,000	\$1.23
<b>Chem. Precip./Softening</b> & Evaporation	\$4,162,000	830,000	\$2.58

**EPA's Estimated Costs and Pollutant Reductions for Merrimack**

EPA's cost-per-pound estimate for the incremental pollutants removed by biological treatment at Merrimack is only \$1.23 per pound. Based on UWAG's removals and total annualized costs from EPRI (see the EPRI comments on the Merrimack permit), the cost-perpound removed for biological treatment using Belews Creek data is \$503, which is more than 400 times more expensive than EPA predicts for Merrimack using a cost-per-pound measure.

The UWAG estimate using Allen data is even higher, at \$728 per pound removed. Based on the site-specific preliminary Merrimack data, 99% of the metals in the influent are removed by the Merrimack treatment system. Therefore, the cost-per-pound that would be incurred if Merrimack is required to install a biological treatment system to meet the proposed metals limits is \$8,523 per pound (assuming, ideally, that all metals would be removed).

If we calculate the cost per toxic weighted pound-equivalent (TWPE), we find the cost for physical/chemical treatment, based on Belews Creek data, is \$308 per TWPE, and \$987 for incremental biological treatment. Based on Allen data, the costs per TWPE are \$861 for physical-chemical treatment and \$25,000 for incremental biological. When considering the preliminary metals data from Merrimack, the cost per TWPE for incremental biological treatment is \$19,481. We cannot compare these TWPE costs to EPA's, because EPA did not calculate costs per TWPE. But we can say that, based on our own cost-per-TWPE calculations, the costs for biological treatment are more than, so far as we can tell, EPA has ever required for BAT in other rulemakings.

# **F. In past rulemakings EPA has generally not imposed costs of treatment as high as Region 1 would require for Merrimack**

Thus, UWAG estimates a cost of \$987 per TWPE for incremental biological treatment for Merrimack based on Belews Creek data and \$25,000 per TWPE based on Allen data. The costs for additional biological treatment are greater than EPA has considered acceptable in past rulemakings. Adding additional costs to remove a few more pounds of selenium in *addition* is not justified.

In past ELG rulemakings, EPA has sometimes published tables of the cost of removing pollutants. EPA typically converts pollutants removed to toxic equivalents. The following costs, for example, ranging from about \$2 to \$696 per "pound equivalent" (PE), are from EPA's rulemaking for metal products and machinery in 2000. The highest cost is \$696.



a. Toxic weighting factors for priority pollutants varied across these rule This table reflects the factors used and resulting cost-effectiveness values at the time of regulation. Estimated POTW removals have also changed

c. Proposed rule.<br>
C. Proposed rule.<br>
d. Treatment, workover, and completion fluids.<br>
Source: U.S. EPA analysis.

EPA Office of Water, *Cost-Effectiveness Analysis of Proposed Effluent Limitations Guidelines and Standards for the Metal Products and Machinery Industry* (EPA-821-B-00-007 December 2000) at 13 (for the *proposed* rule).

In addition to the cost-effectiveness numbers in that table (versions of which can be found in at least four EPA documents from the era 1996-2000), EPA precedents on the "cost" of technology-based limits include the following:

# **1. Metal products: \$1000/PE too high, less than \$200/PE typical for BAT; \$420 "quite expensive" and \$455 "very expensive"**

In its *Federal Register* explanation of the final rule for the Metal Products and Machinery Point Source Category in 2003, EPA said that, where a substantial portion of a subcategory is already subject to effluent limitations guidelines that achieve significant removal, it should *not* promulgate BPT limitations because the limitations would achieve additional toxic removals at a cost of \$1,000/PE, which was substantially greater than what EPA had typically imposed for BAT technology in other industries (generally less than \$200/PE). 68 Fed. Reg. 25,686, 25,701 col. 3 (May 13, 2003). For the same reason, EPA decided that the technology under consideration ("Option 2") was not BAT either. *Id.* at 25,702 col. 2.

In the Development Document for the Metal Products category (p. 9-30), EPA said that the cost-effectiveness value for "Option 6" for indirect dischargers in the Oily Wastes Subcategory was in excess of \$3,500. Development Document For the Final Effluent Limitations Guidelines and Standards for the Metal Products and Machinery Point Source Category EPA-821-B-03-001 February 2003).

[http://water.epa.gov/scitech/wastetech/guide/mpm/upload/tddfinal.pdf.](http://water.epa.gov/scitech/wastetech/guide/mpm/upload/tddfinal.pdf) This cost suggested that the technology was not truly "available," and EPA determined that Option 6 was not the best available technology economically achievable and did not establish PSES. EPA also determined that the "incremental" compliance costs of upgrade options were too great in terms of toxic removals because they had cost-effectiveness values in excess of \$833/PE (p. 9-22). EPA determined that toxic pollutant reductions of \$455/PE are "very expensive per pound removed" (*id.* at p. 9-21). Likewise a cost-effectiveness of approximately \$900/PE ruled out Option 2 as best practicable control technology, BCT, or BAT (*id.* at p. 9-20). The costs of Option 2 were disproportionate to the projected toxic pollutants reductions when they were in excess of \$1,925/PE (*id.* at pp. 9-18 to 19). Cost-effectiveness values in excess of \$420/PE were "quite expensive," suggesting that they were not truly "available" (*id.* at p. 9-13).

#### **2. Centralized waste treatment: \$0.40 per pound is "reasonable"**

For the metals subcategory of the centralized waste treatment industry, EPA selected for BPT "option 4" (primary precipitation, liquid-solid separation, secondary precipitation, clarification, and sand filtration). EPA found the cost "reasonable" at \$0.40 per pound. 65 Fed. Reg. 81,242, 81,267 col. 3 (Dec. 22, 2000). Other options were rejected for reasons found at 64 Fed. Reg. 2280, 2306 (Jan. 13, 1999). EPA did not adopt BAT limits, partly because some facilities would not have had space for additional treatment tanks. 65 Fed. Reg. at 81,270 col. 2.

### **3. Landfills: \$14 per pound is "within the historical bounds of BPT"**

For landfills, EPA chose an option for BPT that cost \$14 per pound to remove TSS and BOD, finding this to be "within the historical bounds of BPT cost comparisons." 65 Fed. Reg. 3008, 3028 col. 3 (Jan. 19, 2000). EPA set BAT equivalent to BPT for the non-hazardous landfill subcategory. EPA considered requiring reverse osmosis but concluded that BPT would remove 170,000 pounds of toxic pollutants per year where reverse osmosis would remove 172,000 pounds, with "significantly higher annual compliance costs" than the other options evaluated. 65 Fed. Reg. at 3019 col. 3.

### **4. Transportation equipment cleaning: \$370 and \$492 are acceptable**

For the Transportation Equipment Cleaning category, EPA found a cost-effectiveness ratio of \$370 (in 1981 dollars) for one category and \$492 for another. This was for the regulation that was adopted, so these costs were acceptable to EPA. 65 Fed. Reg. 49,666, 49,690 col. 3 (Aug. 14, 2000).

For some of the options, EPA estimated average cost-effectiveness ratios of \$740 and \$940 and incremental cost-effectiveness of \$370 and \$1,200; the cost-effectiveness of "Option A" was \$3,200. Based on these numbers, EPA was "concerned that the cost effectiveness estimates were high and the toxic removal estimates were low when compared to those calculated for many of the primary manufacturing industries for which EPA had promulgated pretreatment standards." 65 Fed. Reg. at 49,674 col. 2.

For FGD wastewater treatment at Merrimack, adding biological treatment to the existing physical/chemical system is clearly not cost-effective. Based on Belews Creek data, building a biological system increases the cost per TWPE from \$308 to \$987 – three times as much. Based on Allen data, the results are even more lopsided: adding biological treatment raises the cost from \$861 per TWPE to an astronomical \$25,000.

### **G. Region 1 has not done a cost-benefit analysis**

Region 1 has done a "cost-effectiveness" analysis, of sorts (dollars per pound removed), but it has not considered costs compared to the *benefits* of removing pollutants. Instead, EPA relies on a bald assertion that "PSNH has been a profitable company and should be able to afford to install biological treatment equipment if it is determined to be part of the BAT for Merrimack Station." Attachment E at 29.

In some past effluent limitations guidelines rulemakings, EPA has weighed costs against benefits as a means of determining whether a requirement is reasonable. EPA says it is not

required to do such an analysis, and it certainly has not done one for the Merrimack chemical limits.

And yet, as explained below in the comments on closed-cycle cooling, there is a good case to be made that "rational" decisionmaking requires some comparison of costs and benefits. If EPA had done a cost-benefit analysis for biological treatment at Merrimack, UWAG believes it would have shown that costs outweigh benefits so much as to be unreasonable.

## **H. Even Belews Creek and Allen cannot meet the Merrimack FGD limits**

As we believe the comments from Duke Energy will show, even Allen and Belews Creek could not consistently comply with the proposed Merrimack permit limits. If not, then EPA Region 1 has no evidence that any power plant in the country can meet them. And if that is so, then there is no legal or factual basis for requiring the limits.

### **V. Zero Liquid Discharge Technology Is not Justified at Merrimack**

Although the draft permit contemplates that Merrimack will add a physical/chemical and biological treatment system for its FGD wastewater, the New Hampshire state law mandating an operational scrubber system "as soon as possible" required PSNH to make a decision regarding the FGD wastewater treatment prior to issuance of the draft permit. As a result, and in order to comply with state law, PSNH proceeded to install supplemental secondary wastewater treatment, beyond the physical-chemical system, to eliminate any discharge. The type of "zero liquid discharge" (ZLD) system being constructed includes evaporation (brine concentration) and crystallization stages. Installation of this technology will allow PSNH to operate its scrubber system in compliance with state law prior to the conclusion of the NPDES permitting and appeal process, which may be lengthy. However, given that the ZLD technology is largely untested and unproven, requiring a ZLD system at Merrimack cannot be considered BAT.

#### **A. There are very few ZLD installations for FGD wastewater**

To our knowledge, only one United States power plant, Kansas City Power and Light's Iatan facility, is using a ZLD system for FGD wastewater treatment (though Iatan does not include a crystallization stage). Iatan's system is not truly "zero liquid discharge"– the concentrated wastewater that exits the ZLD treatment system is used to condition Iatan's fly ash prior to disposal in a landfill. While other United States facilities, such as the Cayuga power plant, the Centralia Big Hanaford Plant, and Millikin Station, have in the past operated ZLD systems for FGD wastewater, all previous ZLD systems have been abandoned or shut down. The City of Springfield, Illinois, purchased thermal ZLD equipment for its Dallman Generating Station, but it was not installed.

In Italy, there are a handful of so-called ZLD systems used for FGD wastewater. Reportedly, some of the Italian facilities have had considerable operational difficulties with their ZLD systems. Also, it is not clear to what extent the coal characteristics in the raw coal feedstock make a difference in the ability of the Italian facilities to manage their ZLD systems.

In any event, it is clear that experience with FGD ZLD systems using coal produced in the United States is very limited. On this basis alone, it would be unjustifiable to require Merrimack, or any other coal-fired plant, to install such a system.

# **B. There are many operational problems with ZLD systems used for FGD wastewater treatment**

Research on, and experience with, ZLD FGD treatment systems indicate there are many difficulties and operational uncertainties for operators choosing this technology. Much of the uncertainty is due to the high amount of variability in FGD wastewater constituents. A recent paper notes:

> Scrubber effluent chemistry is complex in that a large number of elements are present and the effluent composition constantly varies

with coal and limestone composition. Important process liquid characteristics that affect corrosivity of typical ZLD materials include chloride concentration, pH, dissolved oxygen, and fluoride concentration.

Nebrig, H.A., Teng, Xinjun, and Downs, David, *Preliminary Assessment of a Thermal Zero Liquid Discharge Strategy for Coal-Fired Power Plants,* presented at the International Water

Conference, November 13-17, 2011 (Nebrig *et al.* 2011) (Attachment 3 to these comments).

Because FGD wastewater is so corrosive, engineers evaluating ZLD technology have to either choose exotic (and expensive) metal components or plan for continual replacement of parts and the associated downtime for repairs. Even where the best metals are used, it is likely that corrosion will occur eventually.

Even when the ZLD system is operating without major upsets, the system will require extensive and continual maintenance. As Nebrig *et al.* note:

> Both the brine concentrator and the crystallizer will scale. Calcium sulfate formation on the evaporation tubes in the brine concentrator is the primary scale in the brine concentrator. The formation of the scale reduces heat transfer and results in loss of capacity in the unit. . . . Most vendors recommend cleaning the brine concentrator at least once a year. More frequent cleaning may be necessary, but the down time will reduce the amount of water that can be processed.

In addition to corrosion within the system, it can be extremely difficult to predict whether FGD wastewater can be successfully crystallized through use of a brine crystallizer. Depending on the proportions of various constituents in the FGD wastewater, the crystallization process may or may not be successful. Since FGD wastewater is inherently variable, it is very challenging to ensure that crystallization will be successful. If a ZLD system that includes a crystallizer fails to crystallize a batch of FGD wastewater, then the facility will have a major system failure. The resulting FGD sludge will be difficult to handle, difficult to remove from the system, and a challenge to dispose of.

There are concerns with chemical uncertainties of the FGD ZLD system, such as the final fates of mercury and bromide in the water. Mercury could be evaporated in the concentration and crystallization process under some conditions and then be re-emitted to the ambient air or cycled up if the distillate is reused in the power plant. No current operating ZLD system is monitoring mercury emissions. Bromide exists in the coal or could be added to the coal as a method to enhance mercury removal from the flue gas. It is unclear whether bromide salt would finally crystallize, evaporate into the ambient air, or fall into distillate. To avoid such secondary contamination, more research is needed to understand the chemistry before installing these systems.

Also, ZLD system wastes can be challenging to manage for disposal. For instance, some ZLD treatment system designs produce a hygroscopic salt that is composed mainly of calcium chloride and magnesium chloride hydrate (Nebrig *et al.* 2011). Because these salts are hygroscopic, they tend to melt down in a short time (minutes to hours), and, if they are landfilled, the chlorides and other substances are likely to end up in the landfill leachate and runoff. *Id.* Containing the salt-laden leachate may necessitate special equipment or procedures at the landfill. Even with special equipment or procedures, the ability to stabilize chloride salts in a landfill for the long-term is questionable. We understand that the ZLD wastes generated in Italy have to be transported to Germany for disposal and that there are no proven treatment technologies that can effectively sequester the salts.

Given the many difficulties of ZLD systems, Region 1 should not force this unproven technology onto Merrimack or other coal-fired power plants.

Also, there is no evidence in the record that would support the choice of ZLD as BAT at Merrimack. Any decision that ZLD is BAT at Merrimack would require a new draft permit and

development of record evidence supporting selection of ZLD. While the current record contains some documents referencing discussions of ZLD technology, that is not sufficient to justify a decision to require ZLD for FGD wastewater treatment at Merrimack, and is not even sufficient notice to the public that ZLD is under consideration.

### **VI. Other Issues**

# **A. The permit requirements are not "technically feasible" because space is lacking**

Taken together, Region 1's new requirements mean that PSNH may have to construct several large facilities, such as:

- 1. a cooling tower;
- 2. a biological treatment system in a building of about 4,900 square feet;
- 3. a facility for perhaps a million gallons of "metal cleaning waste" that now will have to be segregated from other wastewater; and
- 4. a settling pond.

UWAG doubts there is room for all this new construction at the site. Region 1 appears not to have considered whether all the construction it is requiring will be physically possible. On this ground alone, the proposed permit requirements may not be "technically and economically feasible."

# **B. The monitor-only requirements have no basis**

The permit contains "monitor only" requirements for nitrogen and a few other pollutants in FGD wastewater. UWAG sees no rational basis for these requirements.

#### **VII. Impingement and Entrainment**

#### **A. Region 1 preempts the outcome of the § 316(b) rulemaking**

EPA is committed to finishing the § 316(b) rulemaking for existing facilities by July 27, 2012, five months from now and only a short time after the Merrimack permit will presumably be issued.

As *proposed*, the rule for existing facilities (like Merrimack) would *not* require closedcycle cooling. Hence, there is reason to believe that, on its present course, Region 1 will issue a "BPJ" permit limit, shortly before a national rule is published, that will be inconsistent with the final rule. In short, Region 1 is rushing to impose a one-time, one-plant requirement on Merrimack before the window of opportunity closes. This thwarts the purpose of having uniform national standards and is unfair as well.

# **B. EPA Headquarters has never chosen closed-cycle cooling as BTA for existing facilities**

In the earlier "Phase II" rule for existing facilities promulgated in 2004, EPA Headquarters considered closed-cycle cooling but did *not* require it as BTA nationwide. 69 Fed. Reg. 41,576 (July 9, 2004). In the proposed version of the § 316(b) rule that is to be finalized by July 27, 2012, EPA again did not propose to require closed-cycle cooling. 76 Fed. Reg. 22,174 (April 20, 2011). A "Notice of Data Availability" with additional information on the proposed rule is due out any day now.

We cannot know what the final § 316(b) national standard will be. But based on precedent, it seems likely that the rule will not require closed-cycle cooling for plants in Merrimack's category.

Fairness demands that Region 1 postpone issuing the Merrimack permit until after July 27 this year so the permit can be made consistent with the national rule.

### **C. Region 1 incorrectly rejected wedgewire screens**

In EPA's original "Phase II" rule for cooling water intake structures, submerged cylindrical wedge-wire screen technology satisfied the requirements for reducing impingement under § 316(b). 40 C.F.R. § 125.99, 69 Fed. Reg. 41,693 col. 2, 40 C.F.R. § 125.94(a)(4), 69 Fed. Reg. 41,685 col. 2.

Region 1 concludes that wedgewire screens will not work at Merrimack. Its reasons are given starting at page 275 of Attachment D of the Fact Sheet. For example, Region 1 believes "sweeping currents in Hooksett Pool are insufficient at critical times" [for sweeping eggs, larvae, and fouling debris past the screens] (Attachment D at 275). Region 1 also thinks the water in Hooksett Pool is too shallow.

These reasons are not well-founded. Wedgewire screens may well be too expensive to qualify as BTA at the Merrimack station. But they cannot be disqualified on the basis of technical feasibility.

Modern wedgewire screens are often designed to achieve an intake velocity of 0.5 ft/sec, which in the past EPA has accepted as BTA. The fouling problem can be solved, in modern screens, by installing an air burst system. Moreover, modern wedgewire screens can be designed for shallower depths than EPA seems to think. One-half the radial diameter of the screens in all directions is all that is required by way of depth.

Expensive as wedgewire screens are, they would be better than closed-cycle cooling. And they would work at Merrimack.

# **D. The proposed operating requirements for screens at Merrimack are impracticable**

The draft permit for Merrimack has operating requirements for the screens that are impractical. The screens must be rotated every eight hours and, if more than 40 fish are on the

screens, they must be rotated continuously. Moreover, the operator must count each dead fish, identify it by species, and measure a certain percentage of the dead of each species.

In practice, this is impossible. These operating requirements should be removed from the permit.

# **VIII. The Benefits of Closed-Cycle Cooling Do Not Justify the Cost**

EPA has not considered the costs of requiring closed-cycle cooling at Merrimack compared to the benefits that would be achieved. We understand that PSNH has commissioned a cost-benefit analysis, however, and the ratio of costs to benefits is 974-to-1. Moreover, this analysis indicates that the ratio of *incremental* costs to benefits of closed-cycle cooling over wedgewire screens is 4,317-to-1. By any standard, such a mandated expenditure must be deemed unreasonable.

Clearly EPA is required to consider "cost." The U.S. Supreme Court recently upheld EPA's authority to compare costs and benefits when setting limits for cooling water intake structures under CWA § 316(b), 33 U.S.C. § 1326(b). *Entergy v. Riverkeeper*, 129 S. Ct. 1498, 556 U.S. 208 (2009) (*Riverkeeper II)*.EPA is likewise obligated to consider cost when setting BAT guidelines, and Merrimack Attachment D page vi says that § 316(b) standards are "technology-based" in much the same way as BAT is technology-based.

In the Court of Appeals decision in *Entergy*, which the Supreme Court overturned, the Second Circuit decided that Congress intended to prohibit any comparison of costs and benefits under either § 316(b) or § 301. *Riverkeeper II* at 1507. The court reached that conclusion by drawing an analogy between § 316(b) and the BAT ELG provisions of § 301, both of which use the term "available." Based on its analysis of the language of § 301, its legislative history, and the case law, the lower court concluded that, while Congress required EPA to conduct a limited

cost-benefit analysis for BPT, it intended to prohibit any comparison of costs and benefits in setting BAT limits and, by analogy, § 316(b) limits.

The Supreme Court, in rejecting the Second Circuit's conclusion on cost-benefit analysis under § 316(b), did not reach the question of what § 301 requires or allows. But both the majority decision, written by Justice Scalia, and the partial concurrence, written by Justice Breyer, recognized cost-benefit analysis as a feature of rational decision making.<sup>[15](#page-68-0)</sup> The majority opinion noted in passing that it was "not obvious" that the lower court was correct that BAT cannot use cost-benefit analysis. *Riverkeeper II* at 1507.

Importantly, both justices writing for the majority believed that some consideration of costs and benefits is a part of "rational" or "reasonable" decisionmaking, or at least that imposing enormous costs with very small benefits would be "unreasonable" and "irrational." Similarly, a group of economists, including Nobel laureates, filed an *amicus* brief opining that "as a general principle, regulators cannot make rational decisions unless they are allowed to compare costs and benefits and to use the results, along with other factors as appropriate, to choose among

Justice Breyer added that a total prohibition on cost-benefit comparisons would be "difficult to enforce," for "every real choice requires a decisionmaker to weigh advantages against disadvantages, and disadvantages can be seen in terms of (often quantifiable) costs." 129 S. Ct. at 1513. Allowing EPA to weigh costs and benefits would "prevent results that are absurd or unreasonable in light of extreme disparities between costs and benefits." *Id*. at 1515.

Moreover, according to Justice Breyer, an absolute prohibition on cost-benefit analysis would bring about "irrational" results, because "it would make no sense to require plants to 'spend billions to save one more fish or [plankter].'" *Id.* at 1513. This is "particularly so in an age of limited resources available to deal with grave environmental problems, where too much wasteful expenditure devoted to one problem may well mean considerably fewer resources available to deal effectively with other (perhaps more serious) problems." *Id.*

<span id="page-68-0"></span><sup>&</sup>lt;sup>15</sup> Justice Scalia said that "whether it is 'reasonable' to bear a particular cost may well depend on the resulting benefits…." 129 S. Ct. at 1510. Justice Breyer relied on a statement by Senator Muskie that, in setting BAT standards for pollutant discharges, EPA is bound by a "test of reasonableness." *Id*. at 1514-15. A decision imposing "massive costs far in excess of any benefit," according to Justice Breyer, would conflict with this test of reasonableness. *Id*. at 1514.

alternatives" (page 5). We attach that amicus brief to these comments (Attachment 4). To be sure, in the *Riverkeeper II* case, other economists weighed in *against* cost-benefit analysis. But it is hard to deny what Justice Breyer wrote, which is that every real choice requires weighing advantages and disadvantages, and disadvantages can be seen in terms of costs.

In the § 316(b) rulemaking now in progress, EPA has proposed a rule the costs of which would be less than 22.2 times the benefits ("less than" because, in EPA's view, all the "benefits" have not been monetized). EPA Regulatory Agenda, Fall 2011, RIN 2040-AE95. <http://www.reginfo.gov/public/do/eAgendaViewRule?pubId=201110&RIN=2040-AE95>. In the original Phase II rule (remanded because of the decisions in *Entergy*), EPA found the rule justified with costs less than 4.69 times benefits. 69 Fed. Reg. at 41,666 col. 3 (costs of \$389.2 million annualized and "use" benefits of \$82.9 million). EPA rejected closed-cycle cooling based in part on its "generally high costs," estimated at over \$3.5 billion per year. 69 Fed. Reg. at 41,605 col. 1-2.

These costs were an estimate of the costs for existing plants as a group. EPA's cost estimates could not account for the site-specific costs of redesigning condensers and rerouting piping buried under concrete. Likewise, Region 1 did not consider such costs when it decided to require Merrimack to retrofit cooling towers. Some idea of the site-specific costs of retrofitting can be had from the attached analysis by Stone & Webster (Attachment 5), which UWAG submitted to EPA as part of UWAG's comments in the § 316(b) rulemaking.

The Supreme Court in *Entergy* cited with approval EPA's more than 30 years' practice of finding costs "unreasonable" if they were "wholly disproportionate" to the benefits. In the Phase II rule that was remanded, EPA allowed site-specific requirements to be set if the costs were

"substantially greater than" the benefits. 69 Fed. Reg. at 41,686 col. 1. The Supreme Court found this test, too, acceptable.

How big would costs have to be to be "wholly disproportionate" to benefits? This can be inferred from a handful of court decisions, not all of them in environmental law. In *Ohio v. U.S. Department of the Interior*, 880 F.2d 432, 444 (D.C. Cir. 1989), *reh. denied en banc*, 897 F.2d 1151 (1989), the D.C. Circuit suggested in *dictum* that "grossly disproportionate" might mean, for example, that damages were three times the amount of use value, that is, a ratio of 3:1. In *Gen. Ry. Signal Co. v. Wash. Metro. Area Transit Auth.*, 875 F.2d 320, 326 (D.C. Cir. 1989), *cert. denied*, 494 U.S. 1056 (1990), the court concluded that line item figures of \$1.3 million were "grossly disproportionate" to estimates of actual costs ranging from \$566,000 to \$650,000, a ratio of 2.3-to-1 or less. The court also said that a 161.5% markup to cover profits and indirect costs was "wholly disproportionate" to the relatively modest indirect costs and the 9.73% profit figure contained in an estimate of the costs of the work that included these elements.

UWAG is aware of speculation (and even an EPA Region 4 document saying) that costs might have to go as high as 10 times benefits to be "wholly disproportionate." But from the above-cited precedents, it appears that a better guide is that a cost is "wholly disproportionate" if it is 2 or 3 times benefits. That is certainly consistent with plain English; most people asked to pay twice what a house or car was worth would agree that the price was disproportionate.

By any standard, the Merrimack costs that would be 974 times the benefits are disproportionate and unreasonable. And an agency decision that imposes \$974 of costs on a power company and its rate payers (that is, the public) in return for \$1 in benefits is not "rational."

# **IX. Thermal BAT and the § 316(a) Variance**

When it comes to thermal limits for Merrimack, Region 1 concludes that the permittee has not demonstrated that a "balanced indigenous population" is protected. Rather, the Region finds that the Merrimack Station's thermal discharge has caused or contributed to appreciable harm, in particular:

- the Hooksett Pool fish community has shifted from a mix of warm and coolwater species to a community now dominated by thermally-tolerant species,
- the abundance for all species combined that comprised the BIP in the 1960's has declined by 94 percent, and
- the abundance of some thermally-sensitive resident species, such as yellow perch, has significantly declined.

Fact Sheet, Attachment D at viii.

Without a § 316(a) variance, the Station must meet a BAT standard determined by "best professional judgment." Region 1 concludes that cooling towers are BAT for this station, because they reduce thermal discharges by 95% or more and because they are "economically feasible." Attachment D at ix. But this decision is incorrect.

### **A. Region 1's decision is not based on the whole record**

It appears to UWAG that EPA has erred fundamentally by selecting a few isolated data out of the extensive Merrimack record instead of assessing the record as a whole. The permittee's consultants have done a comprehensive analysis. Based on their work, it appears that, compared either to the fish population in the receiving water (Hooksett Pool) from the 1970s until today or to a pool that is two miles upstream and unaffected by the thermal plume (Garvins Pool), the data show no trend indicating that the thermal discharge is harming the aquatic community.
A "balanced, indigenous community" is defined, according to 40 C.F.R. § 125.71(c), by diversity, the capacity to sustain itself through cyclic seasonal changes, necessary food chain species, and lack of domination by pollution tolerant species. The permittee's consultants have reviewed 40 years of biological monitoring and done a painstaking analysis of each of these four factors. Judged by the number of fish species, diversity in the Hooksett Pool has increased since 1972, and the taxa richness in Hooksett Pool is similar to Garvins Pool.

If the thermal plume were preventing a "balanced indigenous community" in Hooksett Pool, a rational observer would expect a trend toward more warmwater species and fewer coldwater species. In fact, according to the permittee, for coldwater species from 1972 to 2011, there was no significant trend for two coldwater species (fallfish and white sucker), an increase in black crappie, and a decrease in chain pickerel and yellow perch. For warmwater species, seven of ten showed no significant trend and three (brown bullhead, pumpkinseed, and redbreast sunfish) decreased. Also, the abundance of yellow perch was greater in Hooksett Pool than in Garvins Pool, upstream of the thermal discharge. And the mortality levels of yellow perch and pumpkinseed are lower than or equal to those in the next-door Garvins Pool.

Ecosystems are dynamic, and "changes occur continually due to natural processes and stresses." *In re Pub. Serv. Co. of Ind., Inc*. (Wabash River Generating Station, Cayuga Generating Station), 1 E.A.D. 590, 601 (Adm'r 1979). Characteristics of habitat other than temperature help explain differences. For example, of coolwater species, only the abundance of yellow perch and chain pickerel is consistently higher in Garvins Pool than in Hooksett Pool, and Garvins Pool contains more of the aquatic vegetated habitat preferred by both species. As for changes over time, Hooksett Pool in 1965 was impaired by raw sewage and phosphate discharges, which increase vegetation; increased weed beds provide cover and food for some

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littoral zone fish species like pumpkinseed. It is just not meaningful to select a few data showing decreases in *some* fish and conclude that there is no "balanced indigenous community." Mere change does not demonstrate a decline,<sup>[16](#page-73-0)</sup> let alone elimination of a "balanced indigenous" community," let alone a change caused by a thermal discharge.

#### **B. Region 1 insists that Merrimack achieve a balanced indigenous population (BIP) characteristic of 1967, when the river was more polluted than it is today**

Part of EPA's error is in choosing the 1967 condition of the Hooksett Pool as the standard by which to judge today's aquatic community. In 1967 the Hooksett Pool was impaired because of uncontrolled releases of raw sewage and other phosphates.<sup>[17](#page-73-1)</sup> Nutrients like these increase vegetation (weed beds) that provide cover and food for some littoral zone fish species like pumpkinseed. Apparently 37% of the fish species caught in Hooksett Pool in 1967-69 were pollutant-tolerant species. Hence, the community in 1967 was not "balanced," not a "balanced indigenous community," and not an appropriate standard for what a BIC should be. EPA's error is in taking the earliest data from the Hooksett Pool, simply because it is the earliest, and then attributing changes since then to the Merrimack thermal discharge. This is not sound scientific reasoning.

<span id="page-73-0"></span> <sup>16</sup> Similarly, a court overruled EPA when it sought to identify not just a *harmful* effect on downstream workers but any change in nutrients at all. *See Florida Wildlife Federation, Inc. v. Jackson*, slip op. at 70. Con. Case No. 4:08cv324-RH/WCS (N.D. Fla. Feb. 18, 2012).

<span id="page-73-1"></span> $17$  A 1995 EPA report noted "[t]he Merrimack River was once considered one of the nation's dirtiest waterways. Contamination from raw sewage and untreated industrial waste rendered the river unusable for fishing, drinking or recreation. In the past 20 years many of the most obvious pollution sources have been addressed. The Merrimack can now be used for fishing and boating, and much of the river is used, after treatment, for drinking water." *The Merrimack Project, A Cooperative Effort of The United States Environmental Protection Agency, The Commonwealth of Massachusetts, The State of New Hampshire* (May 1995), p. 4.

#### **X. FGD Wastewater Sampling is Overly Burdensome and Unnecessary**

The Merrimack draft permit would require internal monitoring of the FGD wastewater prior to its entering the slag settling pond. At the monitoring point, the permittee would be required to collect 24-hour composite samples once per week for 16 metals and conventionals for the life of the permit. Draft Permit, pp. 6-7. Once per week for the five-year term of the permit means that Merrimack would need to collect, analyze and report on 260 samples for 16 different parameters. This is unduly burdensome.

Instead, it would be sufficient to sample once per month. This would reduce the number of samples from 260 to 60 samples during the permit term. Since the physical/chemical treatment unit is already operational, the permittee already is gaining experience with this technology. Monthly samples after installation of the biological treatment unit will provide sufficient insurance to EPA that the system is functioning as it should.

Because of the proposed limits, PSNH will have to use clean methods for the collection and analysis of composite samples for metals analysis. Unless the sample bottles and sampling equipment are pre-cleaned and the laboratory uses clean methods, there is a potential for sample contamination by copper, nickel, and zinc. In addition, low-level mercury analysis requires clean sampling and analysis, as well as extensive quality control requirements. Clean method sampling requires, at a minimum, two people to collect the samples. If grab samples are collected every six hours to obtain a 24-hour composite sample, this will involve more time and labor. Clean sampling is very expensive, particularly as to labor costs.

#### **XI. FGD Wastewater Limits are Not Justified for Parameters that Are Not Likely to Cause Toxic Effects**

EPA proposes FGD wastewater limits for cadmium, chromium, copper, lead, manganese, and zinc, in addition to arsenic, mercury, and selenium. As EPA explains in the preamble to the

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revised steam electric guidelines it proposed in 1980, a 1979 settlement agreement with the National Resources Defense Council (NRDC), which Congress ratified in part via the 1987 Clean Water Act amendments, confirms that EPA is not obligated to establish a guideline for every waste in every situation. 45 Fed. Reg. 67,631, 68,329, citing *NRDC v. Train*, 8 ERC 2120 (D.D.C. 1976), modified at 12 ERC 1833 (D.D.C. 1979). Guidelines are not necessary when, *inter alia*, the regulator has determined "the pollutant is present only in trace amounts and is neither causing nor likely to cause toxic effects." NRDC Settlement Agreement, paragraph 8(a)(3). *See also* EPA 2006 Effluent Guidelines Plan ("Even when toxic and non-conventional pollutants might be present in an industrial category's discharge, section 304(m)(1)(B) does not apply when those discharges occur in trivial amounts. EPA does not believe that it is necessary, nor was it Congressional intent, to develop national effluent guidelines for categories of sources that discharge trivial amounts of toxic or non-conventional pollutants and therefore pose an insignificant hazard to human health or the environment" (citing Senate Report Number 50, 99<sup>th</sup> Congress, 1<sup>st</sup> Session (1985), 71 Fed. Reg. 76,644, 76,665 (Dec. 15, 2006).

For the cadmium, chromium, lead, manganese, and zinc anticipated to be within the FGD wastewater, the New Hampshire Department of Environmental Services found "no reasonable potential" to exceed water quality standards.<sup>[18](#page-75-0)</sup> Given this finding, there is no reason to include limits for these pollutants at Outfall 0003C.

<span id="page-75-0"></span><sup>&</sup>lt;sup>18</sup> The Fact Sheet states: "As the basis of its water quality-based limits, the NHDES conducted an antidegradation review, to ensure adequate protection of the river's water quality even after the addition of the new FGD WWTS effluent discharges…. This analysis assessed the potential effect on the river's water quality from the various pollutants expected to be in the FGD WWTS effluent." Fact Sheet, pp. 34-35.

#### **XII. Conclusion**

UWAG believes that the proposed Merrimack permit limits, both the FGD limits and the requirement for closed-cycle cooling, are not supported by the record. We ask EPA Region 1 to reconsider the requirement of closed-cycle cooling, reconsider the requirement of biological treatment for FGD wastewater, and reconsider the unfounded requirement to segregate nonchemical cleaning wastes.

#### Attachments:

- 1. Allen, Jonathan O., Eggert, Derek, and Tyree, Corey A. *Effect of FGD Chemistry on Wastewater Composition*, presented at Air Quality VIII Conference, Arlington VA, October 25, 2011
- 2. UWAG calculations of costs per TWPE
- 3. Nebrig *et al.*, *Preliminary Assessment of a Thermal Zero Liquid Discharge Strategy for Coal-Fired Power Plants* (2011)
- 4. Brief of Amici Curiae The AEI Center for Regulatory and Market Studies and 33 Individual Economists in Support of Petitioners, *Entergy Corp. v. Riverkeeper Inc.*, Nos. 07-588 *et al.* (July 21, 2008)
- 5. Shaw Stone & Webster, Inc., Engineering Cost Estimate for Retrofitting Closed-Cycle Cooling Systems at Existing Facilities (2002)

### Attachment 1

# Effect of FGD Chemistry on Wastewater Composition

Jonathan O. Allen<sup>1</sup>, Derek Eggert<sup>2</sup>, and Corey A. Tyree<sup>3</sup>

•  $1$ Allen Analytics LLC and <sup>2</sup>Southern Research Institute and <sup>3</sup>Southern Company

### ABSTRACT

- One co-benefit of wet FGDs is their ability to capture a significant portion of mercury, selenium, and other hazardous air pollutants (HAPs). Wet FGD is <sup>a</sup> process which transfers gas phase constituents (e.g. chloride, mercury, selenium) into <sup>a</sup> scrubbing water, and concentrates these constituents due to evaporative losses and recycling. The US EPA is currently establishing guidelines for FGD wastewater effluents (Steam Effluent Guidelines) which will likely include discharge limits for the following elements: As, Be, Cd, Cr, Co, Pb, Hg, Ni, B, Cu, Zn, and Se. Wet FGD wastewater composition is highly variable. Variability (e.g. within and among FGDs) in the concentrations of key elements (e.g., Hg and Se) is, in part, due to liquid‐solid partitioning. In order to better understand the causes of partitioning of trace metals, we conducted an extensive 6‐ month long field sampling campaign that covered 15 FGD systems and ~12 GW of electrical generating capacity.
- Partitioning of trace metals in the FGD system caused order of magnitude changes in the dissolved concentrations of key elements. Dissolved Hg and Se concentrations varied widely in the ranges 0 – 100 ppb and 80 – 15,000 ppb, respectively. Changes in concentration were coincident with changes to the overall oxidation state of the FGD system, as indicated by the oxidation‐reduction potential (ORP). In turn, ORP correlates with known changes in traditional indicators of the oxidation state of FGD systems (e.g. S<sub>2</sub>O<sub>8</sub>, SO<sub>3</sub><sup>2-</sup>). The more highly oxidizing the system, the greater the dissolved phase concentrations of Hg and Se. This relationship between the oxidation state of the reactor and wastewater composition was observed at all 15 systems. Because sulfur oxidation chemistry varies even for the same operating conditions, the performance requirements of downstream treatment systems will also vary. For example, if we assume <sup>a</sup> limit of 10 ppb of selenium, <sup>a</sup> biological system would have to remove 99.9% and 80% of selenate during periods of high and low oxidation, respectively.

## **OBJECTIVES**

Long‐term operating experiences across the power industry have shown that FGD chemistry affects gypsum crystal growth, corrosion, SO2 removal, and mercury sequestration (see Figure 1). More recently, FGD chemistry has been shown to affect wastewater composition [Blythe et al., 2010]. The objective this work was to characterize the composition of FGD slurry and its variability. Samples were collected directly from the reactor, preserved, and analyzed for trace metals, major ions, S-N compounds, sulfite,  $S_2O_8$ , and ORP.



**Figure 1:** In addition to wastewater, FGD chemistry affects gypsum crystallization, corrosion,  $SO<sub>2</sub>$  removal, and mercury sequestration.

## SELENIUM RESULTS



**Figure 2:** Total Se concentrations at different coal-fired units.



Dissolved Se concentrations at different coal-fired units



Dissolved selenate concentrations at different coal-fired units



Dissolved selenite concentrations at different coal-fired units



**Figure 3: F**raction of dissolved Se at different coal-fired units.



**Figure 4:** Fraction of selenate at different coal-fired units.

## MERCURY RESULTS

Box-and-whisker plots show (from top-to-bottom) the maximum (top of black line), upper quartile (top of blue box), median (red line), lower quartile (bottom of blue box), and minimum (bottom of black line).



**Figure 5:** Dissolved Hg concentrations at different coal-fired units.



**Figure 6:** Total Hg concentrations at different coal-fired units.



**Figure 7:** Fraction of dissolved mercury at different coal-fired units.

## EFFECT OF FGD OXIDATION STATE



**Figure 8:** Dissolved selenate and mercury concentrations as a function of oxidationreduction-potential at 15 coal-fired units. This figure shows that the correlation between the oxidation state of the FGD and wastewater composition is observed across the system, which includes a wide range of fuels, limestones, makeup water sources, and two different FGD technologies.



**Figure 9:** Selenium concentrations in FGD reactors before and after a change in oxidation state as indicated by the change in concentration of a strong oxidant,  $S_2O_8$ . In this case, the change occurred even though FGD operating setpoints (pH, liquid-to-gas ratio, oxidation air) were fixed. Since sister units at this same site did not experience the same change in chemistry, we suspect that changes in flue gas composition were responsible.

## DISCUSSION



**Figure 10:** Theorized Se gas-liquid-solid chemistry in wFGD systems operating at low oxidation conditions.



**Figure 10:** Theorized Se gas-liquid-solid chemistry in wFGD systems operating at high oxidation conditions.

## **CONCLUSIONS**

- The oxidation state of FGD reactors varies even for the same operating set points. Thus, the oxidation is not actively controlled at any site; ORP varies in the range 30‐1,000 mV at Southern Company sites.
- As a result, the concentration of key wastewater pollutants varies by orders of magnitude.
- Partitioning from solid-to-liquid explains large spikes in Hg and Se in the dissolved phase. Partitioning to the liquid appears to correlate with changes in concentration of  $S_2O_8$ , which is a well known indicator of the

oxidation state of FGD reactors.

### REFERENCES, ACKNOWLEDGEMENTS, AND CONTACT

- [1] Blythe, G., Richardson, M., Chu, P., Dene, C., Wallschlager D., Searcy, K., and Fisher, K. Selenium Speciation and Partitioning in Wet FGD Systems. International Water Conference, San Antonio, Texas. October 24‐28, 2010.
- This project is partially funded by EPRI.
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### Attachment 2

#### **Plant Merrimack Flow 50**EPA Results of 4-day sampling event at Belews Creek (June 7-11, 2010) - Sampling Episode 6558

**gpm Merrimack Flow Rate**

**Duration 24hours Assume 24 hours/day and 365 days/year operation.**

**Frequency 365 days/yr**

#### **Table 1: Average Concentrations (ppb)**







#### **Table 3: Removals in TWPE Based on Total Recoverable Influent**



Table 1 ‐ Average metal concentrations for SP‐1, SP‐2, and SP‐3 during the 4‐day sampling event.

Total Less B

Total Less

Total Less

Metal concentrations are 4‐day averages based on EPA results. FDUP and original averaged for that day's value Results reported as NQ (<RL) ‐ J flagged result was used.

Results reported as ND (<RL) ‐ 1/2 of MDL was used.

Table 2 ‐ Pollutant removals calculated based on Total Recoverable Influent.

Table 3 ‐ TWPE Pollutant Removals based on Total Recoverable Influent

Assume no increase in Ammonia or Nitrate/Nitrite across Chemical Treatment System

#### **Plant Merrimack Flow 50**EPA Results of 4-day sampling event at Allen Steam Station (August 2-6, 2010) - EPA Sampling Episode 6561

**gpm Merrimack Flow Rate**

**Duration 24hours Assume 24 hours/day and 365 days/year operation.**

**Frequency 365 days/yr**

**Table 2: Removals in lbs/Year Based**







**Table 3: Removals in TWPE Based on Total**

Table 1 ‐ Average metal concentrations for SP‐1, SP‐2, and SP‐3 during the 4‐day sampling event.

Total Less B

Total Less

Total Less

Metal concentrations are 4‐day averages based on EPA results. FDUP and original averaged for that day's value.

Results reported as NQ (<RL) ‐ J flagged result was used.

Results reported as ND (<RL) ‐ 1/2 of MDL was used.

Table 2 ‐ Pollutant removals calculated based on Total Recoverable Influent.

Table 3 ‐ TWPE Pollutant Removals based on Total Recoverable Influent

### Attachment 3

### **Preliminary Assessment of a Thermal Zero Liquid Discharge Strategy for Coal-Fired Power Plants**

**H.A. NEBRIG XINJUN (JASON) TENG DAVID DOWNS Southern Company Services** 

Key Words: Flue gas desulphurization (FGD), wastewater, thermal zero liquid discharge (ZLD), brine concentrator, crystallizer, coal-fired power plants

#### **ABSTRACT**

The authors performed a preliminary analysis of the possible advantages and disadvantages of developing a thermal zero liquid discharge (ZLD) system for use in treating flue gas desulphurization (FGD) wastewater from coal-fired power plants. Research included a general survey of existing application of the technology to FGD wastewater, discussions with vendors, and basic engineering calculations based on a model case. The authors conclude that, because of the many factors that can affect wastewater composition, each facility must make an individual assessment of the feasibility and risk associated with ZLD technology. They also conclude that further research and development is necessary before ZLD technology can be applied to FGD wastewater.

FGD systems have been widely used to remove sulfur dioxide and other pollutants from the flue gas generated by coal-fired power plants. As a result, some of the pollutants that were emitted from the stack are collected in the FGD blowdown. Mercury, selenium, arsenic, boron, nutrients, and organics are the main pollutants of concern in FGD wastewater. In some states, selenium, mercury, total dissolved solids (TDS), or nitrates have already been regulated, and other pollutants are being investigated for regulation.

Currently, the United States Environmental Protection Agency (EPA) is collecting data on FGD wastewater in the utility industry. The EPA is evaluating current FGD wastewater treatment technologies at eight coal-fired power plants belonging to multiple utilities as part of its development of new steam electric effluent guidelines by early 2014. The new effluent guidelines will set more stringent wastewater limitations for FGD wastewater.

The technologies that the EPA is evaluating include settling ponds, physical/chemical treatment, biological treatment, constructed wetlands, and thermal ZLD. In a recent guidance document, the EPA concluded the settling ponds are unlikely to be best available technology (BAT) for FGD wastewater because more effective treatment technologies have been demonstrated. It has further concluded that physical/chemical treatment is not effective at removing selenium, nitrogen compounds, and certain elements (such as calcium, magnesium, and sodium). Additionally, EPA finds (1) physical/chemical treatment followed by biological treatment substantially reduces nitrogen and/or selenium, but not the TDS, boron, sodium, and magnesium, and does not remove mercury to singledigit part per trillion (ppt) levels; (2) constructed wetland treatment is able to remove selenium and mercury, but does not perform better than other biological treatment systems. These conclusions and findings are based on a limited data set and all aspects of the EPA's conclusions/findings need further research.

Other technologies that have been applied to FGD wastewater treatment, such as deep well injection and solar ponds, have not been the focus of the EPA's evaluations.

A thermal ZLD system is a candidate technology for FGD wastewater treatment. A ZLD system usually includes one or more brine concentrator(s) with/without crystallizer(s). Some ZLD systems also include a spray dryer and a bag house to achieve ZLD. In theory, a thermal ZLD system can transform almost all the pollutants from

the liquid phase into a solid phase. Thermal ZLD systems for FGD wastewater treatment are not common in the U.S.; only a few designs have been applied to coal-fired power plants since the 1970s.

Thermal ZLD processes for FGD wastewater treatment in coal-fired power plants are currently installed at nine coal-fired power plants: One in the U.S., six in Italy, one in China, and one in Japan.

In the 1990s, the first U.S. ZLD for FGD wastewater was demonstrated at Miliken Station, NY. The demonstration experienced many problems and the system was abandoned. In Centralia, Washington, at the Big Hanaford Plant, a brine concentrator for FGD wastewater was installed and operated for about three months before it was abandoned. The latest ZLD installation for FGD wastewater treatment is at Iatan Generating Station, which is owned and operated by Kansas City Power and Light. The current operational situation at Iatan is unclear.

Of all six thermal ZLDs in Italy, four have been successfully demonstrated to treat FGD wastewater in coal-fired power plants since 2008. The other two plants have installed ZLD technology but are not running the ZLD systems because the site does not require it.

The thermal ZLD in China's coal-fired power plant has been in operation to treat FGD wastewater since 2009. This ZLD system is unique because it does not include a brine concentrator, but applies a 4-stage crystallizer.

Japan's coal-fired power plant started to operate a thermal ZLD in 2002. No crystallizer is applied in this system.

#### **WHAT IS A BRINE CONCENTRATOR?**

The brine concentrator is the primary water evaporator in the process. It typically is a seeded slurry falling film system in which the wastewater slurry is recirculated from a sump in the bottom of the brine concentrator vessel to the top of the vessel. The waste slurry falls through heating tubes where a portion of the wastewater is evaporated and the remainder returned back to the sump. The evaporated vapor is piped to a vapor compressor or turbo fan where the vapor is compressed, adding heat to the process. The heated vapor is used to heat the brine concentrator tubes to drive the evaporation process. After exchanging its heat, the vapor condenses and is collected and pumped to a collection tank for disposal or reuse at the power plant.

In our case, we assume a plant will burn Illinois basin coal. We evaluated a ZLD system that is capable of treating 410 gpm FGD wastewater with 40,000 ppm chloride in the water. The 40,000 ppm of chloride was the maximum chloride concentration in the scrubber because of materials of construction and operating concerns.

Based on tests with an equipment supplier, we calculated that for our study application, the brine concentrator will reduce our wastewater flow by approximately four times and the TDS in the concentrated brine will be approximately four times that of the inlet water. Figure 1 is a typical flow diagram for a brine concentrator and figure 2 is a typical picture of brine concentrator.



Figure 1. Brine Concentrator Flow Diagram. Courtesy Veolia/HPD



Figure 2. Brine Concentrator. Courtesy Veolia/HPD

#### **WHAT DOES A CRYSTALLIZER DO?**

It is our understanding that the crystallizer is the largest user of energy in the ZLD process because it must evaporate the brine concentrate from such a concentrated solution to produce a slurry that can be dewatered. Concentrated brine is pumped from the brine concentrator to the crystallizer. The brine slurry is recirculated from the crystallizer vessel to a heat exchanger and back to the crystallizer body where salt crystal formation will take place. Depending on the type of model chosen, the heat exchanger can be a horizontal or a vertical design. Crystallizer materials of construction can range from rubber-coated carbon steel to titanium. Crystallizer designs can include multiple effects, depending on the economics of the project. For our model case, multiple effect crystallizers were evaluated to conserve energy. Figure 3 is a typical crystallizer flow diagram and figure 4 is a typical picture of a crystallizer. Figure 5 is a flow diagram of a two-effect crystallizer and figure 6 is a typical diagram of a brine concentrator and a crystallizer in series.



Figure 3. Crystallizer Flow Diagram. Courtesy Veolia/HPD



Figure 4. Crystallizer. Courtesy GE



Figure 5. Diagram of Two-Effect Crystallizer. Courtesy IGEA



Figure 6. Brine Concentrator and Single Effect Crystallizer. Courtesy GE

#### **WHY ARE WE EVALUATING ZLD SYSTEMS FOR OUR FGDS?**

 ZLD systems should be evaluated for our FGD wastewater treatment for several reasons. First, it could be an effective, long-term FGD wastewater treatment system at some sites. Second, if it is effective, it will reduce water usage by recycling the condensate. Third, if it is effective, it would allow removal of all pollutants and eliminate any wastewater discharge concerns, such as the treatability of boron and TDS. Fourth, we are concerned with the economics of ZLD installation.

We compared the costs of a physical/chemical/biological process to the thermal ZLD process. For the biological treatment system, chloride concentrations in the scrubber must be maintained at less than 25,000 ppm. The graph in figure 7 illustrates the estimated 20-year net present value (NPV) costs from a physical/chemical/biological treatment process.

These system costs are preliminary values. The process would allow for redundancy if one portion of the process needed to be taken out of service. The estimate has accuracy limits for our application of -5 to +10 percent. We emphasize that each site may need redundant equipment and have site-specific needs that may greatly affect the estimate.



Figure 7. 20-Year NPV of P/Chem/ Biological Treatment Scheme.

After considering the costs and potential additional treatment for low-level mercury, boron, and other contaminants, we decided to evaluate the thermal ZLD process. Unlike the biological process, the ZLD feedwater chloride concentration is only limited by the operation of the scrubber, and therefore can reach up to 50,000 ppm. We can effectively recycle the distillate captured with the ZLD process, which is about 80 percent of the FGD blowdown flow, thus reducing the amount of water withdrawn by the plant.

#### **WHAT ARE THE KEY FACTORS FOR A ZLD DESIGN?**

The FGD wastewater flow rate is a key parameter in determining the ZLD footprint and heat/energy usage. The design flow rate is directly related to the chloride concentration required for the scrubber, plus any margin needed for equipment fouling, system operation, and recovery from system down times. The lower the flow rates, the lower the capital and operating costs will be. At lower flow rates, the equalization tank and pretreatment system are smaller as well.

Unlike cooling tower blowdown, FGD wastewater is chemically complex. Prior to design, the vendor should measure or estimate the concentrations of the following elements: calcium, magnesium, sodium, potassium, chloride, sulfate, nitrate, carbonate, bicarbonate, carbon dioxide,

fluoride, boron, pH, TDS, TSS (Total suspended solids), bromine, and iodine.

Also, the operator should consider any possible changes to coal supplies. The thermal ZLD designer should consider how future coal changes may affect the FGD wastewater characteristics. Predicting the constituents in FGD blowdown for a future coal is difficult. A mass balance approach may be able to predict some constituents; however, others might not be accurately predicted because of their complex chemistry. It may be helpful to work with a consultant who has experience in estimating the most important constituents.

#### **WHAT ARE THE THERMAL ZLD OPTIONS?**

#### **1. BRINE CONCENTRATOR WITH ASH**

**CONDITIONING.** If sufficient ash is available, FGD wastewater can be concentrated in a brine concentrator and the concentrated brine mixed with ash to produce a moist solid for landfilling. This option does not need a softening process nor a crystallization process, which simplifies the thermal concentration and salt dewatering process. The brine does not go away but is held in the ash to make land filling possible.

With this option there are several issues to consider.

- Should the brine be pumped to the ash or the ash be brought to the brine?
- Should the brine be stored in a tank? In our model case, ash mixing applications would occur 5 days a week only. Wastewater treatment would be a 24/7 operation. As a result, we would have to be able to store the brine in a tank.
- How to prevent brine from solidifying in the storage tank or in the pipeline?
- What affect will the brine have on the pug mill (carbon steel) used to mix the brine and ash?
- How much brine can be mixed with the ash?
- Are there leaching issues with the ash/brine mixture?
- How will you treat the leachate from the mixture?

A third-party bench test has been performed to answer some of these questions. FGD wastewater from a coal-fired power plant was collected and evaporated in a brine concentrator. After the thermal treatment, the brine had a concentration of 150,000 ppm chlorine and 215 ppm selenium. The compaction test showed that for this brine, the conditioned fly ash had a maximum dry unit weight at 18.3 percent moisture content. A TCLP (toxicity characteristic leaching potential) test

further showed that selenium in the leachate (2.0 mg/L) exceeds the EPA's standard (1.0 mg/L), which means a potential environmental impact. Another permeability test indicated that chloride is rapidly dissolved in significant concentrations in the permeant and will be collected in the leachate collection system. Sulfate is readily dissolved in the permeant as well. Therefore, the leachate collection system needs to be carefully designed considering these constituents. More research is needed to evaluate brine concentrations and leachate collection and handling.

We concluded that using a brine concentrator with ash conditioning is not feasible because we plan to sell part of our ash and; not enough ash would be available for disposal to make this option work.





#### **2. SOFTENED BC/CRYSTALLIZER/**

**DEWATERING OPTION.** Another option is to use a treatment chain consisting of a softened brine concentrator, crystallizer, and dewatering equipment. This process allows for treatment of the FGD wastewater on the front end of the process by softening to produce a sodium salt, which is a more treatable salt on the back end of the process. This process consumes a large amount of lime and soda ash and produces a large amount of sludge. By our estimates for our model case, we would need to feed 40 tons of lime and 80 tons of soda ash per day, resulting in a chemical cost of approximately \$17 million per year. Some of this reagent cost can be

reclaimed as calcium carbonate and fed to the scrubber. The cost of chemicals and sludge handling will need to be compared to the cost of a spray dryer operation to determine if this option is practical. As with all other cost figures in this paper, these numbers are preliminary and may not reflect the full range of costs associated with this option.

The large amount of chemicals needed and the large amount of sludge produced are disadvantages to this process.



Figure 9. Flow Diagram of Softened BC/Crystallizer/ Dewatering Option.

#### **3. PARTIALLY SOFTENED BC/ CRYSTALLIZER/DEWATERING OPTION.** In this approach, magnesium is removed from the feedwater to a level needed to produce a defined

salt in the crystallizer. The advantages of this approach are: (1) by removing the magnesium, the crystallized salts are easier to dewater; and (2) it is possible to lower the slurry boiling point rise. In our model case, the partially softened chemical usage rate was approximately \$6 million per year. The partially softened process may require a purge stream that must be evaporated in a spray dryer or mixed with ash.

A bench scale test showed that raising the pH to 11 in the partial softening process is necessary to precipitate soluble magnesium to an acceptable level. In our case, about 3 tons of lime would be consumed per day for partial softening. The  $Mg(OH)_2$  sludge could not be directly dewatered. A high-pressure recess chamber (225 psi) would be

required to dewater this sludge and 3 to 4 hours would be needed for each dewatering cycle.

A bench crystallization test indicated that crystals can be successfully produced and dewatered. Calcium chloride dehydrate  $(CaCl<sub>2</sub><sup>*</sup>2H<sub>2</sub>O)$  is the main crystal with smaller amounts of sodium chloride and calcium sulphate. During the crystallization test, iodine gas emission was observed at low pH operation. To inhibit iodine formation, pH should be controlled to greater than pH 8. No foaming was observed during the test.

In our model case, the process was comprised of two 100-percent trains. Each train was sized for 410 gpm. The installed capital cost per gpm was estimated at \$500,000 (screening level estimate with accuracy limits of -30 to +70 percent). This includes the equipment cost, installation, balance of plant, and other costs (for example, the cost of money, overhead, and contingency).

The 20-year NPV of the operating costs was approximately \$200,000 per gpm and includes chemicals, station service, sludge disposal, and steam. This price does not include labor costs, which could be significant. Again, these cost estimates are preliminary. The following graph shows the relative cost of this option on a NPV basis.



Figure 10. 20-Year NPV Partially Softened Thermal ZLD Process.



Figure 11. Flow Diagram of Partially Softened BC/Crystallizer/Dewatering Option.

**4. NONSOFTENED BC/CRYSTALLIZER/ DEWATERING OPTION***.* If the operator chooses not to soften the FGD wastewater, he will be treating calcium and magnesium salts rather than a sodium salt in the crystallizer. The calcium salt produces a higher boiling point rise, thus requiring more energy and more costly materials of construction. As an alternative, it is possible to operate the crystallizer under a vacuum and reduce some of these negative effects or have a purge stream. Different vendors have different opinions on the design of the crystallizers. Some are more wary of certain calcium/magnesium salts than others. Some vendors are very concerned about highly soluble salts such as salts of bromine and iodine.

One way to handle highly soluble salts is to remove the less soluble salts in the crystallizer and extract the higher soluble salts as a purge stream. It is possible to mix the purge stream with ash, or send the purge stream to a spray dryer - bag house system, or design a crystallizer with sufficient vacuum to produce a salt without the purge stream.

Some vendors have concerns about the deliquescent nature of calcium chloride salt. Others say pure calcium chloride will not be formed in the crystallizer but that instead a double salt that will not absorb water as would pure calcium chloride is formed and is easier to handle.

A bench test was performed using high vacuum in crystallization to generate crystals without softening. The test successfully produced crystals, mainly composed of calcium chloride and magnesium chloride hydrate, together with calcium
sulfate and boron. The crystals are hydroscopic, very easy to take moisture from the ambient air. The amount and quality of the crystals appears to depend on the crystallizer concentrate pH. The distillate quality also appears to depend on the crystallizer concentrate pH.

For our model case, the treatment process was comprised of two 100-percent trains. Each train was sized for 410 gpm. The installed capital cost per gpm was estimated to be in the range of \$500,000 to \$600,000 (screening level estimate with accuracy limits of -30 to +70 percent). This includes the equipment cost, installation, balance of plant, and other costs (for example, the cost of money, overhead, and contingency).

The 20-year NPV of the operating costs was approximately \$130,000 to \$150,000 per gpm and included chemicals, station service, sludge disposal, and steam. The cost does not include labor or maintenance for existing equipment affected by the high-chloride brine solution.

The following graph shows the relative cost of this option on a NPV basis at various flows.



Figure 12. 20-Year NPV Nonsoftened Thermal ZLD Process.



Figure 13. Flow Diagram of Nonsoftened BC/ Crystallizer/Dewatering Option.

#### **COST COMPARISON BETWEEN PHYSICAL/ CHEMICAL/BIOLOGICAL SYSTEM AND ZLD SYSTEM**

There are other treatment options for FGD wastewater. Physical/chemical plus biological treatment appears to be less expensive than a ZLD system. The actual cost difference will be sitespecific. For our example, we assumed that a 20,000 ppm chloride blowdown stream could be concentrated to 40,000 ppm chloride in the scrubber and we compared the costs. That does not take into consideration the plant costs for operating at the higher chloride level (such as higher operator attention and corrosion of the plant equipment and infrastructure, such as steel and concrete components that come into contact with the higher chloride water). When taking those costs into account, the actual difference in cost will be greater because the thermal plant will have a smaller flow rate. Each site must look at its individual situation and pick from the options available to determine which process is the best suited for the site. Other options such as deep-well injection may also merit consideration. Also, further research and development is necessary before ZLD technology can be readily applied to FGD wastewater.

#### **CAN THE SYSTEM ACTUALLY RESULT IN ZLD?**

Whether the system can be operated as a ZLD system depends on wastewater chemistry and may require more equipment than the typical brine concentrator/crystallizer thermal ZLD train. Some vendors think a purge stream is unavoidable for crystallization. This means a spray dryer is needed to treat the purge or the purge stream may be mixed with ash for landfilling. Some vendors do not think a purge stream is always necessary, but that the crystallized solids can absorb enough moisture to eliminate the purge stream.

If the operator mixes the purge stream with ash, he must address the issues discussed above for brine concentrators with ash conditioning. If sufficient ash is not available to mix with the purge stream, further evaporation is necessary. A spray dryer and a bag house will be necessary to achieve ZLD.

#### **ZLD PRETREATMENT ISSUES.**

ZLD pretreatment issues include:

- The need for the equalization of feedwater to allow the proper feed rates of softening and clarification chemicals.
- The control of suspended solids that may clog the inlet heat exchanger.
- The ability to dewater and haul solids produced by the pretreatment process from the site.
- The removal of some heavy metals if needed.

For our model case, a settling pond and clarifier with the option for sulfide addition will be designed as the pretreatment for the thermal ZLD.

#### **WHAT SALTS ARE FORMED AND ARE THEY TREATABLE?**

The characteristics of the salts formed in the crystallizer depend on the crystallization process picked. With a fully softening process, the salt is mainly composed of sodium chloride, which is not hygroscopic. The ZLDs in Italy and China generate this kind of salt.

A partially softened process generates salt with a hygroscopic nature, as it is composed mainly of calcium chloride hydrate. A nonsoftened process produces a similar salt that is composed mainly of calcium chloride and magnesium chloride hydrate. Both salts tend to melt down in a short period of time (minutes to hours).

The produced salt generally could be sold, landfilled or stored at a geologically stable mine. Of all the operational ZLDs, only China's ZLD site is able to sell its salt as a product (high purity NaCl). In

some European countries such as Italy and the Netherlands where landfilling is not allowed, salts (mainly sodium chloride) are exported to German mines. In the U.S., a landfill may be a more realistic disposal choice. The landfill site should be welllined and have a leachate collection system. However, chloride leaches out very easily and could flow into the leachate collection system. If the leachate is returned to the landfill without a chloride removal treatment, chloride will accumulate in the leachate and reach a very high concentration and cause corrosion problems. More studies are needed regarding salts delivery and handling.

#### **DOES MERCURY ESCAPE FROM THE PROCESS?**

Since mercury is volatile, questions remain about mercury's fate during the process. We theorize that mercury stays with the salts, but mercury might be released to the atmosphere through the brine concentrator's deaerator, or the crystallizer's vacuum system (if used). It might fall to distillate as well, and recycle in the power plant as the water is reused.

Limited tests show that mercury has little chance to escape through the deaerator vent if the brine concentrator is operated at 1 atm. However, in a strong vacuumed crystallizer (nonsoftened process), a large quantity of mercury is observed in the distillate. Depending on the operating pH, up to 80 percent of mercury is volatized and then condensed into the distillate or released out of the system by vacuum.

To solve this problem, a pretreatment process is necessary to remove mercury before the feedwater enters the ZLD system. In the pretreatment process, organic or inorganic sulfide is added to precipitate mercury. By this method, a high portion of the mercury could be removed. Ion exchange resin or absorbent could be used to treat mercury as well.

#### **METHODS OF PROVIDING HEAT TO THE BRINE CONCENTRATOR.**

The brine concentrator system will scale with time and will lose heat transfer capacity, which will manifest itself in a reduction of treatment flow capacity. If the brine concentrator is designed with additional heat transfer capacity, it may be possible to maintain flow and operate on the margin as the system scales. Research will be necessary to find the optimum balance of heat transfer area and compressor or fan capacity.

There are three primary means for providing energy to the brine concentrator and the crystallizer: compressors or turbo fans, thermo compressors, and direct steam feed. Compressors or turbo fans typically provide energy to the recirculating brine in the brine concentrator or a crystallizer. This appears to be the most energy efficient way for heating the brine. This approach, however, is limited to the capacity of the compressor or fan. If feedwater conditions change and the system experiences an additional boiling point rise, it may not have enough compressor capacity to input the necessary heat required to boil the slurry.

The thermo compressor is more energy efficient than steam heating, but it is limited by the capacity of the ejector to input heat into the process.

The use of steam for operating the brine concentrator and crystallizer is another option. This option is the least efficient but allows for the most flexibility. As the water conditions change, the operator can turn up the steam flow and achieve higher boiling points.

For FGD wastewater applications, because of the possibility of changing feedwater conditions, we prefer the turbo fans for the brine concentrator and direct steam injection for the crystallizer. If the operator experiences a boiling point rise caused by changes in the feedwater, he can increase the steam flow and inject more heat into the crystallizer process.

#### **CHOOSING AMONG DEWATERING DEVICES.**

Belt pressure filters and centrifuges appear to be the most popular means of dewatering the salt slurry formed in the crystallizer. Each has advantages and disadvantages. The dewatering device recommended by the ZLD equipment vendor will be based on the vendor's experience and the size of the project. Preliminary investigations indicate the centrifuge costs more to repair, but needs maintenance work less often. Pressure filters cost less to repair, but must be maintained on a more regular basis. The amount of salt that must be processed will also determine which device is chosen. The centrifuge's handling capacity is higher than the pressure filters.



Figure 14. Belt Pressure Filter. Courtesy Veolia/HPD/Oberlin

#### **ZLD SYSTEM MATERIALS SELECTION CONCERNS.**

Materials selection is a primary concern when designing scrubber-effluent ZLD systems. High system reliability is often necessary to sustain permitted operation of the coal plant it serves. Thus, unanticipated material degradation that causes equipment failure can have severe consequences. The most important driver affecting materials selection in these systems is process water composition.

Scrubber effluent is quite aggressive; further cycling this liquid in the ZLD process severely compounds the problem. Exotic materials are often required to resist process conditions in several components of the ZLD process, such as concentrator tubing and crystallizer vessel. Since components can be quite large for a ZLD system serving a large coal plant, material costs become a major portion of total system costs. Therefore, selection of the proper materials is critical to striking the balance of maximizing system reliability and minimizing both initial capital and life-cycle costs.

Since raw material cost is a significant portion of the total project cost, there is an incentive to reduce the use of exotic materials wherever possible. Manufacturers are of two schools of thought on this subject:

- (1) handle aggressive conditions with conservative alloy selection; or
- (2) handle aggressive conditions with inert non-metallic surfaces wherever possible.

There are inherent advantages and disadvantages to both approaches. Advantages of using exotic alloys include higher levels of performance predictability, lower sensitivity to improper installation, and the possibility of more "gradual" degradation under unanticipated conditions. The primary disadvantage of using exotic alloys is higher initial capital cost; however, field fabrication of certain alloys may also present a qualified labor availability issue. Using non-metallic materials and coatings allows lower initial capital cost. Disadvantages of this approach include sensitivity to installation quality; the potential for unpredictable, rapid degradation in the event of coating/lining failure; and difficulty in repair after degradation. A decision must be made by project management as to the most appropriate approach.

#### **PROCESS FLUID PARAMETERS FOR MATERIAL SELECTION.**

Scrubber effluent chemistry is complex in that a large number of elements are present and the effluent composition constantly varies with coal and limestone composition. Important process liquid characteristics that affect corrosivity of typical ZLD materials include chloride concentration, pH, dissolved oxygen, and fluoride concentration.

Since the total system cost is strongly linked to hydraulic capacity, minimizing the volume of water in the system is a key consideration. Thus, there is an incentive to increase cycling in the scrubber vessel itself. Cycling has the potential to raise chloride levels of the incoming water stream into the tens of thousands ppm. In any case, the incoming liquid will eventually be increased in composition to the practical limit of titanium and nickel-based materials under ZLD process conditions (approximately 180,000 ppm chlorides) using a brine concentrator.

The pH of incoming scrubber effluent can vary depending on the scrubber technology, but is often between 5 and 6.5 for limestone-based scrubbers. Depending on the ZLD pretreatment used, this value can be increased, and the corrosive potential reduced. Incoming liquid can contain high levels of dissolved oxygen (DO), further increasing the corrosive potential.

Before process liquid enters the brine concentrator, deaerators are used to reduce DO to manageable levels. Titanium is typically used for tubing in falling film brine concentrators.

Since titanium is susceptible to fluoride pitting, fluoride levels can be a concern. Most manufacturers indicate that if sufficient elements are

available to complex with fluoride ions, and pH is kept high enough, fluoride corrosion of titanium is controllable. Some high-fluoride applications may require the use of expensive palladium alloyed titanium grades such as Grades 7, 11, and 16 to control corrosion.

As the liquid proceeds through the ZLD process, the temperature increases from the scrubber outlet temperature to near the boiling point of the process liquid (over 212 °F, depending on the boiling point rise). Components wetted with aggressive process fluids at these temperatures require exotic materials to resist rapid corrosion failure.

In summary, halide content (chlorides, fluorides), and temperature aggravate the corrosion situation and drive materials selection to exotic alloys in many areas, while the use of deaerators to reduce DO and pretreatment to raise pH assist in mitigating those effects. Components with heat transfer surfaces, and any scaling, high-deposit areas, or areas with crevice geometry provide further aggressive conditions.

#### **EQUIPMENT CONSIDERATIONS.**

Equipment design and function also affect materials selection. Heat transfer surfaces require particular attention. Heat exchangers, brine concentrators, and crystallizers all have the ability to scale or accumulate deposits. Local conditions under these deposits are more aggressive than bulk liquid composition and thus more highly alloyed materials may be necessary than may initially have been predicted by bulk liquid composition. Plate and frame heat exchangers and any other components containing crevices also make the surface more prone to attack. Areas such as heat exchanger surfaces and tubes in falling-film brine concentrators contain thin wall sections. Thin wall areas are not able to tolerate any significant corrosion penetration that might occur due to pitting. Manufacturer experience with component performance is critical to choosing the correct alloy for areas of aggressive service.

#### **SCALING ISSUES.**

Both the brine concentrator and the crystallizer will scale. Calcium sulfate formation on the evaporation tubes in the brine concentrator is the primary scale in the brine concentrator. The formation of the scale reduces heat transfer and results in loss of capacity in the unit. The seed slurry design must control scaling by selectively providing crystals for the scale to preferentially form on. Over time additional scale that forms on the

tubes will require cleaning. If the chemistry is not properly controlled, other salts will form in the brine concentrator. Some vendors are concerned about Glauberite (another salt) in the brine concentrator. Most vendors recommend cleaning the brine concentrator at least once a year. More frequent cleaning may be necessary, but the down time will reduce the amount of water that can be processed. Yearly cleaning would be a goal to be worked toward.

Salt formation is the purpose of the crystallizer. As a result, the crystallizer will scale up more frequently than the brine concentrator. The system is designed to allow salt formation in the crystallizer vessel and not on the system heat exchanger by maintaining a hydrostatic pressure at the heat exchanger which retards crystallization. By controlling the feed chemistry, pressure, purge stream rate, and temperature, the vendor determines which salts are formed and which must be purged from the process. Scales formed on the crystallizer are more soluble than those formed on the brine concentrator and can be more easily removed.

#### **CLEANING.**

Cleaning of a brine concentrator is a multiple-day event requiring the mechanical removal of the scale from the evaporation tubes by a hydro blast followed by a chemical cleaning of the vessel. Cleaning may take from three days to a week, depending on the level of scale and the expertise of the cleaner.

The crystallizer is cleaned more frequently than the brine concentrator. Cleaning typically will be in the range of weeks rather than months. Typically the cleaning of a crystallizer requires a boil out with fresh water and takes 8 to 12 hours.

#### **BORON AND AMMONIA.**

Boron is a major concern in some FGD wastewaters. At some plants, boron concentrations can be in the hundreds of ppm. The boron species formed depend on the pH of the wastewater. At low pH, boric acid is present. Boric acid is a volatile specie and will evaporate in the brine concentrator and crystallizer. At high pH, boron is present as borate and is not volatile.

Boron might cause problems in the brine concentrator and crystallizer. If a large concentration of boron is present in the feedwater, it may evaporate and be concentrated in the condensate. If the condensate is reused in the FGD, boron will build up within the system. Boron might

also deposit in the mechanical compressor. One vendor provided us a design with a boron scrubber to solve this problem. The boron scrubber waste effluent could be treated via a spray dryer or ash conditioning.

Ammonia/ammonium in the FGD wastewater usually comes from the leakage of ammonia injected into the selective catalytic reduction (SCR) or selective noncatalytic reduction (SNCR), which is used to remove Nitrous oxides NOx in the flue gas. Operation of the brine concentrator or crystallizer at high pH will increase ammonia evaporation, causing ammonia carryover to the distillate. At low pH, the ammonium is dominant, which will precipitate as solids in the crystallizer and be removed with other salts.

#### **SUMMARY**

Choosing an appropriate FGD wastewater treatment technology is a site-specific exercise that requires a thorough review of engineering goals and objectives, feasibility, and costs. Thermal ZLD systems are not a proven technology for FGD wastewater in the U.S., as all U.S. installations with the exception of Iatan are no longer in operation. We do not have enough information to judge the effectiveness of the Iatan application. Further research and experience with ZLD applications to FGD wastewater are necessary prior to any largescale use of this technology.

# Attachment 4

No. 99-1426

#### IN THE

## SUPREME COURT OF THE

## United States

AMERICAN TRUCKING ASSOCIATIONS, INC., *ET AL.*, *Cross-Petitioners,*

v.

CAROL M. BROWNER, ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, *ET AL.*,

*Cross-Respondents.*

**ON WRIT OF** *CERTIORARI* **TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT**

**BRIEF** *AMICI CURIAE* **OF AEI-BROOKINGS JOINT CENTER FOR REGULATORY STUDIES, KENNETH J. ARROW, ELIZABETH E. BAILEY, WILLIAM J. BAUMOL, JAGDISH BHAGWATI, MICHAEL J. BOSKIN, DAVID F. BRADFORD, ROBERT W. CRANDALL, MAUREEN L. CROPPER, CHISTOPHER C. DEMUTH, GEORGE C. EADS, MILTON FRIEDMAN, JOHN D. GRAHAM, WENDY L. GRAMM, ROBERT W. HAHN, PAUL L. JOSKOW, ALFRED E. KAHN, PAUL R. KRUGMAN, LESTER B. LAVE, ROBERT E. LITAN, RANDALL W. LUTTER, PAUL W. MACAVOY, PAUL W. MCCRACKEN, JAMES C. MILLER III, WILLIAM A. NISKANEN, WILLIAM D. NORDHAUS, WALLACE E. OATES, PETER PASSELL, SAM PELTZMAN, PAUL R. PORTNEY, ALICE M. RIVLIN, MILTON RUSSELL, RICHARD L. SCHMALENSEE, CHARLES L. SCHULTZE, V. KERRY SMITH, ROBERT M. SOLOW, ROBERT N. STAVINS, JOSEPH E. STIGLITZ, LAURA D'ANDREA TYSON, W. KIP VISCUSI, MURRAY L. WEIDENBAUM, JANET L. YELLEN, AND RICHARD J. ZECKHAUSER IN SUPPORT OF CROSS-PETITIONERS**

> ROBERT E. LITAN *Counsel of Record* AEI-BROOKINGS JOINT CENTER FOR REGULATORY STUDIES  $1150$   $17^{\text{th}}$  St., N.W. Washington, D.C. 20036 (202) 797-6120

July 21, 2000

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#### **INTEREST OF** *AMICI CURIAE*

This brief is being submitted on behalf of a group of economists.<sup>1</sup> The purpose of the brief is not to attempt to guide the Court on legal issues but to inform it on economic ones. To put ourselves in the best possible position to offer the Court our expertise, we have tried to understand, in light of the legal task confronting theCourt, where our own economic expertisemight have a useful role to play.

To that end, we understand that the lawyers who brought this case framed the following question for the Court's consideration: "Whether the Clean Air Act requires that the Environmental Protection Agency ignore all factors 'other than health effects relating to pollutants in the air'" when setting National Ambient Air Quality Standards (NAAQS). We also understand that this question has arisen in part because the United States Court of Appeals in Washington, D.C., whose responsibility it is to review air quality standards issued by the Environmental Protection Agency (EPA), has interpreted the Clean Air Act as barring the EPA from even considering the potential costs of its air quality regulations.

The merits of this legal debate between the D.C. Circuit and the counsel who have contested the D.C.Circuit's views are beyond the scope of our economic expertise and hence of this brief. Nonetheless, we respectfully offer the following observations with hopes that they may ultimately prove useful.

The importance of this issue cannot be overstated. Both the direct benefits and costs of environmental, health, and safety regulations are substantial–estimated to be several hundred

<sup>&</sup>lt;sup>1</sup> No counsel for any party to this case authored this brief in whole or in part; and no person other than the *amici*, their members, or their counsel made a monetary contribution to the preparation or submission of this brief. The signatories express their appreciation for the assistance of Jason K. Burnett and Erin M. Layburn, both of the AEI-Brookings Joint Center for Regulatory Studies, with the preparation of this brief.

billion dollars annually. If these resources were better allocated with the objective of reducing human health risk, scholars have predicted that tens of thousands more lives could be saved each year.<sup>2</sup> All presidents since Nixon–both Democratic and Republican–have attempted to make environmental, health, and safety regulations more efficient by requiring some form of oversight attempting to balance benefits and costs. President Reagan and President Clinton each crafted an executive order that required an explicit balancing of benefits and costs for major regulations to the extent permitted by law. A comprehensive regulatory impact analysis (RIA) prepared in conformance with President Clinton's Executive Order 12866 was done for the ozone and particulate matter rulemaking, but it played no official or overt part in the decision in this case because of the D.C. Circuit's view that costs must not be considered.

The issue presented in this case is of great significance to *amici curiae*. In 1998, the American Enterprise Institute (AEI) and the Brookings Institution established the AEI-Brookings Joint Center for Regulatory Studies (Joint Center) to help improve regulation and the regulatory process. A principal focus of the Joint Center isto analyze the economic benefits and costs of regulations, such as the ones being considered here, and to explore the implications of court decisions involving regulation. The Joint Center and the economists submitting this brief have a substantial interest in seeing that the Court

<sup>2</sup> *See* Tammy O. Tengs and John D. Graham, *The Opportunity Costs of Haphazard Social Investments in Life-Saving, in* RISKS, COSTS, AND LIVES SAVED: GETTING BETTER RESULTS FROM REGULATION (Robert W. Hahn ed. 1996). (The authors, from the Harvard School of Public Health, calculated that improved priority setting across federal agencies could provide either savings of \$31.1 billion from current cost levels with no additional loss of life or savings of 60,200 lives at current cost levels.)

interprets the Clean Air Act in a manner that encourages sound decisions and in a way that is consistent with the law as established by Congress.

To that end the Joint Center asked the economists who are signatories to this brief to identify principles that are appropriate for setting National Ambient Air Quality Standards as well as for making other important regulatory decisions. The Joint Center and these economists are accordingly submitting this brief in the interest of improving regulatory decisionmaking as well as making it more transparent. All parties have consented to the filing of this brief.

#### **BACKGROUND**

#### **A. Procedural History**

In 1996, the EPA initiated rulemakings to revise the National Ambient Air Quality Standards for ozone and particulate matter (PM). The EPA prepared an RIA that suggested that the costs of the ozone standards would exceed the benefits while the benefits of the particulate matter standards would exceed the costs. The Joint Center strongly favors using such RIAs in decision making and, without endorsing the quality of all aspects of the RIA here, believes that the ozone and PM RIA should have been considered in setting the standards. The D.C. Circuit ruled, however, that *Lead Industries* barred any consideration of costs and hence was unwilling to consider whether a balancing of benefits and costs might provide the requisite "intelligible principle" needed to resolve the constitutional problems that it found with EPA's interpretation of the statute.<sup>3</sup>

<sup>3</sup> *See Lead Indus. Ass'n v. EPA*, 499 U.S. 1042 (D.C. Cir. 1980).

#### **B. Nature and Importance of Benefit-Cost Analysis**

The concern of the Joint Center along with that of the other signatories is how analytical methods, such as benefit-cost analysis, should be used in regulatory decision making.<sup>4</sup> These methods can help promote the design of better regulations by providing a sensible framework for comparing the alternatives involved in any regulatory choice. Such analysis improves the chances that regulations will be designed to achieve a particular social goal specified by legislators at a lower cost.<sup>5</sup> In addition, they can make the regulatory process more transparent by providing an analytical basis for a decision. Greater transparency in the process, in turn, will help hold regulators and lawmakers more accountable for their decisions.

These analytical methods are neither anti- nor proregulation; they can suggest reasons why it would be desirable to have tighter or more lenient standards depending on the results of an analysis. For example, the benefit-cost analyses in the RIA on particulate matter and ozone could be interpreted as suggesting that the ozone standard should not be lowered while a new PM standard for fine particles should be introduced to protect public health.

<sup>4</sup> *See* KENNETH J. ARROW, MAUREEN L. CROPPER, GEORGE C. EADS, ROBERT W. HAHN, LESTER B. LAVE, ROGER G. NOLL, PAULR. PORTNEY, MILTON RUSSELL, RICHARD L. SCHMALENSEE, V. KERRY SMITH, AND ROBERT N. STAVINS, BENEFIT-COST ANALYSIS IN ENVIRONMENTAL, HEALTH, AND SAFETY REGULATION:ASTATEMENT OF PRINCIPLES (1996) ("Arrow *et al.*");*see also*ROBERT W.CRANDALL,CHRISTOPHERDEMUTH, ROBERT W. HAHN, ROBERT E. LITAN, PIETRO S. NIVOLA, AND PAUL R. PORTNEY, AN AGENDA FOR FEDERAL REGULATORY REFORM (1997).

 <sup>5</sup> *See* ARROW *et al*.

#### **C. Evolution ofthe Use of Benefit-Cost Analysis in Regulatory Decisionmaking**

Over the past two decades, support has been growing for the proposition that weighing of benefits and costs should play a more central role in regulatory decisionmaking. All three branches of government have recognized the importance of considering benefits and costs in designing regulation.<sup>6</sup>

To address the increase in regulatory activity over the past three decades, the past five presidents and President Clinton have introduced different analytical requirements and oversight mechanisms with varying degrees of success. A central component of later oversight mechanisms was formal economic analysis, which included benefit-cost analysis and cost-effectiveness analysis.Since 1981, presidents have required the preparation of RIAs for a predefined class of significant regulations.<sup>7</sup> President Reagan's Executive Order 12291 required an RIA for each significant regulation whose annual impact on the economy was estimated to exceed \$100 million. President Bush used the same executive order. President Clinton's and President Reagan's executive orders require a benefit-cost analysis for significant regulations as well as an

<sup>6</sup> *See, e.g.,* Richard H. Pildes and Cass R. Sunstein, *Reinventing the Regulatory State*, 62 U. CHI. L. REV. 1, 8–11 (1995).

<sup>7</sup> While the definition of a "significant" regulation has changed somewhat over time, it is generally a regulation that is expected to have one or more of the following characteristics: an annual impact on the economy of \$100 million or more; a major increase in costs or prices for consumers or business; orsignificant effects on competition, employment, investment, productivity, or innovation. President Reagan's Executive Order 12291 described such regulations as "major," while President Clinton's Executive Order 12866 described them as "significant." We will use the term *significant* because it is used by the most recent executive order.

assessment of reasonably feasible alternatives to the planned regulation.<sup>8</sup>

Congress has also shown increasing interest in emphasizing the balancing of benefits and costs in regulatory decisions. The Small Business Regulatory Enforcement Fairness Act of 1996 requires agencies to submit final regulations to Congress for review.<sup>9</sup> The regulatory accountability provisions of 1996, 1997, and 1998 require the Office of Management and Budget to assess the benefits and costs of existing federal regulatory programs and to recommend programs or specific regulations to reform or eliminate. The Unfunded Mandates ReformAct of 1995 requires agencies, unless prohibited by law, to choose the most cost-effective regulatory approach or otherwise explain why they have not chosen this alternative.<sup>10</sup>

The courts have also been receptive to the use of benefit-cost analysis in decision making. Indeed, the D.C. Circuit recently held in *State of Michigan v. EPA*, 2000 WL 180650, at \*12 (D.C. Cir. 2000), that "[i]t is only where there is 'clear congressional intent to preclude consideration of cost' that we find agencies barred fromconsidering costs." The court went on to cite various cases and legal authorities for the "general view

<sup>&</sup>lt;sup>8</sup> The language in those two executive orders is very similar, suggesting bipartisan presidential support for benefit-cost analysis. *See* Executive Order 12291, 46 FED. REG. 13,193 (Feb. 17, 1981). "Regulatory action shall not be undertaken unless the potential benefits to society for the regulation outweigh the potential costs to society.... Regulatory objectives shall be chosen to maximize the net benefits to society." *Id.* at § 2. *See also* Executive Order 12866, 58 FED. REG. 51,735 (Oct. 4, 1993). "In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives. . . . Further, in choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits . . ., unless a statute requires another approach." *Id.* at § 1.

<sup>9</sup> 15 U. S. C. § 601 *et seq*.

<sup>10</sup> 2 U. S. C. § 1535.

that preclusion of cost consideration requires a rather specific congressional direction." *Id*. This case and others led Professors Robert H. Frank and Cass R. Sunstein to conclude that "[f]ederal law now reflects a kind of default principle: Agencies will consider costs, and thus undertake cost-benefit analysis, if Congress has not unambiguously said that they cannot."<sup>11</sup>

#### **SUMMARY OF ARGUMENT**

As we understand it, the D.C. Circuit did not allow the EPA to consider the costs of complying with ozone and PM NAAQS. As we further understand it, this legal ruling can be overturned only by this Court. As economists, we believe that the D.C. Circuit's ruling not allowing the EPA to consider important information relating to the consequences of its regulatory actions is economically unsound. Without delving into the legal aspects of the case, we present below why we think the Court should allow the EPA to consider costs in setting standards. In particular, we believe that, as a general principle, regulators should be allowed to consider explicitly the full consequences of their regulatory decisions. These consequences include the regulation's benefits, costs, and any other relevant factors.

#### **ARGUMENT**

We approach the question presented in this case from the perspective of the "default principle" summarized by Professors Frank and Sunstein.

Nothing in the following statutory text of section 109(b) of the Clean Air Act precludes consideration of costs:

> National primary ambient air quality standards . . . shall be ambient air quality standards the

<sup>&</sup>lt;sup>11</sup> ROBERT H. FRANK AND CASS R. SUNSTEIN, COST-BENEFIT ANALYSIS AND RELATIVE POSITION, (AEI-Brookings Joint Center for Regulatory Studies Working Paper 00-5, 2000), at 8.

attainment and maintenance of which in the judgment of the Administrator, based on such criteria and allowing a margin of safety, are requisite to protect the public health. $^{12}$ 

Indeed, the plain aim of this provision is protecting the "public health," and that aim is unlikely to be achieved without, at least, an implicit balancing of benefits and costs.

Benefit-cost analysis is simply a tool that can aid in making decisions. Most people do a kind of informal benefit-cost analysis when considering the personal pros and cons oftheir actionsin everyday life–more for big decisions, like choosing a college or job or house, than for little ones, like driving to the grocery store. Where decisions, such as federal environmental regulations, are by their nature public rather than private, the government, as a faithful agent of its citizens, should do something similar.

Carefully considering the social benefits and social costs of a course of action makes good sense. Economists and other students of government policy have developed ways of making those comparisons systematic. Those techniques fall under the label benefit-cost analysis. Benefit-cost analysis does not provide *the* policy answer, but rather defines a useful framework for debate, either by a legislature or, where the legislature has delegated to a specialized agency the responsibility of pursuing a general good, by that agency.

 $12$  42 U.S.C. § 7409(b)(1).

### **I. A GROUP OF ECONOMISTS DEVELOPS A CONSENSUS ON THE USE OF BENEFIT-COST ANALYSIS FOR ENVIRONMENTAL REGULATION.**

Economists, other policy experts, and the regulatory agencies themselves have produced a large literature on the methods and applications of benefit-cost analysis.There are, and always will be, many uncertainties and disagreements about those methods and their application in particular cases. Nevertheless, a wide consensus exists on certain fundamental matters.In 1996, a group of distinguished economists, including Nobel laureate Kenneth Arrow, were assembled to develop principles for benefit-cost analysis in environmental, health, and safety regulation.<sup>13</sup> Here, we summarize and paraphrase for the Court a number of principles that we think could be helpful in this case, which involves the review of the EPA's NAAQS standard-setting decisions.

**A benefit-cost analysis is a useful way of organizing a comparison of the favorable and unfavorable effects of proposed policies.** Benefit-cost analysis can help the decisionmaker better understand the implications of a decision. It should be used to inform decisionmakers. Benefit-cost analysis can provide useful estimates of the overall benefits and costs of proposed policies. It can also assess the impacts of proposed policies on consumers, workers, and owners of firms and can identify potential winners and losers.

In many cases, benefit-cost analysis cannot be used to prove that the economic benefits of a decision will exceed or fall short of the costs. Yet benefit-cost analysis should play an important role in informing the decisionmaking process, even when the information on benefits, costs, or both is highly uncertain, as is often the case with regulations involving the

<sup>13</sup> *See* ARROW *et al.*

environment, health, and safety.

**Economic analysis can be useful in designing regulatory strategies that achieve a desired goal at the lowest possible cost.** Too frequently, environmental, health, and safety regulation has used a one-size-fits-all or command-and-control approach. Economic analysis can highlight the extent to which cost savings can be achieved by using alternative, more flexible approaches that reward performance.

**Benefit-cost analysisshouldbe requiredfor allmajor regulatory decisions.** The scale of a benefit-cost analysis should depend on both the stakes involved and the likelihood that the resulting information will affect the ultimate decision.

**Agenciesshould not be bound by a strict benefit-cost test, but should be required to consider available benefit-cost analyses.** There may be factors other than economic benefits and costs that agencies will want to weigh in decisions, such as equity within and across generations.

**Not all impacts of a decision can be quantified or expressed in dollar terms. Care should be taken to ensure that quantitative factors do not dominate important qualitative factors in decisionmaking.** A common critique of benefit-cost analysis is that it does not emphasize factors that are not easily quantified or monetized. That critique has merit. There are two principal ways to address it: first, quantify as many factors as are reasonable and quantify or characterize the relevant uncertainties; and second, give due consideration to factors that defy quantification but are thought to be important.

### **II. IF AT ALL POSSIBLE GIVEN THE RELEVANT LEGAL AUTHORITIES, THE COURT SHOULD HOLD THAT SECTION 109(B) ALLOWS CONSIDERATION OF BOTH BENEFITS AND COSTS WHEN SETTING NAAQS.**

We believe all of the available information should be considered in making any important decision. If costs or other types of data are deliberately left out, the quality of decisionmaking is likely to suffer. In particular, we make one recommendation, closely related to the Arrow *et al*. principles: The Court should allow the EPA to consider costs in setting NAAQS, so that these costs can then be assessed along with benefits and any other important information.

We believe that it would be imprudent for the EPA to ignore costs totally, particularly given their magnitude in this case. Together, the EPA estimates that those standards could cost on the order of \$50 billion annually. Not considering costs makes it difficult to set a defensible standard, especially when there is no threshold level below which health risks disappear. The EPA acknowledges that exposure to ozone presents a "continuum" of risk, as opposed to a threshold below which adverse health effects cease to occur.<sup>14</sup> If the EPA is required to set a standard "to protect the public health" with an "adequate margin of safety," then ignoring costs could lead to a decision to set the standard at zero pollution.<sup>15</sup> That alternative, however, would be self-defeating–it would harm public health by threatening the very economic prosperity on which public health primarily depends.

Once the Court allows the EPA to consider costs, Executive Order 12866 will require the EPA to consider the full range of benefits and costs in setting NAAQS. We think that

<sup>14</sup> 62 FED. REG. 38,856, 38,863 (July 18, 1997).

<sup>15</sup> Clean Air Act § 109(b)(1), 42 U.S.C. § 7409(b)(1).

considering such information could improve both the regulatory decisionmaking process by making it more transparent and the regulatory decision by allowing all relevant information to be considered explicitly.

#### **CONCLUSION**

We believe that this Supreme Court case involving the setting of National Ambient Air Quality Standards could be a historic moment in the making of regulatory policy. This brief has argued that it would be imprudent not to consider costs in the setting of standards. In accordance with Executive Order 12866, we also believe that the full range of benefits and costs should be considered indecisionmaking.Accordingly,thisCourt should allow the Environmental Protection Agency to consider costs in setting nationwide air quality standards, so that this information can be considered along with benefits and any other relevant factors in setting a standard.

Respectfully submitted,

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# Attachment 5



## **ENGINEERING COST ESTIMATE**

## **FOR RETROFITING**

## **CLOSED-CYCLE COOLING SYSTEMS**

## **AT EXISTING FACILITIES Rev. 0**



*Original Signed By: 7/03/02*

**\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_ Approved by: James M. Nicholson**

## **Table of Contents**



## **1 EXECUTIVE SUMMARY**

This report presents a summary of project costs associated with retrofitting closed-cycle cooling towers to existing power generation facilities. This information is intended to assist UWAG/EPRI and utility companies assess the economic impact of retrofitting cooling towers to U.S. generating units with existing once-through cooling systems.

The cost estimates utilize a number of cooling tower retrofit case studies developed for existing generating units. The cost figures compiled in this report attempts to represent conservative costs for cooling retrofit projects, not bounding site-specific costs. In particular, the units addressed in the case studies have sufficient land available in close proximity to the condenser/circulating water system, no plume abatement is required, and the existing circulating piping can be used in the closed cycle system without reinforcement. Site-specific factors that can have a significant effect, such as local plume abatement requirements and physical cooling tower location constraints, are discussed in Section 3.

Over 1,000 plants were included in this study and the total cooling tower retrofit costs for this population is approximately \$25 to \$28 billion in 2002 dollars. Sections 3 and 8 identify a number of site-specific issues that can result in significantly increased implementation costs. Attachment 3 is a survey of utilities where potential site-specific issues have been identified, which further supports the treatment of the costs reported in this study (Attachment 2) as low-end estimates assuming minimum site-specific conditions that are known to escalate cost.

Table 8-1 provides at range of O&M costs (including energy penalty costs) in the range of \$5 to \$12 million 2002 dollars per year. These estimates are from utility experience at several nuclear plants, however, the actual costs for individual plants may vary based upon size, water source, electricity prices, and design.

## **2 INTRODUCTION**

This report presents a summary of project costs associated with retrofitting closed-cycle cooling towers to existing power generation facilities. This information is intended to assist UWAG/EPRI and the utility owner/operators assess the economic impact of retrofitting cooling towers to U.S. generating units with existing once-through cooling systems. It should be noted that the EPA's Proposed Regulations to Establish Requirements for Cooling Water Intake Structures at Phase II Existing Facilities, do not propose options that require retrofitting of cooling towers, but such alternative options are addressed in EPA's Phase II Economics and Benefits Analysis Document EPA-812-R-02-001.

The cost information summarized in this report and detailed in Attachment 2 will assist UWAG/EPRI and the utility owner/operators in developing a response to the proposed rule regarding the overall project cost associated with the retrofit of closed cycle cooling. The cost estimates utilize a number of cooling tower retrofit case studies developed for existing generating units. The cost figures compiled in this report represent conservative costs for cooling retrofit projects, not bounding site-specific costs. In particular, the units addressed in the case studies have sufficient land available in close proximity to the condenser/circulating water system, no plume abatement is required, and the existing circulating piping can be used in the closed cycle system without reinforcement. Site-specific factors that can have a significant effect, such as local plume abatement requirements and physical cooling tower location constraints, are discussed in Section 3. Based on one detailed site-specific cost study performed in the early 90's (and reconfirmed in the late 90's), site-specific factors, as discussed above, can easily result

in site-specific costs double the baseline costs presented. Most site-specific conditions would tend to increase retrofit costs, over those developed in the case studies.

The UDI database was used to identify all existing U.S. generating units with once through cooling systems, which could potentially require a cooling tower retrofit. However, the information from the UDI database was updated based on current information on generating units. For example, some nuclear units included in the UDI database, have been decommissioned and are therefore excluded from Attachment 2. Six cooling tower retrofit case studies covering a range of unit sizes (detailed in Attachment 1), provide the cost basis for the Attachment 2 cooling tower retrofit cost estimates for potentially impacted US plants. Current capital costs developed in these studies are scaled based on condenser flowrate to estimate the retrofit cost for each once through unit in the database. The case study closest in condenser flowrate is selected for each database unit. An additional factor to adjust for regional labor rates is applied to the estimated labor costs. In one case, where a more detailed retrofit study was performed by Stone & Webster (Salem Units  $1 \& 2$ ) it was demonstrated that these factors could more than double the cost estimate (See Attachment 2). Refer to Attachment 1 for additional information on costing methodology.

Section 7 includes representative schedules describing the major interfaces; engineering and construction activities, and plant outage requirements to implement a typical cooling tower retrofit projects.

## **3 SITE SPECIFIC ISSUES FOR RETROFITING CLOSED CYCLE COOLING**

The retrofit installation of either natural or mechanical cooling towers entails an extraordinary engineering and construction effort requiring construction of new facilities and extensive demolition of existing Circulating Water (CW) System components and piping. A cooling tower retrofit will be costly and require a lengthy permitting, engineering, procurement and construction time period. Although in some cases Natural Draft Cooling Towers would be the design of choice, the cost of retrofitting Mechanical Draft Cooling Towers is used throughout this study. Although Natural Draft Cooling Towers would typically result in higher capital costs, longer construction periods, and more significant performance impacts than Mechanical Draft Cooling Towers; their reliability and long term maintenance and operation cost saving make them a more attractive choice for large "baseload" operated plants in northern locations. The following sections provide a brief summary of some of the major considerations and impacts associated with retrofitting closed cycle cooling at operating facilities.

Attachment 3 provides the results of a Utility Survey of the approach used in this report that identifies a number of potential site-specific issues that could result in higher costs than that presented in Attachment 2 due to one or more of the below implementation issues.

## *3.1 Cooling Tower Design*

The difference between the temperature of the cooled water discharged from a cooling tower and the ambient air wet bulb temperature is called the cooling tower "approach" temperature. The approach temperature that is actually attainable at a particular installation depends on the type and size of the cooling tower, the quantity of water flow to be cooled and the change in water temperature to be achieved through cooling, and the local wet bulb temperature. The wet bulb temperature is the lowest temperature at which evaporation can occur for the specific conditions of the atmosphere. All of the approach factors, except those related to climate (i.e., local wet bulb temperature), are essentially fixed. Since climatic factors are outside an operator's control, an approach temperature can only be used by engineers as a design criterion, and cannot be applied as an operating requirement.

Natural draft towers induce an ambient air flow by virtue of a chimney effect i.e., the draft produced by the combined height of the shell and the difference in mixture density between the warm, wet exhaust from the tower's fill section and the outside ambient air. Those effects are limited and, in turn, limit the air flow attainable by natural draft towers compared to mechanical draft towers. The current state of the art design for a natural draft tower is an approach temperature of 14°F.

Mechanical draft towers can attain a slightly lower approach temperature than a natural draft tower because of its greater ability to develop higher cooling air flows through use of huge mechanical fans. Even so, the actual attainable design approach temperature of a mechanical draft tower is limited to approximately 7°F. The approach temperature desired has a significant affect on cooling tower cost as indicated in the following figure. Figure 1 illustrates the theoretical impact of design approach on costs for both natural and mechanical draft towers. In this figure, the base (100%) cooling tower costs are based on a 7 F approach temperature for mechanical draft cooling towers and approximately 14 F approach temperature for the natural draft towers at design operating conditions.

### FIGURE 1 APPROACH EFFECTS ON COOLING TOWER COSTS



Whether natural or mechanical draft, the cooling effect of wet cooling towers is mainly due to evaporation, so the coolest temperature that the circulating water theoretically can reach is the wet bulb temperature. In real practice, however, the resulting cooled water temperature of a large tower can only "approach" the local wet bulb temperature (i.e. the wet bulb temperature can not be reached). The approach temperature that can be achieved is influenced by several major engineering and construction considerations including:

- quantity and quality of the water to be cooled,
- physical size of the structure,
- amount of fresh air that can be practically induced to flow through the tower,
- degree to which the water can be initially dispersed,
- degree and extent of the warm water's contact with the cooling ai,r
- residence time of air/water contact.
- relative direction of the air and water, and

• amount of moisture the air can hold at 100% relative humidity.

### *3.2 System and Equipment Design*

Retrofitting an existing facility for closed-cycle cooling does not simply mean the addition of cooling towers; rather, several other conditions must be considered. In contrast to a once-through (or open-cycle) cooling system design, the cooling tower designer usually reduces the circulated water quantity in order for the cooling towers to be efficient, economic, and cost-effective. Currently operating open cycle cooling units were designed for relatively high circulating water flow rates and low system pressures; the closed-cycle system, however, would be need to be designed for approximately two to four times higher pressure, regardless of whether the flow is reduced or not.

Additional site-specific factors are listed below to illustrate why retrofitting cooling towers to an existing facility is both technically difficult and costly.

- Condensers are comprised of thousands of small diameter tubes (equivalent to hundreds of miles per plant). A typical condenser shell for a large plant is approximately 20 ft high, 30 ft wide, and 65 ft long and there can be as many as 6 shells per unit. Each condenser shell can weigh as much as 160 tons and may require wholesale change-out with a new design to accommodate two-passes and a considerably higher tube side pressure. This may require extensive renovations even to gain access to the condenser shell, including temporary bracing and demolition of piping and components associated with the existing condensers.
- Existing circulating water systems are permanently installed without consideration for major piping design changes or replacement. Most of the piping and components are concrete and are supported on (if not embedded in) reinforced concrete foundations. Removal of existing plant equipment would likely be required to gain access for demolition of existing piping and major thrust blocks (concrete pipe supports), so as to facilitate installation of new circulating water system piping to/from the cooling towers. At one facility these thrust blocks are approximately 14 feet high, 10 feet wide, and 140 feet long. Preliminary engineering evaluations for two conventional natural draft towers at one facility suggest the retrofit would require excavating more than 250,000 cubic yards of soil and installing more than four miles of 7-foot diameter pipe as just one phase of a project of this magnitude.
- Cooling tower construction is regulated, monitored and controlled by many permitting agencies. Regulatory constraints (e.g., air quality permit approvals) could delay the start/completion of any project, even assuming that permits can be obtained, which is by no means certain. At nuclear power plants, the retrofit would also be monitored by the Nuclear Regulatory Commission. Documentation, review requirements and procedures are very extensive and stringent.
- Continuous chlorination of the circulating water would be required, most likely requiring a new chlorination system and a new dechlorination system on the tower blowdown.
- Another major consequence of the retrofit is that the circulating water could be at a significantly higher hydraulic pressure. The higher operating pressure is needed to overcome the friction loss of approximately 4,000-ft of additional piping (going back and forth to the cooling tower), and the static energy to overcome the height to the hot water distribution headers of the tower, and in some cases the added condenser tubing pressure loss where it is necessary to convert the
condenser from a single pass to a two pass configuration to improve efficiency or because of plant configuration constraints.

## *3.3 Circulating Water System*

In an electric generating station the main cooling water system is one of the first systems to be designed and installed. Careful consideration is given to the availability of a reliable source of cooling water to be used to condense the exhaust steam from the steam turbine(s) and remove heat from other equipment. The designs of many of the station's major capital cost components are inter-related to the cooling water supply system's capability. Therefore, any subsequent change to the cooling water system can have a significant impact on the plant's ability to perform at expected design conditions. Even minor changes to the cooling water supply (for example a temperature increase a few degrees above design or a reduction in flow) can result in a large decrease in the plant's ability to achieve its rated capacity. Because cooling water systems are one of the first systems to be installed during plant construction, many other plant systems, structures and components are built around and over the system making retrofitting to closedcycle cooling complicated and expensive.

## *3.4 Condenser Modifications*

A single pass condenser has cooling water entering one end of the condenser and passing through all tubes of the condenser in a single direction. The heated water exits at the opposite end of the condenser. A two pass condenser has cooling water entering the condenser and passing through one half of the condenser tubes in one direction and then reversing direction in the "reverse" water box and passing back through the other half of the condenser tubes in the opposite direction. The heated water exits the condenser through discharge nozzles located at the same end as the inlet nozzles.

Under certain retrofits scenarios it may be necessary to convert the existing single pass condenser to a two-pass configuration for efficiency reasons or condenser thermal design limitations. If conversion to two-pass configuration is necessary, extensive cooling water piping modifications may be required.

The two-pass arrangement would require CW system isolation valves to be moved to the inlet side of the water boxes to enable tube bundle isolation for periodic maintenance. Since the inlet and outlet nozzles are on the same end of the condenser, extensive circulating water pipe modifications within the turbine building would be required as part of the conversion.

## *3.5 Construction Issues*

A closed-cycle cooling system retrofit could require extensive excavation and subsurface construction. Due to the depths of the subsurface construction activity (about 16 feet), groundwater would continuously infiltrate the excavations and groundwater would have to be continuously pumped out of the excavated areas during construction.

Site geological conditions have a major impact on construction costs. Rock excavation and the requirement for pile foundations are two examples.

Large amounts of excavation and construction will be required in a highly congested area with a need to assure safety if in the vicinity of high voltage transmission lines. Many underground facilities (piping, electrical ducts, etc.) may need to be avoided or rerouted. The majority of construction work is outdoors, and, therefore, the schedules and estimates are at risk for weather impacts that are difficult to accurately account for.

## *3.6 Additional Considerations*

If mechanical draft towers were installed, a separate electrical/power system, powered from the existing switchyard, may be required because of the electrical power requirements and remote location of the pumps and fans relative to the existing distribution system.

The use of saltwater or brackish water in a cooling water system requires special corrosion-resistant materials. Continuous chemical treatment of the recirculating brackish cooling water would be required during Station operation to inhibit the corrosion that would otherwise occur. The allowable concentration factor in a salt water cooling tower is 1.5, as compared with 8 for a freshwater tower. Salt water towers, therefore, require significantly higher capacity makeup and blowdown systems.

## **4 UNCERTAINTIES AND RISKS**

The scale of the required cooling system is a major factor in the projected difficulty. This scale is reflected in the quantity and size of piping, the depth and size (length and width) of the pipe trenches, number and length of supporting piles, the size and number of cooling towers, and the amount of reinforced concrete required. Another important factor that significantly exacerbates the complexity is the inherent permanence and site-specific design of the original cooling system.

Labor and equipment shortages pose a significant source of uncertainty. This source of uncertainty has not been included in the schedules. This may also impact the cost estimates, due to the necessity to pay premium rates for labor and equipment during delays not accounted for in the cost estimates.

Due to the large quantity of material and equipment needed to install cooling towers, there exists a source of uncertainty with respect to being able to obtain all materials and equipment in a timely manner in order to meet schedule requirements. Procurement problems may also cause impacts on the cost estimates due to the necessity to pay higher rates for expedited deliveries or make substitutions in favor of more expensive items to meet schedule requirements (taking into due consideration the goal to keep total project costs to a minimum).

# **5 LICENSING / PERMITTING**

Major environmental factors that would influence the permitting cycle and approvals required to convert to closed-cycle cooling are:

- The height and visual obtrusion of the towers
- The impacts of the make-up and blowdown systems on marine biota and populations
- Tower plume effects due to size, frequency, or trajectory
- Salt drift from the towers on the nearby surroundings in case of salt or brackish water towers.
- Noise impacts on neighbors
- Impact of particulate emissions on the air quality

Licensing the station with cooling towers requires a number of local, state and federal approvals. A period of two years or more could be required to obtain the necessary permits.

Licensing and permitting requirements pose a major source of uncertainty. It is assumed that the designs used as a basis for the cost estimates and schedules will be approved by the regulatory authorities. If not, there will be an unanticipated cost impact. In addition, depending upon the particular permit and schedule, there is the potential for very significant schedule impacts due to delays in obtaining permits.

## **6 STATION CAPACITY DERATING AND ENERGY LOSS**

Retrofitting a closed-cycle cooling system will reduce energy output. This is the result of increased back pressure on the turbine exhaust due to the increasing of the cooling water temperature and increased electrical loads associated with the operation of the closed-cycle cooling system. This is the case because the low pressure turbine-blade path is not optimized for the exhaust conditions that will be associated with a cooling tower.

A site-specific case study shows that capacity penalties will fluctuate during the year between 1 and 3 %, for both natural and mechanical draft tower configurations, as indicated in Tables 1 and 2. The added (auxiliary) power required to operate the circulating water pumps and (in the case of installed mechanical draft towers) fans will also result in a decrease in plant generation output capability. Further details regarding capacity losses and auxiliary power penalties for the case study plant are provided in Table 3.









## Table 3 Plant Performance Comparison

All performance values are for a single 3423 MWt unit



*(1) Net Output Difference (KW) = \_ Gross Output (tower - once through) + \_ Hotel loads (tower - once through)*

# **7 PROJECT SCHEDULES**

Based upon experience from a number of construction jobs, and with consideration of potential sitespecific factors, the following discussion provides an overview of a representative project schedule and related logic for a cooling tower retrofit project at a large steam electric generating station.



### **REPRESENTATIVE COOLING TOWER RETROFIT PROJECT KEY SCHEDULE DATES**

### **Schedule Considerations**

The schedule duration for the on-line engineering, procurement, and construction activities, including new circulating water pipe installation from the cooling tower to the tie in location (with the existing pipe), and any pumphouse structural work were estimated based on a past plant-specific case study.

The cooling tower pumps have a long lead time (approximately one year) for vendor engineering and fabrication. The start of outage is driven by long duration construction and procurement activities.

The tie-in outage is scheduled sufficiently long after the final construction, environmental, and/or NRC permits have been obtained to complete all engineering and on-line construction activities including tower erection and major pipe runs. Tie -in outage activities may include: CW system tie-in, CWS pipe reinforcement, and condenser modifications. The tie -in outage duration is estimated to be approximately two to nine months, including one to two months for testing and start-up once the actual construction activities are completed.

To ensure that all of the necessary work needed to be completed during the CW system/condenser modification tie-in outage, it may be prudent to perform selected construction and modification activities during an earlier scheduled maintenance outage.

Schedule risk is high on such a project due to the magnitude and nature of the activities. Examples of uncertainty that could affect schedule include:

- Installation of up to 4 miles of new large diameter CWS piping
- Reinforcement and reconfiguration of CWS piping in the turbine building, if necessary.
- De-watering
- Weather delays
- The potential for other building and component interference's could cause construction delays and affect the overall schedule. Although site walkdowns and drawing reviews during the engineering phase might eliminate some of the potential problems, experience indicates that unforeseen interferences and below grade utilities that may need to be relocated are a very real threat to the schedule.

# **8 COST ISSUES**

## *8.1 General*

Attachment 2 provides a summary table of projected "baseline" costs for retrofitting closed cycle cooling towers to generating plants in the US. The approach used ensures that the labor, material, and equipment costs associated with a closed cycle retrofit are representative of that to be expected if such a retrofit were required. This section, in conjunction with Attachment 1, provides the basis for the cost estimates used in this study.

The retrofit of mechanical draft cooling towers to a generating unit with an existing once through cooling water system presents several major considerations; the following assumptions were used to develop the costs presented in Attachment 2:

- Insofar as possible, the conceptual arrangements assumed as a basis for this study utilize existing piping and components under and within the confines of the turbine buildings.
- A gravity flow design from an elevated cooling tower basin, through the condenser to a new pump station located downstream of the condenser is assumed in order not to exceed the design pressure of condenser water boxes and existing circulating water conduits located under and within the turbine building.
- The CW system conceptual design uses a single set of pumps located in a new pump structure. The single set of pumps will deliver CW from the condenser discharge up to the tower fill distribution system.
- Cooling tower efficiency normally dictates higher condenser CW return temperatures than available from a single CW pass of the condenser (typical of open cycle cooling systems). Conversion of an existing single pass condenser to a two pass arrangement would be required in most cases to achieve this higher CW return temperature. Such a conversion would normally require extensive modifications if not replacement of the existing condenser. However for this study it has been assumed that the existing water piping systems including single pass condenser tube bundles will

not be replaced.

- Existing circulating water piping not used in the closed loop system is assumed to be abandoned in place.
- New circulating water piping is assumed to be fiberglass, buried in sheet pile trenches with concrete slabs for support and ballast.
- All major structures including the cooling tower basins are supported on pile foundations.
- Space for the cooling towers is available on station property within 2000 ft. of the station. Costs do not include purchase of land for the cooling towers and associated equipment.
- All costs are in 2002 dollars

### *8.2 Capital Costs*

Although in some cases Natural Draft Cooling Towers would be the design of choice (because of reduced O&M costs) the cost of retrofitting Mechanical Draft Cooling Towers has been used throughout.

Estimated costs for cooling towers are based on vendor quotes for non-plume abated mechanical draft cooling towers constructed of fiberglass. Plume abatement technology could potentially double the cost of the cooling towers.

New circulating water piping will be required to/from the cooling tower pump house. Tower auxiliary systems, such as cooling tower blow-down and make-up and chemical treatment, were incorporated into the study.

### *8.3 Implementation Costs*

Retrofitting a once-through cooling water system for closed-cycle cooling requires the construction of cooling towers, supporting systems and structures such as pump houses, and sufficient circulating water piping to form a closed loop system. Below is a list of implementation items that could affect the cost estimate.

The retrofit requires extensive excavation and subsurface construction. In low lying areas, groundwater intrusion would have to be pumped out.

Implementation is performed in two phases -- a new construction phase and a demolition and reconstruction phase.

The retrofit project requires the installation of thousands of feet of large diameter circulating water piping to connect the cooling towers to the existing cooling water system.

Electric substation, and substantial electrical cabling would also need to be installed to provide support for the closed-cycle cooling system operation.

Portions of existing circulating water piping may need to be reinforced by welding corrosion-resistant steel plates inside the pipe.

Condenser modifications may be required.

Replacement power costs would also be incurred during the extended outage associated with demolition, reconstruction and tie-in.

Attachment 3 provides data from a recent Utility Survey performed as part of this study that identifies a number of potential site-specific issues that could result in higher costs due to one or more of the above implementation issues.

## *8.4 Operating and Maintenance*

This section identifies and discusses the major categories of recurring annual operating and maintenance costs associated with both natural and mechanical draft tower designs. Estimates are based on input from several different operating plants. Table 8-1 summarizes typical cooling tower O&M costs.

	Table of T Cooling Tower Operating and Manuchance Costs		
		Costs in 2002 $\frac{6}{3}$ x 1,000	
I.	Operating	Natural Draft	Mechanical Draft
	Circulating Water Pumping Power Net	1,600	1,600
	Increase (Assumes 70% Unit Capacity		
	Factor)**		
	Cooling Tower Fan Power (assumes 70% Unit	N/A	3,198
	Capacity Factor)**		
	Periodic Equipment Operational Checks	117	175
	<b>Chemical Control System</b>	2,058	2,058
	<b>Total Operating Costs</b>	3,775	7,031
Π.	Maintenance		
	Structural Members & Fill	1,560	3,380
	Repairs/Replacement		
	<b>Electrical Equipment</b>	N/A	693
	<b>Tower Sludge Removal</b>	66	150
	<b>Chemical Control System</b>	163	163
	<b>Total Maintenance Costs</b>	1,789	4,386

Table 8-1 Cooling Tower Operating and Maintenance Costs\*

\*These costs are the added O&M costs only.

\*\*These operating costs are considered as part of the Station derating. See Section 6 for further information on station capacity derating and energy usage penalties.

The operating costs estimated in Table 8-1 are associated with:

- Frequent detailed inspections of the internals, externals and air moving equipment (applicable to mechanical draft tower design only); and
- Continuous chemical treatment of recirculating brackish water
- The operation, sampling, testing and cost of chemicals that provide continuous chemical control of the water circulated through the station towers each day.
- Maintenance costs are appreciable because of the large quantity of materials and equipment associated with what would be an immense installation of cooling equipment. These costs are expended in upkeep, repairs and modifications to the structure, fill section, lighting, chemical control systems, hot water spray distribution system, fans, motors, switchgear, drift eliminators and basin. Make-up and blowdown system components which serve the tower complex also require periodic upkeep and repair.

# **9 CONCLUSION**

Conservative capital costs to retrofit plant once-through cooling systems to closed cycle cooling tower is provided in Attachment 2. Over 1,000 plants were included in this study and the total cooling tower retrofit costs for this population is approximately \$25 to \$28 billion 2002 dollars. The 3 billion dollar range accounts for the fact that plants listed in the UDI database as having a "combined" or "mixed" type of cooling system may already have cooling tower technology that can either fully or partially accommodate closed cycle operation. As noted in Section 3 and 8 above, a number of site specific issues can result in significantly increased implementation costs, and therefore the costs estimated in Attachment 2 are considered conservative estimates. Attachment 3 is a survey of utilities where potential site-specific issues have been identified, which further supports the treatment of Attachment 2 costs as low-end estimates assuming minimum site-specific conditions that are known to escalate cost.

Table 8-1 provides at range of O&M costs (including energy penalty costs) in the range of \$5 to \$12 million 2002 dollars per year. These estimates are from utility experience at several nuclear plants, and the actual costs for individual plants may vary based upon size, water source, electricity prices, and design.

# **Attachment 1 Cooling Tower Retrofit Comparison Plant Cost Basis**

Cost data from six comparison projects formed the empirical cost basis for the retrofit capital cost estimates provided in Attachment 2. The methodology for estimating capital costs and the cost breakdowns for each of the comparison plants are provided in this attachment. Comparison Plants X1, X2 and X3 are different capacity fossil units located on estuaries. Comparison plants X4 and X5 are ocean site nuclear facilities, and finally X6 is a helper tower design proposed for a river site.

### Methodology for Estimating Capital Costs

Estimated capital costs for retrofitting cooling towers for U.S. plants are provided in Attachment 2. Starting with the UDI database, in-scope plants for the purposes of this study were selected if they met the following criterion:

- Not already a closed cycle plant, and
- Capacity Factor  $>15\%$ , and
- CW Intake Flowrate greater than 50 MGD.

Overall capital cost estimates for each in-scope plant was made by selecting the best comparison plant (case study plant with closest matching condenser flowrate) and adjusting the estimated retrofit for the comparison plant by applying a "cost scale factor" equal to the ratio of the condenser flowrates.

Labor cost adjustment factors for regions of the United States, based on RS Mean Labor Rates for the Construction Industry: 2001, are used to make regional adjustments to the estimated labor costs as follows:



Although in some cases, natural draft cooling towers would be the design of choice, the cost of retrofitting mechanical draft cooling towers has been used throughout. Stone & Webster has recently investigated the retrofitting of mechanical draft and natural draft cooling towers at several nuclear and fossil generating facilities located in the Northeast (NE) Region and South Central (SC) Region of the United States. Only the mechanical draft retrofit case studies have been used in this report. In each of these cases, preliminary designs were developed in sufficient detail to allow major equipment sizing and

quantity estimates, which were used to develop order of magnitude cost estimates for retrofits. These costs have a 20% adder for contingency and indeterminates. For all case study facilities, the retrofit designs utilized all existing circulating water conduits in and under the turbine building and no major modifications to the condenser were included. This was achieved by elevating the cooling towers such that the systems utilized gravity flow from the cooling tower basin through the condenser. It was also assumed that no modifications of the turbine would be required. The following sections discuss the design features of the comparison plant retrofit designs utilized as a cost basis for this study.

### Design Features for Cooling Tower Retrofit at Comparison Plants X1, X2, and X3

These units are part of a large fossil generating facility located in the northeast region of the US. The existing units have once through circulating water systems with single pass condensers. Cooling water is salt water. The proposed cooling towers will be salt water towers. The existing circulating water conduits are reinforced concrete. A major design objective for the retrofit design was to utilize the existing single pass condenser and the portions of the existing circulating water conduits located under and within the confines of the turbine building. The low design pressures for the existing circulating water piping and condenser water boxes dictated that a gravity flow system from the cooling tower basins be used in order to not exceed the existing system design pressures. An existing elevated fill area is available on the site property approximately 1000 ft. from the station on which to locate the cooling towers.

New cooling tower pump stations utilizing dry pit pumps are constructed adjacent to the turbine buildings to pump the heated discharge from the condensers up to the cooling tower fill.

New circulating water piping is assumed to be fiberglass, buried in sheet pile trenches with concrete slabs for support and ballast.

All major structures including the cooling tower basins are supported on pile foundations.

The cooling towers are non-plume abated rectangular wet mechanical draft cooling towers arranged in two back-to-back rows in a common basin.

Specific unit parameters are as follows:



### Design Features for Cooling Tower Retrofit at Comparison Plants X4 and X5

These units are nuclear generating units, which are part of a three unit nuclear generating facility located in the northeast region of the US. The existing units have once through circulating water systems with single pass condensers. Cooling water is salt water. The proposed retrofitted cooling towers would be salt water towers. A major design objective for the retrofit design was to utilize the existing single pass condensers and the portions of the existing circulating water conduits located under and within the confines of the turbine building. Differences in design pressures for existing circulating water conduit and condenser water boxes and other features required a significantly different design concept for the retrofitted cooling tower systems. The station site has an adequate area for the cooling towers about 2000 ft. from the station.

In plant X5 the condenser water passages and the existing circulating water conduits have sufficient design pressure margin to allow for the significantly higher pressures in the retrofit closed loop system. Existing valving and cross connects at the condenser allowed for conversion to two pass with no equipment changes. These features allow for a standard cooling tower loop with a single new pump station located at the cooling tower basin. The condenser would be converted to two pass operation in the retrofitted closed loop system.

In plant X4 the design pressures for the condenser water boxes and existing circulating water conduit are not adequate for the higher pressures for a standard closed loop arrangement. Plant X4 would require two new pump stations; one at the cooling tower and one at the discharge to pump heated water back to the cooling tower in push-pull arrangement. The condenser would continue to operate single pass in the retrofit cooling tower system.

The site is under laid with rock so extensive amounts of rock excavation are assumed.

The cooling towers are non-plume abated rectangular wet mechanical draft cooling towers arranged in two back-to-back rows in a common basin.

Specific unit parameters are as follows:



### Design Features for Cooling Tower Retrofit at Comparison Plant X6

Comparison Unit X6 is a three-cell helper tower system, which cools a portion of the heated discharge from the condenser and reintroduces the cooled water back into the discharge stream. The station is a nuclear generating facility located in the mid-western United States. The site has adequate area for the cooling tower adjacent to the station. All equipment and piping for the proposed retrofit, except for the connections in and out of the existing discharge tunnel are external to existing facilities.

The retrofit helper tower system consists of the three cell non-plume abated mechanical draft cooling tower, a new pumping facility, interconnecting piping and new electrical and control equipment for cooling tower fan and pump motors. The design system flow is 80 cfs and the cooling tower is located approximately 300 ft. from the station.

PLANT IDENTIFER: X1<br>RATED POWER: X250 MWe RATED POWER: 250 MW<br>COOLING SOURCE: Estuary COOLING SOURCE:<br>
RETROFIT COOLING TYPE: Mechanical Draft Tower RETROFIT COOLING TYPE:





X2 650 MWe Estuary Mechanical Draft Tower



PLANT IDENTIFER: X3<br>RATED POWER: X2 475 MWe RATED POWER: 475 MW<br>COOLING SOURCE: Estuary COOLING SOURCE:<br>RETROFIT COOLING TYPE:

Mechanical Draft Cooling Tower



PLANT IDENTIFER: X4 RATED POWER:<br>
COOLING SOURCE: 900 MWe<br>
RETROFIT COOLING TYPE: 900 Mechanical Draft Tower COOLING SOURCE: RETROFIT COOLING TYPE:



PLANT IDENTIFER: X5 RATED POWER: 1250 MV<br>COOLING SOURCE: 1250 Estuary COOLING SOURCE:<br>
RETROFIT COOLING TYPE: Mechanical Draft Tower RETROFIT COOLING TYPE:



**Total Estimated Cost \$125,540,325**  $\lfloor$ 

PLANT IDENTIFER: X6 RATED POWER: What's National Marious COOLING SOURCE: River

Mechanical Draft "Helper" Tower



# **Attachment 2 Cooling Tower Retrofit Cost Estimates**

# **POWER PLANT COOLING SYSTEM - ALTERNATIVE COST ESTIMATE**



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# **Attachment 3 Utility Survey Potential Site Specific Limitations**
























## **POWER PLANT COOLING SYSTEM - ALTERNATIVE COST ESTIMATE** NORTHEAST REGION



## **POWER PLANT COOLING SYSTEM - ALTERNATIVE COST ESTIMATE** NORTHEAST REGION



## **Attachment 4 Example Case Study Project Schedules**









1 2 3 4 5 6 7 8 9 10 11 <u>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |10 |11 |12 |13 |14 |15 |16 |17 |18 |19 |20 |21 |22 |23 |24 |25 |26 |27 |28 |29 |30 |31 |32 |33 |34 |35 |36 |37</u><br>Months







**1**<u>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30<br>Months</u>







**1**<u>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30<br>Months</u>