

Abstract

Availability of Resources for Clean Air Projects

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The ability of power plants and other emissions sources to comply with clean air regulations within a given time frame is limited in part by the resources available for implementing the necessary modifications to the facility. The resources include labor, materials, and equipment. In this White Paper the assumptions used to assess the ability of power plants to comply with the Clean Air Interstate Rule (CAIR) within the regulatory time frame were examined. Assumptions were tested for their reasonableness against actual data and experience.

This White Paper will demonstrate that the assumed limitations on labor that US EPA and representatives of the utility industry expected would limit the ability of the air pollution control (APC) industry to respond to the CAIR were not realized. It was determined that US EPA underestimated the ability of the APC industry to respond to CAIR in its final 2005 analysis used for the CAIR. Estimates of labor demand in the final CAIR analysis were significantly higher than previous estimates by US EPA. In light of these higher expected demand loadings, the assumptions regarding the availability of labor were demonstrated in this White Paper to be too limiting and, by imposing a “hard cap” on labor availability, did not take into account the dynamic nature of U.S. labor markets, which US EPA had acknowledged in the past. Also, assumptions by US EPA and the representatives of the utility industry regarding the timing of orders relative to the finalization of the CAIR proved to be incorrect. As a result, both US EPA and representatives of the utility industry underestimated the ability of the APC industry to support the utility industry in its response to the CAIR. Other assumptions regarding supply and demand for other resources that were not envisioned to be limiting generally proved to be consistent with experience.

The findings of this White Paper have implications for future clean air initiatives and how the timing of these initiatives should be assessed. To this end, it may be beneficial to reexamine the topic of resource supply and demand, particularly with regard to labor, and develop assumptions that better reflect the demand and supply characteristics of the market for power plant labor.