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U.S. Power Companies Actively Planning for Compliance with Clean Air Rules; Significant Work is Already Underway

There has been a lot of speculation recently about the ability of the electric power industry to upgrade its fleet in time to comply with EPA's new air pollution rules. However, a review of recent retrofit projects shows that

(1) many companies have already been planning for compliance,
(2) many companies have already started work on their pollution control retrofits, and
(3) many companies are planning to complete work before the 2015 compliance deadline under the Mercury and Air Toxics ("MATS") Rule.

The following is a sampling of recent announcements showing the clean air activity level in the industry:

- On February 22, 2011 Ameren announced that it was moving up the in-service dates of two scrubbers at Newton by approximately one year to late 2013 and spring 2014. This decision was driven by their plans to have their plants in compliance with EPA's clean air rules.[1]
- On February 24, 2011, the Wisconsin PSC approved plans for Wisconsin Power & Light to install scrubbers and baghouses on the two units at the Columbia Energy Center. The equipment is projected to be in service by 2014.[2]
- On February 28, 2011, Midwest Generation reported in its Form 10-K that it had installed required carbon injection equipment on all operating units in 2009. Midwest Generation will also install an electrostatic precipitator or baghouse equipment on Unit 7 at the Waukegan Station by December 31, 2013 (EPA permits have already been granted), and on Unit 3 at the Will County Station by December 31, 2015.[3]
- On May 11, 2011 the Wyandotte Municipal Service Commission announced plans to install a baghouse at the coal-fired Wyandotte power plant.[4]
- On June 15, 2011, Salt River Project announced that it had finished connecting a scrubber to Unit 2 at its Coronado Generating Station in St Johns, Arizona, and that construction of a scrubber for Unit 1 was underway. The scrubber is expected to be completed by April 2012 and operational by the beginning of 2013. Salt River Project is also installing an SCR system on Unit 1, which is scheduled for completion by June 1, 2014.[5]
- On June 24, 2011, Dominion Kincaid station received its Joint Construction and Operating Permit to install and operate SO_2 control technology per their submitted plan to install Dry Sorbent Injection on the two 660 MW Kincaid units near Springfield, IL. The new SO_2 limits of 0.20 lb/MMBtu and 0.15 lb/MMBtu take effect in 2014 and 2017, respectively.[6]

[1] http://seekingalpha.com/article/254285-ameren-corporation-ceo-discusses-q4-2010-results-earnings-call-transcript
[2] http://www.jsonline.com/blogs/business/116860438.html; http://www.marketwatch.com/story/10-q-alliant-energy-corp-2011-11-03
[3] http://www.faqs.org/sec-filings/110228/MIDWEST-GENERATION-LLC_10-K/
[4] http://www.thenewsherald.com/articles/2011/05/21/news/doc4dd6a84ae6ba0142375535.txt
[5] http://www.srpnet.com/newsroom/releases/061511.aspx
[6] Illinois Environmental Protection Agency, Joint Construction and Operating Permit, ID # 021814AAB, June 24, 2011

- On July 20, 2011 the Babcock & Wilcox Company announced that Babcock & Wilcox Power Generation Group, Inc. (B&W PGG) was awarded a $26 million contract to design and supply two spray dry absorber (SDA) systems for Consumers Energy's D.E. Karn power plant in Michigan. Engineering is underway. The first unit is scheduled for operation in spring 2014, with the second unit to follow in fall 2014.[7]
- On June 29, 2011, the Babcock & Wilcox Company announced that its subsidiary Babcock & Wilcox Power Generation Group, Inc. (B&W PGG) was awarded a contract worth $54 million to design and supply two wet flue gas desulfurization (FGD) units and related components for Northern Indiana Public Service Company's (NIPSCO) R.M. Schahfer Generating Station in Indiana. The units are scheduled to be operational in 2013 and 2015.[8]
- On August 15, 2011, KBR announced that it has been awarded a contract by Southern Company for procurement and installation of SCRs and FGDs on two of the four 880 MW units at Georgia Power's plant Scherer. According to Southern Company, all four units will be equipped with FGDs and SCRs by 2014.[9]
- On September 9, 2011, Hitachi America Ltd. announced that it has been awarded a contract to design and supply an SCR system for Unit 1 at Westar's Jeffrey Energy Center. The equipment will be installed by the end of 2014.[10]
- As of September 30, 2011, ADA Environmental Solutions had contracts in progress for work related to the emission controls totaling approximately $3.5 million. To date, ADA has installed or is in the process of installing ACI systems for controlling mercury emissions from 55 coal-fired electric generated unit boilers.[11]
- In September 2011, Vectren filed a request with the Indiana Utility Regulatory Commission to install state-of-the-art technology on two coal-fired electric generation units at its A .B. Brown power plant in Posey County, Indiana. Known as dense pack technology, this equipment is an energy efficiency upgrade to the turbines that allows Vectren to produce the same amount of electricity, yet burn less coal. One unit is expected to be operational in 2012, and the other in 2013.[12]
- On October 24, 2011 Fuel Tech, Inc. announced receipt of multiple air pollution control orders totaling $5.1 million. The largest of these orders was an award for the design and supply of an SNCR project for three large combustion units located in the South Central U.S. The system is scheduled to be operational by the spring of 2012.[13]
- On November 2, 2011 Babcock & Wilcox Company announced that Babcock & Wilcox Construction Co., Inc. (BWCC) has been awarded a contract valued at approximately $37 million to provide construction services for a baghouse installation project at Consumers Energy's J.H. Campbell Generating Complex in Michigan. BWCC was previously awarded a contract to design and supply the plant's SCR system. BWCC has begun work at the project site and is scheduled to tie in both the SCR and baghouse during a planned outage in March 2013.[14]

[7] http://www.babcock.com/news_and_events/2011/20110913a.html
[8] http://www.babcock.com/news_and_events/2011/20110913a.html
[9] http://www.hydrocarbonprocessing.com/Article/2884082/KBR-wins-equipment-installation-deal-for-Georgia-coal-fired-power-project.html, http://www.georgiapower.com/pluggedin/construction_2009_08.asp
[10] http://seekingalpha.com/article/285113-westar-energy-ceo-discusses-q2-2011-results-earnings-call-transcript
[11] http://www.adaes.com/PDFs/press/ADAQ32011.pdf
[12] https://www.vectrenenergy.com/web/eenablement/learn_about/environmental_stewardship/dense_pack_technology_i.jsp
[13] http://www.benzinga.com/news/11/10/2006371/fuel-tech-awarded-air-pollution-control-orders-totaling-5-1m
[14] http://www.babcock.com/news_and_events/2011/20110913a.html