

March 19, 2009

Impact of Potential Mercury Emission Changes on Domestic Cement Capacity

Overview

Economic Research has been tasked to provide a rough estimate regarding the potential impact of tighter mercury (Hg) emissions on domestic cement supply. PCA assumes an Hg emission policy commences in 2013. PCA's analysis compares three scenarios including:

- **Baseline Scenario:** Hg emission standards remain unchanged.
- **Moderate Hg Cap Scenario:** Hg emissions are capped 90 pounds (lbs) per million tons of clinker production per year per plant.
- **Severe Hg Cap Scenario:** Hg emissions are capped at 50 lbs per million tons of clinker production per year per plant.

Policy impacts are measured by comparing the moderate and severe Hg cap scenarios against the baseline scenario. These impacts are shown for 2013, 2015 and 2020. The EPA conducted a plant-by-plant study on Hg emissions from the cement industry reflecting 2006 information for 100 cement plants. A follow-up study was performed reflecting 2007 information for some 50 cement plants. Historical benchmarks on plant-by-plant Hg emissions reflect the most recently available data for each plant.

Undoubtedly, actual United States Hg emission policy will vary significantly from these scenarios – both in form and in standard levels. The purpose of this report, however, is to provide initial assessments regarding the impact on the United States cement industry of potential changes in EPA emission policies. These assessments can be refined at a later date as more details become known.

Key Findings

- Compared to baseline estimates, United States Hg emissions decline from 18,800 pounds in 2020 under the baseline, to 1,571 pounds under the moderate Hg cap scenario, and 1,150 pounds under the severe Hg cap scenario.
- Installation of Hg controls at cement plants account for roughly 60% of the total reduction in cement industry Hg emissions in the United States under the moderate Hg cap scenario and less than 50% under the severe Hg cap scenario by 2020.

