

INDUSTRIAL BOILER NEW SOURCE PERFORMANCE STANDARDS JUNE 1986

PURPOSE

In 1986, shortly after the inception of the National Coal Council in June of that year, the Secretary of Energy requested the Council do a study on the impact which New Source Performance Standards for Industrial Boilers, then under development by the EPA, would have on industrial coal use.

FINDINGS

This study, completed in June 1986, found that because of the unwarranted stringency of these proposed regulations, the capital cost of new coal-fired units would be increased to the extent that coal use by United States manufacturers might no longer be an economic option, especially as older, dirtier units come up for replacement.

Because of the importance of industrial steam use - approximately two-thirds of all fuel burned by United States industry is consumed to raise steam - the Council made a four-point recommendation to the Secretary regarding the New Source Performance Standards and the need to protect coal's share of the industrial steam market.

RECOMMENDATIONS

All four recommendations were followed in letters from the Deputy Secretary's office to the Environmental Protection Agency. It was pointed out that promulgation of reasonable, cost-effective regulations governing the emissions from industrial coal-fired boilers would offer these benefits.

- Help maintain continued coal use by United States industry.
- Assist United States competitiveness in global markets.
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- Help ensure industrial fuel flexibility, a contribution to national security.
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- Ensure the continued development and application of new coal-firing technologies, as embodied in the Clean Coal Technology Program.

The National Coal Council believes that these objectives have been met. Industrial coal use continues to run at approximately 20% of total industrial fuel use, and orders for new coal-fired units in the 1987-91 period comprise 27% of the total orders. Furthermore, a new, environmentally sound coal-firing technology has become the preferred combustion method for purchasers of new coal-fired units in the manufacturing and cogeneration markets.