

Table 3-1 — Example MRY Unit 2 Cost Underestimations Summary

Parameter	EPA Example Hypothetical 800 MW	EPA Assumed MRY U2 Costs 447 MW	Est. Actual MRY U2 Costs 447 MW
Current Hg Compliance (4.0 lb/TBtu) Cost ¹	\$2.6 M	\$0.3 M	\$1.9 M
Current Hg Removed	1,295 lb	77 lb	149 lb
Current C/E (\$ per lb Hg Removed)	2,004	3,845	12,754
Hg Control System Annualized Capital Cost	Not included	Not included	\$472k ²
BPAC Cost @ 5 lb/MMacf	\$7.5 M	\$0.6 M	\$1.3 M ³
M-Prove Cost	Not included	\$0.2 M	\$1.6 M ⁴
Future Hg Compliance (@ 5 lb/MMacf) Cost	\$7.5 M	\$0.8 M	\$3.4 M
Future Hg Removed (EPA Assumed @ 1.2 lb/TBtu)	1,447 lb ⁵	110 lb	216 lb
Future C/E (\$ per lb Hg Removed)	5,083	7,040	15,678
Incremental C/E (\$ per lb Hg Removed)	28,176	14,360	22,217

Note 1 – EPA example only based on sorbent. EPA assumed current compliance cost includes sorbent and chemical fuel additive. Est. actual cost based on 2023 MRY Unit 2 usage rate & pricing for both sorbent and chemical additive.

Note 2 – Cost of \$5.0 million dollars from S&L project database was annualized using a capital recovery factor calculated based on annual interest rate of 7% (pre-tax marginal rate of return on private investment, EPA Cost Manual Section 5) and 20 year evaluation period (EPA Cost Manual Section 6)

Note 3 – Cost based on EPA assumed rate but using 2023 MRY BPAC pricing.

Note 4 – Cost based on 2023 MRY Unit 2 usage rate & pricing instead of assuming same as sorbent costs.

Note 5 – Based on calculated value for EPA example inlet Hg of 1,542 lb/s (current Hg coal content)– 95 lbs (future emitted amount). However, the EPA example identifies 1,468 lb for the incremental cost effectiveness calculation.