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ACID RAIN: THE SOUTHERN COMPANY (A)

INTRODUCTION

Among the large energy providers in the south eastern part of the United States is the Southern Company which was keenly met by an environmental and thereby a regulatory problem in the aspect of acid rain. SO₂ and NO_x emission resulting from power plants produce acid rain, which is credited for damaging impacts to ecosystems, water quality and structures.

PROBLEM IDENTIFICATION

At the heart of the Southern Company story is whether the company can limit its impacts of EPA's acid rain policies on profitability and operational efficiency. The options available to the company are to spend money and install scrubbers or to employ the use of low sulfur coal, or buy emissions allowances from the EPA cap-and-trade programme.

STRATEGIC ALTERNATIVES

Installation of Scrubbers: The utilisation of scrubbers in the power plants has capability of reducing SO₂ emission but it is costly. It envisages long-term compliance benefits but may lead to problems of financial allocation and management.

CONCLUSION

This paper uses Acid Rain case to demonstrate that regulation compliance in the energy industry entails more than meets the eye. Analyzing and assuming a mixed strategy therefore will enable The Southern Company to stand by EPA regulations while supporting the environment as well as recording enhanced performance.

RECOMMENDATION

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