

Representing the Interests of America's Industrial Energy Users Since 1978



BoilerBlast News[®]

CIBO PROUDLY WELCOMES NEW MEMBERS

Alliance
Source
Testing

CH2M HILL

FLSmidth Inc.

Power Plant
Management
Services, LLC

CIBO 2011 Meetings

33rd Annual Meeting
Lago Mar Hotel
Ft. Lauderdale, FL
Oct 12-14, 2011

Technical Focus
Group/Environmental &
Energy Committee
Meetings
Arlington, VA
Dec 6-7 2011

Time goes by fast when you are very busy. Since the last newsletter in June, we have moved the office (the new address is below), been to Portland Maine for the Industrial Emissions Control Technology (IECT) Conference, got through the September Technical Focus Group/Energy and Environmental Committee Meetings & Hill visits, and set up for an extremely important Annual Meeting next month. From the details in the minutes of the Committee Meetings (to be up on the web in a week or so), the Summary of the IECT (On the web) and with the information below, you should be able to get a sense of why the Annual Meeting will be so important.

CIBO's New Office Address:

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Warrenton, Virginia 20187
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Fax: 540-349-9850

Energy

With the economy stagnating, if not sinking with increasing unemployment, we are seeing a storm brewing as the Obama EPA's multi-pronged attack on Coal without regard to the consequences, seems to be moving in high gear to get any rule to kill coal in place and secure before the next elections in the event a new administration comes to power that could prevent them from taking effect. The Obama Energy program seems to be spelled Environmentally Clean, Zero Coal, Zero Combustion Energy except for what Natural Gas is needed to make everything else work when the wind doesn't blow or the sun doesn't shine.

Since the Congressional Summer recess, activity has picked up with an Energy Efficiency Bill S.1000 with some new ways to consider financing Industrial Combined Heat and Power (CHP) projects to replace capacity lost by utilities due to unrealistic environmental rules. That is of course assuming with Boiler MACT and NSR, they can be built. In any case, once a final energy bill is generated within the Senate, the House will begin moving forward.

Most of the House activity is focused on beating back the environmental push to kill coal and the resulting negative impact on the economy – more about that below.

On the more mundane side of energy, yet very important, everyone burning coal should have had to submit EIA Form 3. We have met with EIA and have expressed concern regarding Confidential Business Information (CBI) that could be made public and have been assured our concerns will be addressed. While there are currently no guarantees, any CBI identified information supplied should not be made available publically except in an aggregated form where no individual information can be identified as has been the case in the past.

As you will see below, unlike the past where energy needs directed the action to generate energy with an environmental improvement, we now have energy needs being forced by environmental regulations and policies. We will be talking about this at the Annual Meeting.

Environment

There is actually good news to report. There has been a tremendous amount of work in the House of Representatives and in the Senate on HR.2250 and S.1392. Both of these bills give EPA the time it originally asked for from the courts, provides for a realistic compliance period, clarifies achievable, as originally intended, to be achievable in practice and supports the President's Executive Order 13563. CIBO whole heartedly supports these Bills and was pleased when H.R.2250 passed out of the Sub Committee with bipartisan support on a voice vote. Much work continues and has to be done as the EPA continues to work toward an October Reconsideration publication and an April final rule for Boiler MACT. With 230,000 jobs at risk and pressure from the radical environmentalist's on this Administration to kill coal and oil combustion in the US, we do not see how this compressed schedule can truly evaluate the mounds of data and compliance alternatives to obtain the best outcome for the environment at minimum cost with the least impact on the US economy. At this point, there is no sign from the Obama Administration that it intends to make these 4 Boiler MACT rules achievable. We believe it will take Congressional action to get this accomplished and minimize future costly and extended litigation. The costs for doing this continue to mount; and, we still need any help and dollars our members can give in this regard.

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Last week there was a bit of excitement when the President told EPA to put off the Ozone NAAQS. The net result could possibly be an increase in the efforts on other rules like, Boiler MACT, Utility MACT, Cross States Air Pollution Rule (CSAPR), Coal Ash reclassification and GHG regulations to accomplish the Obama kill coal agenda prior to the 2012 elections with a safe margin so the rules cannot be overturned if a new administration is elected. The environmental committee minutes from last week and the IECT Summary will provide many of the details. One thing for certain, the world is different, much different than just 5 years ago. We will be trying to make sense out of this at the annual meeting and find ways to get the technical, application and economic reality across to the policy makers.

Technical

As technical and scientific activities are regulated by the policy makers today to someplace in the basement (mushrooms ring a bell), no one seems to think about how something like a Tune-Up or Energy Assessment will actually be done. The technical committee is working on real life protocols for both. There was a very good presentation on tune-ups by Norb Wright at the IECT that will serve as the basis for the Tune-up protocol, and a task group, headed by Mike Budin of TRC Environmental Corporation, is working on the Energy Assessment protocol. If you are interested in working on either of these, let CIBO Staff know. We will be discussing some new ways in communications to do this at the Annual Meeting with the objective to strengthen the technical side of policy making and increasing the technical support for all our members.

Industrial Emissions Control Technology IX Conference & Regulatory Compliance Workshop

Holiday Inn by the Bay, Portland, Maine

The conference was great focusing on Industrial, Commercial and Institutional boilers and energy generation systems in light of the recently promulgated Boiler MACT, Area Source, Commercial Industrial Solid Waste Incineration (CISWI), and Waste/Fuel Definition Rules. The presentations and discussions were very informative and beneficial to those in attendance. There were a couple important takeaways. First, if the rules are made achievable with some, what could be minor modifications, there are technologies that could allow companies to comply without having to go non-economical maximum control technology applications or switch to non-economical Natural Gas. Second, a general consensus by the attendees, including environmental testing companies was there was no way a testing company could guarantee an accurate result for dioxin or the excessively low New Source MACT Standards, where there is not even one boiler in the country currently capable of meeting these standards in practice today. A summary of this meeting is available on the conference CD or CIBO website. We will be back in Portland next year July 30th through August 2nd.

33rd Annual Meeting – October 12-14, 2011, Largo Mar Resort, Ft. Lauderdale, Florida

CIBO's 33rd Annual Meeting is shaping up to be of critical importance, as corporate decisions regarding compliance with the Boiler MACT standard or alternative remedies loom on the horizon. As we said last year, "we doubt if there has ever been a time over our thirty-two year existence when there has been more, or any more important, issues assailing the industrial, commercial and institutional boiler owners and suppliers." 2011 and 2012 could very well be that peak issue time. The rules issued to date and their implementation, if allowed to proceed unchecked, brings into serious question the growth, sustainability, and very survival of our plants and businesses within the United States. This, coupled with an environment that is very different in every way from just five years ago, will make our ability to achieve positive results extremely difficult, if we are not prepared. As such, this year's Annual Meeting theme is: "Somewhere Between Old Ways and New Realities, Energy, Environmental and Economic Security." The agenda (on the website) brings the best people together to help us use CIBO's unique capabilities and strengths to understand where we are and the challenges ahead, so that a better strategy can be developed for addressing the new reality. Invitation packets have been mailed. If you did not get your invitation and would like to go, please let us know. **Please note that the hotel cut-off date is Friday, September 23rd, please make your room reservations today! Visit www.cibo.org for the latest details.**

From the President's Desk – Bob Bessette

I want to welcome our new members who have joined over the summer – Alliance Source Testing, CH2M Hill, FLSmidth, Inc., and Power Plant Management Services, LLC. Their knowledge and expertise will help us all as we move forward to find ways to comply with our new and upcoming environmental requirements.

On the sense of reality today, I have two thoughts, not necessarily connected, to share with you today. First, we have been spending a lot of time on the Hill with very bright young people who really care; and it has amazed me on how interested they are in the technical substance of the how and why of the policy they are working on, from MACT and Fuels to CHP and Jobs. In this day of political sales and social economics, substance has a place. This is what CIBO does. Second is the Annual Meeting. I always like to consider what Energy and Environmental questions the Corporate CEO's will be asking next year so we can plan on finding a way for our participants to get the answers. This year I believe the questions will require more complex answers than ever before, both in context and in how the answers are developed within the new realities of business. As the cover page of the September 2011 Harvard Business Review put it "Embracing Complexity – You can't avoid it, but your business can profit from it." I am looking forward to a great Annual Meeting.