Energy

Gasoline prices are coming down and with them the public urgency to do any energy legislation goes down – some may say in direct proportion. How far do they have to come down before the public sentiment for energy action that could increase the cost of energy goes away, and we live happily bumping along without a care about energy? At the end of 2008 and beginning of 2009 the average gasoline price in the US was below $1.84 per gallon (less than $30 for a 15 gallon tank full) – the lowest in over 10 years. Today it dropped below $3.10 at the local gas station and people were excited. The average national number is around $3.35 per gallon (just over $50 for a 15 gallon tank full). We would have to go back to November 2010 to go below $2.84. We are approaching a point of diminishing public sentiment. People do not think in terms of the overall cost of energy on everything they buy or use. As such, a 3 or 4 cent per KWh electric rate increase does not register. The slow increase in the cost of groceries at the local store doesn’t register until, like a teenager who has grown two inches in 6 months and someone else sees it before the parents saying, “Wow to the teenager, what happened to you?” Check out the local food prices. Remember when it was only $10 per bag. Now the bags are smaller and it could be $20 per bag. There was a lady leaving the other day – 5 bags, almost $150. That is about $30 per bag. When you listen to the news (which could be unhealthy) very seldom does anyone mention energy but they do mention a sluggish recovery. This is the time when our task becomes that much more difficult. When, “it’s only a penny or two /kWh price increase”, the cost of energy is justified to push through legislation or regulation on greenhouse gas energy and efficiency issues that can have no health or real global environmental benefits. How CIBO members cope with the increasing costs of electricity and the new supplies of US natural gas and liquid fuels will be a focus at the September Quarterly Committee Meetings and Annual Meeting the remainder of this year.

Environment

It was bad enough when the environmental community thought the only way to kill coal and raise the cost of energy to justify renewable energy technologies was to promote the unreasonable air regulations we have been battling for the last 20 or 30 years. We now are seeing the environmental community attack via the White House and EPA coming on multiple fronts in the form of water regulations that go after the water used to make energy or using the Social Cost of Carbon as a tool to stop fuel recovery, infrastructure development and transportation. We are still trying to figure out how to make steam/usable thermal energy without water. The White House knowing they can keep any legislation from getting past The Senate under Senator Reid’s control is pushing regulations that expand the control of the Federal Government over states’ rights to accomplish their goals – Kill Coal and raise the cost of energy to artificially justify higher cost renewable technologies. The end result is seen in our litigation efforts to protect and achieve reasonable cost effective regulations that protect the health, social wellbeing and economic viability of the country as a whole. There is so much happening at all levels that there is too much to cover it all here. That is what we will do at the Quarterly Committee Meetings next month. A copy of the agenda is up on the Website.

If you are using or anticipate using railroad ties as a fuel, we sent out a short survey. We need this for our work on the NHSM rule.

One thing for certain, Boiler MACT compliance with the rule as written is still required by January 31, 2016 (17 months from now). At least from the Industrial Emissions Control Technology XII Conference and Natural Gas Conversion Workshop there was actually good news. One of the takeaways from this was that there is now enough knowledge and information to justify using Dry Sorbant Injection (DSI) and middle of the road capital cost technologies to be able to comply with Boiler MACT while continuing to use coal under normal technological risk. We also learned there is an added possibility of being able to add natural gas firing to take advantage of low gas prices while mitigating the possibility of high natural gas price excursions in locations susceptible to infrastructure limitations and supply curtailments. While compliance time still remains a concern, there is a sense that compliance is possible. From a White House and environmentalist perspective, this might not be good, especially with a possibility that the Senate could change hands and they lose the protective hand of Senator Reid. The Annual Meeting will be looking how this will come together for corporate planning and decision making purposes. See Annual Meeting below.

Technical

In the beginning of the month, the well-attended Industrial Emissions Control Technology XII Conference and Natural Gas Conversion Workshop in Portland, Maine brought owners, equipment & service suppliers, and regulators together focusing on Environmental Compliance (transition from planning to implementation, real-time compliance experience, case studies). Attendee surveys indicate that the information that was presented and discussed was timely and pertinent. Presentations on
a flash drive are being mailed to attendees. If you were unable to attend, conference presentations on a flash drive can be ordered through the “publications area” of the CIBO website (www.cibo.org). They are $50 for members and $100 for non-members plus $10 shipping and handling.

Focus Group, Environmental, Energy & Technical Committee Meetings –September 9-10, 2014 Arlington, VA
Focus Group Topic is “Electrical Islanding, Alternative Grid Interconnection Scenarios, and Demand Side Management & Demand Response for Industrial Facilities.” Key topics of Committees to be addressed include: EIA 2014 Annual Forecast; Natural Gas Risk of Curtailment and Mitigation Possibilities; BMACT Major Source, Area Source, CISWI & NHSM Reviews and Compliance Concerns; Litigation and Reconsideration for BMACT Suite of Rules; and Coal Ash, GHG, Litigation, NAAQS, and Water Rules Regulatory Updates.

Annual Membership Survey
The extremely important Annual Membership Survey was sent to Principle Representatives early in the month. Principal Representatives, if you have not done so, please take a few minutes to provide valuable feedback to guide CIBO’s efforts in strategy development and allocation of resources for maximum benefit to members. As you open your survey, last year’s responses and information are included. Only changes have to be made. Survey results will be reviewed by the committees at the September Committee Meetings, summarized and discussed at the Annual Meeting in October, and used to develop CIBO’s strategy for 2015.

36th Annual Meeting – October 15-17, 2014 –Hotel Santa Fe– Santa Fe, New Mexico
It takes energy to make usable energy. It takes energy to get and clean the water we drink and use. It takes energy to get the fuel from which we can make usable energy. And when we talk about solid fuels, it takes energy, water and air to convert that stored energy into useable thermal or electric energy. Hence the theme for this year’s annual meeting.

Energy 2014+
The Nexus of Energy, Air, Water, Fuel & Energy
This year’s annual meeting is extremely important. The questions to consider include: Why do I need steam/thermal energy? Is natural gas the answer? Is electrification the answer? Who pays for the increased cost of energy? What happens to the cost of water and fuel? What will industrial energy be in the coming years? Consider these and more this October in Santa Fe. Invitation packets have been mailed. Please check out www.cibo.org to register.

From the President’s Desk – Bob Bessette
As I said in a recent email to our committee members, everyone knows we have all been really busy. In the past, that level of business was usually focused either at the unit compliance level, the Regulatory/Legislative development level, the litigation/courts level or at the more global energy/environmental policy level with a focus on either energy or environment – one at a time or so. Those were the days. Today there are major activities happening on both the energy and environmental fronts and at each issue level across the spectrum of issues we address – now including air, water and land – now all at the same time. And these are only our issues affecting each of our members not including the work that they must do to keep their powerhouses and facilities operating.

I am looking for ways CIBO can make your life easier in the increasingly complicated days. The annual survey is important. The new website <http://www.cibo.org> is up and running and a few glitches have been worked out. Each day I grow to appreciate all that you do and your participation more and more. Without that we could not do all that we do. Thank You!!!

We Proudly Profile:

Horn Industrial Services is the parent company of Titan Contracting, Titan Fabricators, National Steel Erection, Inco Services, M Industrial Mechanical, Milco Constructors, and Midwest Consulting.
The Horn Companies are a leading full-service contractor and fabricating organization specializing in Power and Process Piping, Balance of Plant Disciplines, Turbine and HRSG Installations, ASME boiler and tube repair, Tank & Vessel Fabrication (Shop and Field Installations), Existing Plant Modifications/Upgrades, Environmental Equipment Installation/Retrofits, Air Cooled Condenser Rebuild & Installation, AQCS installations and Maintenance.
Serving the Power (all fuel types – including green energy), Chemical, Petrochemical, Refining, Pulp and Paper and General Process Industrial markets, their services include New Construction, Existing Plant Modifications, Repair and Maintenance.
A premier quality construction and maintenance service provider of choice nationwide for over 35 years. For more information, visit www.hornindustrialservices.com.