

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

# BoilerBlast News<sup>®</sup>

## Upcoming CIBO Meetings & Conferences

EE/Technical Committee Meetings  
Arlington, VA  
Sept 10-11

35th Annual Meeting  
Stoweflake Resort  
Stowe, Vermont  
Oct 16-18

## Contact CIBO

6801 Kennedy Road  
Suite 102  
Warrenton, VA  
20187  
Ph: 540-349-9043  
Fax: 540-349-9850  
cibo@cibo.org

## Energy

An Energy Bill: As we get into the final days of a legislative year there is a possibility, however slim, that we might have an energy bill. Would we make a bet on it? No!

CHP: There is some very good positive activity at DOE on promoting Combined Heat and Power (CHP), albeit in line with the Administrations push to reduce Green House Gasses and Global Warming. While we do not necessarily agree with the Administration's motives, we do whole heartedly agree with the promotion of CHP as the most energy efficient way to simultaneously generate thermal/mechanical and electrical energy without the losses from condensing steam or the high temperature exhaust gasses from turbines. The DOE is doing excellent work talking with industry groups to scope the outline and define the discussion which need to be undertaken to move the CHP technology forward as quickly as possible. CIBO and its members are intimately involved with the activity. We will have someone at the September Technical Focus Group, Energy and Environmental Committee Meetings and at the Annual Meeting to help us help them better. A copy of the latest draft of the outline with industry comments has been sent in to DOE. If you would like a copy let us know.

Energy/Boilers/Jobs/Schedules and Capital Costs: As Labor day approaches we should talk a little about labor and jobs. During the Natural Gas Conversion Workshop in Portland, we heard from three CIBO member boiler manufacturers that there could be an annual capacity of around One Hundred and Fifty (150) 100,000 to 200,000 PPH boilers per year. We also heard that some of the venders were beginning to see delays in subcontractor delivery times. If we were to need 600 packaged gas fired units to comply with Boiler MACT by January 31, 2016 (a reasonable possibility from the numbers we saw from our URS data evaluations), that is about 300 per year. Assuming the shops are empty (they are not) that is about twice the capacity and someone may not get their boiler. Even if another year is added for compliance, someone may not get their boiler from one of our quality US suppliers. As we chat with our CIBO member boiler manufacturers, we see a problem for them finding code welders or just welders and technicians to man the current levels of production, never mind increasing capacity. The pipeline and oil and gas field development is taking many away from conventional manufacturing with very lucrative offers and compensation, like the gold rush of the 1800's. The impacts of this on energy equipment and technology could be significant in both cost and schedules – another wild card thrown into the decision BMACT compliance making process. This wild card will increase the risk associate members with natural gas fuel switching as companies begin to make hard decisions. We guess the old saying, "the early bird gets the worm," may have increasing validity as we move toward January 31, 2016, and we still need energy to make or do anything.

## Environment

Boiler MACT is still the biggest rule we, as the representatives of the industrial, institutional and commercial boiler owners' have ever had to deal with. With a projected price tag of \$12.1 Billion Dollars, it could put up to around 194,000 people out of work. At the Industrial Emissions Control Technology Conference we heard there could be Dry Sorbant Injection (DSI) Technologies and Natural Gas Conversion possibilities that could decrease the capital cost requirements for compliance. Each has differing risk considerations and cost assumptions that are usually case-by-case, facility-buy-facility, company-by-company. We heard that the first year annualized cost for continuing on coal and converting to natural gas was about equal; and there is a strong possibility that DSI could be applied, but detailed site specific evaluations must be undertaken to provide guarantees and assurances needed by corporations. One thing seems to come out loud and clear, there is no "one correct answer based on engineering technical evaluation." There are four (4): 1) comply by adding emission control technology to keep the fuel I am currently burning, 2) convert to Natural Gas either with a new unit or a conversion of existing infrastructure, 3) comply by using DSI, fuel switching and/or process modification something with lower capital and less operating costs, or 4) do nothing and shut down the boiler, plant or production line on the compliance date. Each of the alternatives has a different set of risk assumptions that must be considered by the corporate CFO, CEO and Board of Directors. Life is interesting. We will be talking more about this at the September Technical Focus Group, Energy and Environmental Committee Meetings.

On the Monday before the Industrial Emissions Control Technology Conference, EPA sent us letters regarding what they would reconsider and Jim Eddinger of EPA, reviewed those determinations for the participants via a conference call line to the meeting. We will be going over those in detail at the September Technical Focus Group, Energy and Environmental Committee Meetings. An important one is that they will review the CO limit setting process but not the CO Work Practice request. The ENGO community thinks the CO standards are way too high, a point we know is wrong and not supportable by science and the physics of combustion. We believe the ENGO community also believes that work practices and the

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work practice standard for CO in the Utility MATS Rule as a precedent setting example of bad work practice standards can be overturned in MATS easier if Boiler MACT has a numerical standard. If they are successful in overturning work practice in MATS they would have a better chance of overturning all work practice standards in MACT and require limits be developed for natural gas units, dioxins/furans and limited use and small units. Regardless of how these turn out, no one at this time thinks there is any possibility that the courts will vacate the rules, leaving the schedule for compliance and limits in the current rule as the basis for compliance by January 31, 2016. If you know of anyone who is in denial and believes they do not have to do anything, you should have them call us.

Besides MACT we have NAAQS, Ash and Start-up, Shut-down and Malfunctions which we have commented on in relation to the Utility MATS Rule. We will be talking more about all of these after Labor Day at the September Technical Focus Group, Energy and Environmental Committee Meetings.

## Technical

The sold out beginning of the month Industrial Emissions Control Technology Conference and Natural Gas Conversion Workshop in Portland, Maine, brought owners, equipment & service suppliers, and regulators together to discuss compliance options. Attendee surveys indicate that the information presented was timely and pertinent. The discussions were excellent. We will be doing another Natural Conversion Workshop, hear real MACT compliance plans and decisions and consider new NOx and SO2 technologies within next year's August IECT Conference in Portland, Maine. Presentation CD's will be mailed to attendees before the September meetings. If you were unable to attend, a conference presentations CD can be ordered through the Publications area of the CIBO home page ([www.cibo.org](http://www.cibo.org)).

## Technical Focus Group, Energy and Environmental Committee Meetings – September 10-11, 2013 Arlington, VA

Focus Group Topic is "The Need to Balance Steam and Electricity Demands When Making Utilities Investments." Key topics of Committees to be addressed include: DOE Update, Institute for Industrial Productivity, MIT E2e Study, Boiler MACT Slate of Rules (Reconsideration Issues Update, Solid Fuel Analysis Procedures Discussion, Litigation), Climate Action Plan, and Coal Ash, GHG, Litigation, NAAQS, and Water Rules Updates.

## Annual Membership Survey

Principal Representatives, if you have not already 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 Technical Focus Group, Energy and Environmental Meetings, summarized and discussed at the Annual Meeting in October, and used to develop CIBO's strategy for 2014.

## 35th Annual Meeting – October 16-18, 2013 – Stoweflake Resort – Stowe, Vermont

It is impossible to make or do anything without energy; and, as such, the cost of energy impacts everything we make, sell or buy. Political, regulatory, economic and technical uncertainty clouds any and every energy or environmentally related question; and these can be boiled down to the effect on the cost and availability of energy – leading to this year's Annual Meeting theme:

### Energy – Needed to Make or Do Anything! Planning for Industrial & Institutional Energy in the Future- Making a Path to 2018

The agenda will bring the best people together to help us find what we and our members need to plan, act and work within this legislative and regulatory uncertain energy and environmental future. Join us in Vermont's prime season. Invitation packets have been mailed.

## From the President's Desk – Bob Bessette

Having a degree in physics and economics, and only having to find the way to get answers to questions, it is interesting to watch the process by which corporations have always relied on engineers to give them the one best answer to any problem; and they have always come through. Today with MACT there is no one correct answer as we talked above. The answer is dependent upon corporate, political, social and individual perceptions of risk or risk aversion. In this case, all the answers seem to be coming up as, "this is not the one I want." The world is much different than what it was only a few years ago. How this new environment is impacting CIBO and its members energy decision making and what we can do about it as we move into 2014 and the future, will be the focus of this year's Annual Meeting. What will the CEOs be asking about energy and the environment next year? How will public perception play in the process, and how can CIBO help? The discussions and answers will be very valuable for all.

If you have not completed your annual survey, please do so. It will help as we plan for the future.

Between now and the September Technical Focus Group, Energy and Environmental Meetings, Happy Labor Day! As we ponder a little about Labor and those with and without jobs or uncertain about their future, we know energy and its cost will play a roll. I am looking optimistically toward a positive outcome for our members our companies and our country.