

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

BoilerBlast News[®]

CIBO Welcomes New Members

**Eco Power
Solutions
&
NatronX
Technologies**

Upcoming CIBO Meetings & Conferences

**EE/Technical
Committee Meetings
Arlington, VA
March 5-6**

**The Fluidized Bed &
Stoker Fired Boiler
Operations and
Performance XXVI
Conference
Louisville, KY
May 20-22**

**The Industrial
Emissions Control
Technology
Conference XI and a
new Natural Gas
Conversion
Workshop Portland,
ME
Aug 5-8**

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Energy

In the US Chamber of Commerce's State of American business last week, there were 5 major points made about issues critical to business in 2013: The Fiscal Cliff and continuing crisis, energy, trade, new regulations and immigration reform. Note that energy was number two; ten years ago energy would not have made the radar screen at all. Everyone is beginning to understand what we already know, that you cannot make or do anything without energy; and, the cost of energy impacts everything we do and everything we have to purchase. It is not just the extra 10% for the monthly electric bill or the extra \$10 for a tank of gasoline, it's also built into the price of milk, the fast food lunch or the paper towels we need. The Chamber was promoting the development of more of our own resources: Coal, oil and natural gas production from land and coastal regions; pare back the President's coal-killing regulatory agenda; and work to promote energy efficiency.

Sometimes it seems people think energy efficiency is free. It is not – it takes resources (capital and people) to implement real efficiency improvements. There are savings to be had; the question is which improvements can be realized so that the savings will pay for the cost of the efficiency upgrade over some realistic or tolerable amount of time? For example, consider the cost of the new LED Christmas Tree lights, which are advertised to last forever and use much less electricity. If you managed your household budget like a business manages its budget, would you borrow money to buy \$7 LED lights versus \$1.50 for about twice the number of standard lights that last one or two years? How many years would it take to pay back that investment, to say nothing of the opportunity cost to do something more productive with that money right now? Advertisers understand that this is not a compelling value proposition to the average consumer, which is why they don't spell out how long it will take to recoup that investment. But as energy costs increase and people feel the pinch across the board, this kind of real-world analysis and insight that CIBO brings to the table becomes ever more important. Simply stated, energy efficiency is not free. And on the other hand, conservation may not impact your capital budget, but it carries other real costs (quality of life impact, life style changes, etc.). If a person is wealthy they may not care. However, anything that raises the cost of energy disproportionately impacts populations with lower incomes. It will be interesting to hear the President's State of the Union address to get a sense how he will prioritize the policies that raise the cost of energy (and the cost of everything we make and do in the United States) versus policies intended to benefit those in lower income brackets.

Environmental

On December 20, 2012 the EPA Administrator Jackson signed the Reconsidered Major Source Boiler MACT, Area Source GACT, CISWI and NHSM Rules. Since the Christmas and New Year holidays, we have completed the initial evaluations of the rules. Most of that information is up on the website. Rule summaries, limit comparisons and an EPA presentation on the Boiler MACT rules are on the front page of the site. The latest EPA database, in Excel format, with initial boiler-by-boiler evaluations using last year's assumptions are on the member's only site. It is better than the original proposed rule, which was projected to cost around \$20.1 Billion and put 330,000 jobs at risk. The initial cost projections for this final rule are \$11.7 Billion in capital cost to comply using the existing fuel. Using the jobs impact assumptions from the IHS Global Insight work on the first round, EPA has been able to save around 143,000 jobs leaving 187,000 jobs still at risk. Of the 1742 units in the EPA database we are seeing initially 485 of those that should be able to comply with all limits without having to add controls. That still means that 1257 units will have to do something. You might want to check out the database to see if you are one of the lucky ones. There are only 11 out of 387 coal fired stoker units that can comply – that is 2.8% of the units which does not pass the 6% simple achievability test.

. As we told the Administration in a meeting last December at OMB, they could have saved another \$1 Billion if they had given industrial boilers the same CO Work Practice Standard they used in the Utility MACT Rule. And they could have saved an additional \$1 Billion if they looked at the full distribution of HCl data instead of arbitrarily defining any data point outside +/- 3 Standard Deviations as an outlier. Of course, since it is not possible to identify and quantify meaningful health benefits from reducing the Air Toxic emissions, the only way to generate benefits for these rules are by counting the indirect benefits from reducing PM and SO2 emissions (which this rule does not purport to regulate). In other words, there is little or no justification for this \$11.7 Billion rule without taking credit for these reductions (mostly from stoker fired boilers). We think there may still be some problems with the Start-up and Shut-Down provisions of the Rules, where for solid fuels the introduction of the solid fuel simultaneously with the starting clean fuel could be a problem. This may be something that can

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be remedied with technical correction to the rule. We continue to work to refine the implications for the rules, the technology assumptions for application assessment and economic implications. We are also beginning to look at the operational costs of the rules and the costs and benefits associated with conversions to natural gas from coal. We should have much of this accomplished by March Committee Meetings. If all goes as expected, we will see the rules in the Federal Register (FR) in two to three weeks, and the effective date of the rules will be 60 days after that. As an example, let's say if the FR publication is January 30, 2013, the compliance clock would begin ticking 60 days from then or April 1, 2013 with compliance required by April 1, 2016. There are strong suggestions in the preamble of the Boiler MACT rule that suggest EPA believes industry could have problems meeting these dates, so if a good reason is presented the states should grant an additional fourth year for compliance. In recent conference call presentations, there have been indications that, like the Utility MACT, for repowering or other major problems they may be able to work with the company to obtain additional time. We have heard a word of caution, however: If a company or site does not have a compliance plan in place that they can take to the state along with a request for an extended compliance period by this time next year (2014), the extra time may not come as suggested in the preamble.

The March meetings will be the first time we get together to discuss rules, compliance, planning, administrative and legal remedies. Those will all have to be filed within 60 days following publication in the Federal register. The agenda for that meeting should be up on the Website in the next week or so.

Technical

Check out the Meeting Schedule below. We will be finalizing the Fluidized Bed & Stoker Boiler operations and performance conference by the end of February and the Emissions Control technology Conference by the end of April. We expect Boiler MACT compliance will be a major subject in all our meetings this year. We also expect there will be a greater demand for presentation time than there is time available for presentations. Members always have priority; and, members with case studies and real data to share and question have ultimate priority. After February 28th for the FBC & Stoker Conference and April 30th for the IECT Emissions Conference, Non-members will be selected to fill any open spots in the agenda.

Focus Group, Environmental, Energy & Technical Committee Meetings –March 5-6, 2013 Arlington, VA

Focus Group Topic is "Water Impacts on Industrial Energy." Key topics of Committees to be addressed include: Reconsidered Boiler MACT State of Rules, Energy Assessments and Tune-ups for BMACT and Area Source Compliance); GHG Regulatory Developments; Litigation, NAAQS (including Modeling), and CoalAsh Updates.

2013 Conferences & Meetings Schedule

The Fluidized Bed & Stoker Fired Boiler Operations and Performance Conference XXVI will be held May 20-22 in Louisville, Kentucky.

The Industrial Emissions Control Technology Conference XI and Natural Gas Conversion Workshop will be held by popular demand again in Portland, Maine, Aug 5-8.

If you would like to submit a presentation, topic for consideration, or assist in the planning, send an e-mail to gail@cibo.org.

The Quarterly Committee Meetings at the Radisson, Crystal City, and Virginia will be the Tuesday and Wednesday of March 5-6, June 11-12, September 10-11 and December 3-4.

The 35th Annual Meeting will be held at the Stoweflake Resort, Stowe, Vermont on October 16-18.

From the President's Desk – Bob Bessette

It is always good to start the New Year by welcoming new members Eco Power Solutions and NatronX Technologies.

With Boiler MACT final, there is no better time to join the conversation, network with members and have a say in developing the advocacy – Legislative and Regulatory – to get the best compliance flexibility and solution possible for your company.

Is there anyone out there who might wager that there will not be litigation over the Boiler MACT Rules? Is there anyone out there who thinks the rules will be stayed during litigation? Can you ask EPA to reconsider a rule that has been reconsidered once already? With the Inauguration Monday, we probably have to look forward to the State of the Union Address to see what might be in store for us. Whatever it is, when the best energy and environmental engineers, equipment suppliers and consultants get together to find the most cost effective way to comply, and be able to act proactively rather than react under stress, they do. That is CIBO!

Member News

Jansen Combustion and Boiler Technologies, Inc. (JANSEN) is sponsoring two 2013 Biomass Boiler Workshops:

- Boston, Massachusetts, Mat 9-10, 2013
- Portland Oregon, September 19-20, 2013

For sign-up and to receive a detailed program of the technical presentations, workshop location, and hotel, etc., please contact Pat Azeltine or Cathy Thomas by phone at 425.952.2843/2835 or by e-mail at FirstName.LastName@jansenboiler.com.