

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

BoilerBlast News[®]

CIBO Welcomes New Members

[ESI Inc of
Tennessee](#)

[Sentry
Equipment
Corporation](#)

Upcoming CIBO Meetings & Conferences

EE/Technical
Committee Meetings
Arlington, VA
June 11-12

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

Contact CIBO

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

Energy

It looks like we might have some action on an Energy Efficiency Bill. The Energy Savings and Industrial Competitiveness Act of 2013 (S. 761) is better known as the Shaheen/Portman Bill. CIBO is on the record supporting this bill as is, and getting it to the floor for discussion and a vote. However, there are some who may want to change things in the Bill with amendments. NAM has a group working to see what might be possible within the NAM between manufacturers, efficiency equipment manufacturers/vendors and utilities as an indicator of what might make it on the Hill. The controversial issues, as in the past, result from divergent views regarding Combined Heat and Power (CHP) and mandatory efficiency fund charges. We believe these should be considered separate and not attached as amendments to S. 761. There are also major divergent views on other regulatory barriers especially NSR between all of industry and the environmental community. We believe S.761 has a good possibility of passage without any controversial amendments. If there are amendments we will send them out for consideration and we will respond appropriately.

We all know that energy efficiency costs money; and, if energy efficiency is mandated in such a way that is not economically justifiable on a site specific location and situation basis, CIBO would oppose it as we have in the past. As such, the probability we will have anything before the July 4th break is bleak. If anything does happen soon, it will not have any of the controversial pieces that can hurt industry; and in any case, it probably will not happen until this fall when the cool weather comes in.

We will have a very good discussion during the Government Affairs session at June's Quarterly Committee Meetings. While there are differences between industry and the utilities on CHP, there could be significant benefits to both from reliability, availability and electricity cost if a suitable investment, return on investment and revenue arrangement could be developed / brokered between the stakeholders and then allowed by the FERC. Look for more to come after the Quarterly Committee Meetings.

Environment

The most important question today is not, what is the compliance date for Boiler MACT (January 31, 2016), it is, what is the date by which a compliance decision has to be made to comply with Boiler MACT by January 31, 2016? The answer is 18 months to two years earlier than that. Let's say 21 months before January 31, 2016 or April 2014, next year – that's less than a year from now. This is the point that compliance plans could be taken to the state environmental authorities to establish a foundation for the request for an additional year for compliance due to circumstances beyond your control. Whatever the compliance strategy adopted by the company, the compliance options detailed packages (add controls; go to Natural Gas; do something in between like DSI; and do nothing shuttering the boiler) with the relative technical and economic risks, probably have to be presented to the Board of Directors for questions and/or decisions by this year's October or December board meeting.

EPA has been and is encouraging states to provide the extra time, if shown to be needed, to comply. They have also indicated that if a company is converting to Natural Gas and the project was held up for more than that amount of time due to FERC and supply bottlenecks, that they would work with you to find the time needed. That might also work if the compliance plan was to shutter the facility and do nothing.

The Industrial Emissions Control Technology Conference (IECT) in Portland is at an ideal time and will be a good place to benchmark company compliance plans/options with what others are doing and with the latest information on control technology capabilities, reported performance and conversion possibilities.

Another question being asked is what will happen with the litigation in the end. We believe we can say it will come before this Administration leaves office. As such, no one can say with any certainty. One scenario says if we win all we are asking for and protect all that is in the rule, we will be able to save some operating costs and be able to use some of the technologies that are not as extreme as a wet scrubber with a higher degree of compliance confidence under normal operating conditions. If, on the other hand, the environmentalist win everything they are asking for and surrogates are out, all limits are too high and small unit and limited use subcategories are out, there is probably nothing that would cause the court to vacate the rule as it did last time and only remand the rule to EPA to fix. If the court rules 2 years from now, remanding the rule (with the appeals process, maybe it is January 2016) and EPA takes two years to re-propose the Rule, add another to finalize it and another 2 years to go through the reconsideration and litigation process again (Ground Hog Day 3), and add 3 years to comply with the new more stringent standards, there could be a total of 8 years after compliance with the current rules before a company would have to comply with a new rule. The moral of the story is that for better or worse, these are the rules with which industry has to comply. We will also be talking about the new water rules and the ash rules and legislation that may come out of the Senate at the Quarterly Committee Meetings and will report on those.

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



BoilerBlast News[®]

Technical

The Fluid Bed Combustion & Stoker Fired Boiler Operations and Performance Conference – May 20-22, 2013 in Louisville, Kentucky was very successful and well attended. The CIBO Annual Boiler Performance and Operations Survey included Stoker and PC boiler information in addition to Fluidized Bed Boiler information. Surveys completed by conference attendees indicated that the information presented by the speakers was timely and pertinent. The tour of Recast Energy LLC's Biomass conversion was a highlight. A copy of the proceedings should be available by mid June.

Technical Focus Group, Environmental, Energy Committee Meetings – June 11-12, 2013 Arlington, VA

Focus Group Topic is "Compliance Technologies for Water Rules." Key topics of Committees to be addressed include: the Reconsidered Boiler MACT rules; Energy Audits and Area Source Compliance; GHG and NAAQS (including Modeling); Litigation, and Coal Ash Updates and Energy and Environmental Legislation possibilities.

Industrial Emissions Controls Technology Conference – August 5-8, 2013 Portland, Maine

Now that we have the final Boiler MACT Rule, The only boilers that do not have to do anything are natural gas fired Area source boilers. For the rest, Portland, Maine could be the final stop before compliance plans are finalized no later than the end of the first quarter next year to be able to comply with the Major Source Rule by January 31, 2016 or the Area Source Rule by March 21, 2014, or in the case of Major Source MACT, apply to the state for a one year compliance extension until January 31, 2017. There are also a few other issues that must be taken into consideration as compliance decisions are made. There are new PM, Ozone, and SO₂ NAAQS coming that could drive up nonattainment areas up and drive down NO_x and SO_x limits that are not considered under MACT. These will also be considered. The information needed to make a compliance decision that could mean the survival of plant or product line means having the best possible information on the requirements, the technology to comply with those requirements and the alternatives for compliance available before the final Go-No-Go decision is made. This year's program will bring all the pieces together during the Emissions Control Technology portion of the conference to finalize or check your plans. If those include a conversion to Natural Gas, the Natural Gas Conversion workshop will provide the information you need to follow through on that alternative. The agenda and on-line registration is on the CIBO website www.cibo.org.

From the President's Desk – Bob Bessette

It is good when I get to welcome a new member. It is great when I get to welcome two - ESI of Tennessee and Sentry Equipment Corporation. As we move from regulatory development to regulatory compliance, these companies will surely help us all with their insight and capabilities. The next 3 or 4 years will be stressful for all, and we will need all the help we can get. As I have been traveling around the country talking about Boiler MACT and Industrial Energy and from what we heard at the FBC/Stoker Conference, there are still boiler owners' that do not know they have to do something. If you are only now beginning the compliance options alternatives selection process, you are behind. The Industrial Emissions Controls Technology Conference could help you get caught up. If you know of anyone in this situation have them call us or get them to go to Portland, Maine.

The other piece I have learned is that most people in public and associated with our industries do not appreciate the full implications of the cost of energy and their lives. When people begin to grasp the meaning of, "you cannot make or do anything without energy," a new awareness of the cost of energy and those things, like regulations that increase that cost, begins to emerge. We will probably talk more about this at this year's October Annual Meeting in Stowe, Vermont.