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Boiler Blast News

cibo
Council of Industrial Boiler Owners

APRIL 2016

Board of Directors, Committee and Conference Leadership Changes

After many years of service on CIBO's Board of Directors, **John C. deRuyter** of E.I. DuPont de Nemours & Company and **Carl Bozzuto** of ALSTOM Power have retired. John served on CIBO's Board for 28 years, the first ten as Secretary/Treasurer and the past eighteen as Chairman. Carl served on CIBO's Board for 16 years, the past fourteen as Secretary/Treasurer. Both gentlemen were honored/roasted at the recent March Committee Meetings for their contributions to CIBO. Carl will continue to serve CIBO as a Consultant and continue to produce the detailed minutes of CIBO's Quarterly Committee Meetings and Conferences. Carl will also continue to be a CIBO technical resource. John has indicated he will help as his time allows. Both he and Carl will be at the Operations, Performance and Maintenance conference next month in Hershey. To fill their spots on the Board, **Steve Gossett** of Eastman Chemical Company and **Amber LeClair** of The Babcock & Wilcox Company were elected to the CIBO Board of Directors. With the new board in place, **Ann Mclver** of Citizens Thermal was elected as the new Chairperson. **Jay Hofmann** of Trinity Consultants has been elected by the Board to serve as Secretary/Treasurer.

Mark Calmes of Archer Daniels Midland Company, remains as Vice Chairperson. **Chuck Hallier** of Cargill Incorporated, was confirmed as the new Environmental Committee Chairperson replacing Steve Gossett, and **Amy Marshall** of AECOM will replace **Ann Mclver** as Chairperson for the August IECT in Portland, Maine. CIBO is surely blessed to have so many great and capable leaders who will be able to take us through this transition to a new energy era.

Energy

"Believe it or Not", as in "Ripley's Believe it or Not" TV shows on and off from the 40's through the 80's, was always of interest to enough people to keep it going all that time. Sometime in the distant future, Climate Change could very well be the subject of a reincarnation of the TV show. Last week there was a National Capital Area Chapter of the United States Association for Energy Economists titled "Beyond the Rhetoric: Energy Economics in a Carbon-Constrained World – Markets, Barriers and Pathways." A couple of important things came out of it. First, regardless of the science, doing anything to mitigate Climate Change (Warming & CO₂) to the IPCC levels of 2 degrees C and 450 PPM CO₂ is valuable and important; and second, it actually costs money to do any of it. –This could be to the

2016 Events

May 23-25 / Boiler Operations, Maintenance & Performance Conference / May 26-Optional Tour
Hershey Lodge, Hershey, Pennsylvania

June 7-8 / Technical Focus Group, Energy & Environmental Committee Meeting /Marriott
Crystal City, Arlington, Virginia

Aug 1-4 / Industrial Emissions Control Technology XIV Conference / Holiday Inn By the Bay, Portland, Maine

Sept 13-14 / Technical Focus Group, Energy & Environmental Committee Meeting / Hilton
Garden Inn, Arlington, Virginia

Oct 19-21 / 38th Annual Meeting / Woodstock Inn,
Woodstock, Vermont

Dec 6-7 / Technical Focus Group, Energy & Environmental Committee Meeting / Hilton
Garden Inn, Arlington, Virginia

WELCOME NEW MEMBERS

English Boiler and Tube, Inc.

tune of \$20.00, \$30.00 or more per ton of CO2 equivalent. On the down side, and probably the most concerning aspect of the discussion and presentations, was a lack of discussion regarding who will bear the cost of this program – it will be the “other guy” or it will “just happen”. It is a little scary that the indirect implications of the cost of carbon are not considered – it is worth it, whatever it is was the only answer. Unfortunately, the reality of that is not considered. This is the new Energy Era into which we are now moving. The elections this November may have an impact on the speed and direction that this new Era takes. Regardless, this Administration and its Climate Change supporters will be trying to secure anything they can prior to the elections and cement it into regulation before next January. With this as a backdrop, CIBO’s Energy Committee is looking to focus on the revitalized energy issues coming at us now and in the future. An issues matrix has been sent to the CIBO primary representatives to help us develop a strategy and advocacy plan. If you did not get a copy and would like to participate, let us know. The Fuels Energy Sub-Committee will be holding its next conference call/webinar sometime in May to talk about the realities of burning the newly approved NHSM fuels. You should be seeing an invite for this webinar coming from CIBO in the next couple weeks.

Environment

We are still working on confirming (to our normal standards) the rate of conversion to natural gas as a result of the Boiler MACT Rule and the expected low Natural Gas prices -- +/- \$3.10/MMBtu over the next 10 years. At this point we are projecting 80% conversion of the ICI coal fired boiler fleet with around 15% of the existing units decommissioned as a result of the increasing costs of operation. As a result of this, on the negative side, 60% of the coal related work force are no longer needed and companies that had predicated their business plans around technologies to make coal environmentally acceptable are finding their markets are no longer here but in overseas locations. With this, many of the displaced men and women with powerhouse and boiler knowledge will retire and take their knowledge with them. Since the Navy is no longer training boiler engineers and operators, we are beginning to see concerns increasing regarding staffing and training. CIBO is beginning to address this concern – check out the May Operations Performance and Maintenance Conference.

On the positive side, at an OTC meeting last week the news related to the fuel shifts is very good. Using our original estimates of around 65% conversion, the OTC has put out a white paper on their Website < <http://www.otcair.org> > that puts the ICI contribution between 7% and 9% in the future – probably not enough to warrant any additional regulation. While that does not say you will be able to add a new boiler, it does indicate that existing sources are probably safe from additional NOx requirements. However, the EPA has proposed to disapprove more than one 2008 ozone standard “good neighbor” SIP on the basis that states have not adequately addressed downwind contributions. CIBO and its members must remain vigilant and continue to focus efforts on getting the data “out there” for the policy makers to review in order to ensure that CIBO members are NOT forced to install NOx controls where those controls are not warranted.

The same may be said for what may happen when CIBO members – manufacturing and the ICI boiler sector -- are asked to give more CO2 reductions for the Clean Power Plan as states and utilities are pressured to look to the outside the fence facilities to generate and pay for the demanded reductions to address Climate Change. Protecting the planet for future generations is worth it. It may not be justified, but it is worth it.

Our compliance with Boiler MACT should be enough to check states trying to force uneconomical energy efficiency projects on existing facilities. You might want to pull out your MACT energy assessment. It may come in handy if we are not successful in getting it vacated during the MACT litigation that is still keeping us busy. If the rule is vacated, the energy assessment never had to be done and may not be discoverable. That will be a question we will be discussing after the Court’s decision comes out. For those who still have a job this looks good. However, lest we lapse into apathy, anyone who has tried to permit a new unit, make a change to an existing unit, take water out of or put waste water into a stream, the ground or any place else, burn anything other than a designated fuel, and minimize things to monitor, record and report, you might want to take a closer look at what is coming down those tracks with Climate Change. On one of those little ones, EPA’s Proposed revisions to the Risk Management Plans (RMP) rule for facilities already subject to the existing rule, CIBO will be filing a comment supporting the NAM and US Chamber comments along with raising

one or more issues of concern to our members not included within their comments. Anyone using one of the listed chemical substances, like ammonia, might want to get involved.

Technical Focus Group, Environmental & Energy Committee Meetings –June 7-8, 2016

The Radisson/Hilton Garden will still be under construction, therefore the June meetings will once again be held at the Crystal City Marriott.

Focus Group Topic is “*Strategies and Technologies to Comply with Water Laws and Regulations Impacting Industrial Energy.*” Key topics of Committees to be addressed include: *Clean Power Plan, BMACT Reconsideration, BMACT Major Source & Area Source Compliance Concerns, NOx Cost, BMACT Database Activities, and Coal Ash, Litigation, NAAQS including Ozone Standards, and Water Rules Regulatory Updates.* (Updated Topics to be developed at upcoming planning teleconference meeting)

2016 Conferences & Meetings Schedule

The Boiler Operations, Maintenance, and Performance Conference will be held May 23-25 in Hershey, Pennsylvania. For the last 10 to 15 years, management focus has been more toward environmental regulation and compliance. Today focus is swinging back toward operations and performance. This is the conference where FBC and industrial boiler operators and engineers responsible for making the energy have come and continue to come to network, learn and solve the day to day problems associated with running a powerhouse and generating the energy needed to run a company and the Country. As the new name for the Fluidized Bed and Stoker Operations and Performance Conference identifies, we have come to the realization that what was discussed and addressed at the conference and via the operations and performance surveys was applicable to all boiler owners. This conference will solely focus on operations, performance and maintenance issues for the powerhouse

as we look at what it will be and where we have to be in the new energy era. There will be a session on operator training and certification as we look for new young people to fill the ranks left open by our retiring personnel. Who will you trust to operate your powerhouse? The conference will continue to provide time for FBC, Stoker and now gas and oil fired boiler owners to address their unique concerns. An additional ½ day will be added on Wednesday afternoon to address Natural Gas conversions and associated operations issues. An optional plant tour will be on May 26. Agenda and registration are online at www.cibo.org.

The Industrial Emissions Control Technology XIV Conference will be held by popular demand again in Portland, Maine, Aug 1-4.

Environmental regulations are increasingly more complicated and difficult for the industrial and institutional facility to understand and comply. Boiler MACT is in the final stages of compliance and certification, litigation rulings are expected soon and most compliance decisions have been made. Those converting to Natural Gas are not out of the woods. This year, we will be focusing much of our attention toward case study compliance presentations and look at the latest emission control technologies coming on line, as well as address the implications of other rules that go beyond MACT and issues, like the Ozone NAAQS, RICE, Turbine MACT, PSD, modeling, monitoring and data collection along with the whole host of issues that must be complied with to keep the energy assets of your facility operating. An optional Thursday workshop will be offered to discuss the details of modeling and data acquisition for compliance and permitting.

From the President's Desk – Bob Bessette

It is always great to start my little section welcoming a new member, English Boiler and Tube, Inc. English Boiler is one of the old line companies who know boilers and the technology for making them work. This will be of great benefit as we transition into a new energy era where many of the actual operators, engineers and support personnel are retiring or are close to retiring. Three years from now it may be hard to remember

what it was like in the old days – like the emails sent to the old folks if you remember these, you are... It is usually an awakening when all of a sudden you realize you remember all of them. I sincerely believe that CIBO is the place where the knowledge and understanding and “Art” of the boiler and powerhouse can be passed to the next generation who will be responsible for making the energy it takes for our companies and institutions to make or do anything.