Energy

There is good news and bad news on the energy front. The Good News is that you now get change back from your $50 when you fill up your tank at the local gas station (except in California or Connecticut). The Bad News is that this Administration doesn’t like this and is doing everything it can to increase the cost of other energy, like electricity, to stifle the economy and thereby reduce the US CO2 emissions. With a Congress that cannot garner a 2/3 majority to override a Veto on any environmental legislation and the expectation of a new Administration that will not cater to the ENGO community within 18 months, there is a massive effort to achieve all their objectives and get them to the courts prior to the elections next year.

The Clean Power Plan is final with an increase in reduction requirements from 30% to 32% and telling the Utilities they have to get to those levels anyway they can. That could and will include Demand Side Management – that is us. You might want to keep a copy of your Boiler MACT Energy Assessment handy. Your local utility might want to help you with it. Of course the utility rates will go up to pay for it. We will be talking more about this at the September Committee Meetings as we consider the Clean Power Plan industrial implications in more detail and the other Obama Administration’s activities aimed at raising the cost of energy.

As we look to October and the Annual Meeting, we are seeing monumental change in how we make and use energy. We are entering a new energy era of higher cost energy moving away from traditional fuel sources to Natural Gas and electrification. There continues to be a need to educate and promote the idea that there is a need for direct, highly efficient thermal energy and thermal energy in and of itself and the fuel flexibility to support it. Unlike the Obama Administration that believes we should only have an “All-of-the-Above” program for energy production and use, we believe we should be totally inclusive and have an “All-of-the-Above-Below-and-Between” program for energy production and use. As we consider fuel flexibility and applicability, especially for opportunity fuels, and the implication of their use, CIBO is considering the formation of a Fuels Subcommittee under the Energy Committee. We will be discussing a draft Sub-committee purpose and objectives at the September Committee Meetings. As Energy becomes more expensive the need for finding lower cost alternatives and new way of using what we already have will become more and more important.

While some people think Natural Gas is not a concern, the details of supply, shipment, delivery, safety, storage and combustion can be significant. We will begin to discuss some of these details within the September Focus Group session.

Environment

One Hundred and Sixty Nine (169) days from Friday August 17th to January 31st, 2016. Do you have your Boiler MACT compliance plans in place? Have you thought about what might happen to your NOx requirements after EPA comes out with the new Ozone NAAQS the beginning of October? After what happened with the Clean Power Plan above and the ENGO’s situation where they may not have a horse to ride after the next election, does anyone think we will see EPA maintain the current 75 PPM standard and not go as close to 60 PPM as they can to get it into the courts before and new Administration and Congress can get their hands on it. From past experience, the ENGO’s think they can win, even in a new Congress (Senate), or stop anything that they can say is a rollback of any environmental regulation – look at what is happening on Ash legislation to codify an EPA Rule with a tweak to eliminate internet posting of reporting data.

EPA just came out with the data requirements needed from the States for implementing the 2010 SO2 Standards. If you emit 2000 tons or more of SO2, the states must characterize the air quality around that source to, as they say, inform future rounds of area designations for the 2010 standards in 2017 and 2020 and for other purposes. For other purposes? Could that be to make sure they have truly killed coal if it, or any vestige of it, is still alive by then? We will be talking about the details of these activities at the September Committee Meetings.

All this is driving us toward a new energy era – the subject of this year’s Annual Meeting, “Transitioning to a New Energy Era.” In the meantime, the Boiler MACT Database update is in progress with Dr. Jack Fuller at West Virginia University (WVU) and his staff making contacts with members and non-members to check the status of each boiler in the existing database and identify what is being done to comply with Boiler MACT. The information will be used to assess the impacts of the Ozone and other standards to make a strong case for reason and potential legislative mitigation to achieve it. This is extremely important. If you have a boiler in the EPA Boiler MACT database and have not received anything from WVU regarding the survey, please let us know.

Relative to water, other than in Colorado where EPA has a problem with an old gold mine clean-up they are doing (Now if that had been one of us, Oh My Goodness!), the final Water Quality Rule might be considered a win since it provides clarification and flexibility asked for by states and rejected calls from the environmental community to expand the scope of the rule. While it did not scale back any of the requirements, it did keep the ENGO community from finding a way to claim jurisdiction over the water in your glass or coffee cup. Wait until they start trying to apply it to the raindrop before it hits the ground. See you in September.
Technical
The beginning of the month our well attended Industrial Emissions Control Technology XIII Conference and Natural Gas 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 in about 2 weeks 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).

Technical Focus Group, Environmental & Energy Committee Meetings –September 15-16, 2015
Arlington, VA
Focus Group Topic is “Natural Gas Purchasing, Delivery and Utilization Today.” Key topics of Committees to be addressed include: DOE’s CHP Barriers Report to Congress, Moving Energy Opportunities Forward, Clean Power Plan, BMACT Major Source & Area Source Compliance Concerns, NOx Cost, BMACT Database Activities, and Coal Ash, Litigation, NAAQS, and Water Rules Regulatory Updates.

Annual Membership Survey
The extremely important annual membership survey is being sent to Principal Representatives later this 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 2016.

37th Annual Meeting – October 21-23, 2015 –Ponte Vedra Inn & Club, Ponte Vedra, Florida
It takes energy to make usable energy. It takes energy to clean the air we breathe. It takes energy to get and clean the water we drink. It takes energy to get the fuel to make usable energy.
As we see with the drive toward clean energy and away from coal, we are moving into a new energy era. Hence the theme for this year’s Annual Meeting:

Transitioning To a New Energy Era
This year’s Annual Meeting is extremely important. The questions to consider include: What is it? What will I need? What will it take to survive? Where will I get it? Where am I and where is my company in this transition? Consider these and more this October in Ponte Vedra. Invitation packets have been emailed.

From the President’s Desk – Bob Bessette
It is always great to welcome a new CIBO member. This month, we welcome Headwaters Resources, Inc.

It seems like it has been forever since we have had some good news to share on our issues. When something looks like it might be good news, the next thing you hear is someone else is taking it away. Coming away from last week’s Industrial Emissions Control Technology XIII Conference and Natural Gas Workshop in Portland, Maine, the President’s words in California kept ringing in my ears, you can burn coal but it will bankrupt you, or something like that. I believe, he meant fossil fuels. With the standards they are setting beyond anything reasonable and justifiable based on real health benefits; that cannot be achieved in some cases, as they say with the Ozone standard; or are absolutely not affordable in any real world competitive economy. There are days it is difficult to be optimistic. I guess, even considering all this, I remain optimistic in our collective ability to find the best alternatives to make and use energy in the most environmentally sound way and to be able to hold the high ground as we move forward on our issues. When we get together, like last week in Portland, at our Committee Meetings or the Annual Meeting, I can see the true possibility of success and the value of our efforts.