



Boiler Blast News



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

SEPTEMBER 2016

Energy The Administration continues to add bricks to their Global Warming/Green House Gas legacy issue with the expansion of the Social Cost of Carbon (SCC) framework to include a social cost for methane (CH₄) at \$1000 per metric ton and a social cost for nitrous oxide (N₂O) at \$12,000 per metric ton (\$5.44 per pound). They also came out with a Rule following the Supreme Court ruling on the Tailoring Rule that confirms the 75,000 Ton per year threshold for permitting. There was an article in Inside EPA on September 1st, about the Blue State Democratic Governors of energy producing states charging ahead with implementation of ESPS targets and wide ranging plans to address GHGs.

When you look at the media today, perception has replaced reality. Since Bill Clinton and Al Gore took office in 1993, 23 years ago, the constant mantra for Global Warming and Climate Change has been in the media. Today there is no debate. Dissenters and alternative points of view are vilified and suppressed. Politics and perception (gut feelings) have overwhelmed knowledge (the head). There are many parties, though, that believe a balance can be found between social responsibility and corporate economics (survival) that allows the reality (the costs) to be discussed rationally and on equal footing. Energy is a key that impacts both aspects. This is where CIBO

works. What CIBO does is growing in importance as we address the reality (the regulations) associated with greenhouse gases and social economics. Through our quarterly meetings and technical conferences, CIBO provides a forum where the economics of energy efficiency (generation and utilization) can be discussed publicly on balance with the regulatory obligations. CIBO will also provide an opportunity for this at the Annual Meeting next month in Vermont. This will become even more important as the ENGO community begins to realize that CO₂ emissions from Natural Gas have for the first time surpassed that from Coal; and, all fossil fuel combustion comes under fire (no pun intended). See the Annual Meeting note below.

Environment On July 29th the D.C. District Court of Appeals ruled on Boiler MACT. We had a very detailed briefing for CIBO members regarding the details and outcomes via conference call on August 25th. If you were not able to join us for the conference call and would like a copy of the presentation materials, please let us know.

In general, as industry petitioners, we won none of our arguments, but were successful in defending some of the important, compliance provisions that came under fire from the ENGO community. The ENGO community on the other hand was more successful with their

arguments. Their floor-setting challenges resulted in vacatur for those subcategories where only combustion of 10% of the fuel is needed to be classified within that subcategory but EPA only included those units burning greater than 90% of the fuel when setting the limit (Coal and Biomass mostly).

Other issues raised by the ENGOs were remanded in the final Order, the biggest for the industrial boiler community was the use of CO as a surrogate. The EPA will need some help (data) to defend this. While the ruling is final, it will not take effect until the Court issues the Mandate. At this point, we believe the EPA and the ENGO community will want to avoid a possible scenario created by the vacatur – that is, a scenario where there is “no Boiler MACT rule” in effect while EPA writes a new rule.

We expect there will be behind the scenes work with the ENGOs to go to the Courts and ask for a change to remand with some specific time for EPA to remedy the ENGO concerns that were supported with the Court's final opinion. The chief concern for CIBO members and the industrial boiler community are associated with the use of the existing database for resolution with or without the data collected from current compliance reporting since January 31, 2016, the final compliance date for affected units.

This may be possible under remand, versus the possibility of a new Information Collection Request (ICR) for the development of a new rule for the affected subcategories. Steve Fruh from EPA-OAQPS will be at the Annual Meeting in Vermont in October and should have a better idea of what is going to happen. If we hear anything earlier we will definitely keep you informed. One thing for sure, this Administration and the ENGO community, especially Earth Justice, will not give in lightly until all fossil fuel combustion is eliminated. So much so that the Administration is doing everything it can to empower the citizens to collect emissions data directly or from public EPA sights like Webfire <https://catalog.data.gov/dataset/webfire> to promote local citizens suites as we begin to see a shift from regulatory development toward enforcement and permitting to accomplish their goals. While data can be thought of as scientific reality, the biased selection of data can be used to alter perception and promote biased objectives. This October's Annual Meeting should be one of the most important ever.

Technical Last month's well attended **Industrial Emissions Control Technology XIV Conference & Modeling Workshop** in Portland, Maine brought owners, equipment & service suppliers, and regulators together focusing on case study compliance presentations and looking at the latest emission control technologies coming on line, as well as, addressing the implications of other rules that go beyond MACT. The Modeling Workshop focused on the details of modeling and data acquisition for compliance and permitting. Attendee surveys gave high marks for the conference & workshop and indicated that the information that was presented and discussed was timely and pertinent. One significant take away from the conference and workshop was that, the days of having a comfortable feeling that you were doing the best you can at generating the energy you need to stay in business with the emissions below any regulatory limits are gone. Today you need to know for sure and be able to prove it in court against people using your own data to try to promote their agenda. In the citizens mind it is now 60/8760 not 24/7. This can be a problem when trying to permit anything these days. Presentations on a flash drive have been mailed 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).

38th Annual Meeting – October 19-21, 2016 – Woodstock Inn, Woodstock, Vermont

When you think about energy and the environment and all that is going on, this year's Annual Meeting is even more important, and will be focused around how CIBO can help our members and industry achieve their Corporate Sustainability goals and objectives. Hence the theme for this year's Annual Meeting is **"Navigating a Road to a Sustainable Energy Future."** In a time when citizen's enforcement of an extreme environmental agenda is being supported through remote sensing and other technologies given to the general public, defining sustainability to the public may be all the more difficult. Energy efficiency optimization and performance in a new Natural Gas era, increased emphasis on citizen's enforcement and an aging work force are areas where CIBO can be of significant help.

If you have not yet confirmed your plans to attend, check out the Agenda. Both the agenda and registration information are on the CIBO website <http://www.cibo.org>. **The hotel cutoff date is September 17.**

Annual Membership Survey

With the changes that are happening across industry relative to our energy and environmental issues, this year's survey is extremely important. The annual membership survey has been sent to Principle Representatives. Principle 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. If you completed a survey last year, as you open your survey, last year's responses and information are included. Only changes have to be made. Survey results will be reviewed & summarized, and presented & discussed at the Annual Meeting in October, and used to develop CIBO's strategy for 2017.

From the President's Desk – Bob Bessette

Whether it is because energy cost is low or that we have become accustomed to a new lifestyle, it seems harder to generate significant interest to motivate immediate action regarding energy in general. However; that doesn't seem to play with GHG rules and Global Warming/Climate Change issues. While energy is at the base of anything and everything we do, it is not ranked with the global perceptions of importance, like the clash of civilizations, war, global recession, terrorism, the erosion of respect for authority, the growing socio-economic awareness of the poor, an increasing country debt burden and Climate Change. On these issues, their proponents will claim what they believe is the "High Ground," and they will fight to protect it. While energy doesn't make the list, it is the equalizer, the leveler, of the playing field. CIBO's efforts to support the efforts of our members to sustain their businesses could be one of the greatest activities we have ever undertaken. CIBO is based on the strong foundation of industrial energy use and generation. As such, the discussions at the Annual Meeting regarding how we nurture, develop and use our strengths to promote our objectives will be important to all. See you at the Annual Meeting.

2016 Events

Sept Committee Meetings Cancelled

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
