



Boiler Blast News



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

NOVEMBER 2020

Government Affairs - Following the election on November 3rd, with the election of Joe Biden as President-elect, the world of energy and environmental rules, regulations and policy is expected to change drastically. During CIBO's Annual Meeting on the 10th and 11th, speakers discussed advocacy in the form of fundamental technical education on the realities of Energy and Environmental possibilities as they relate to CIBO member companies and institutions. Considering this, the economic well-being of our country and that of its citizens will again take on a very important role as the new Administration and Congress begin to make the changes promised. Everything gained during the Trump Administration is now at risk. Only with real, solid, technically sound application information, limitations and capabilities, can the environmental and economic consequences and unintended consequences of policies be mitigated. It will take the all technical energy and environmental expertise of our members, owners and suppliers, to find a way to address something, 30 years away that at this point, cannot be done with our current knowledge base. With CIBO's foundation it will be possible. It is the door opening to the future. The December Board, Energy and Environmental Committee Meetings on December 9th will focus on this change and the needs for 2021.

Energy - The Green New Deal, the War on Natural Gas, Zero Net GHG Emissions by 2050 and a general population of young people with a view that electricity is the only energy, is leading to the electrification of everything with renewable energy as the answer to all things energy and environmental. In a world without cost, that is probably not a problem although having enough electricity for everyone who wants it may be a concern based on both cost and availability.

There are only two ways to drive people to electricity naturally. The first is to make it the absolute least expensive option (or free). The second is, if the first is not the case, to prohibit the use of any competitive fuel or make the use of that competitive fuel so expensive it will drive you out of business. I believe we have heard this before. How do you make the electricity that is currently generated by the use of fossil fuels? How do I eliminate fossil fuel from my facility? Is it possible? Where should I be looking? In most cases today, there is sufficient low hanging fruit (light bulbs, conservation and operation modifications) that can generate significant GHG reductions to show positive progress toward whatever goal the company has set. Will that be the case tomorrow?

Since the election we are seeing increased activity regarding the need for climate risk disclosure and sustainability reporting. We are also seeing states beginning to move forward with plans to establish Carbon limits for the sale of out of state generated electricity. Virginia is considering limits on the amount of oil and natural gas the state will allow to be sold within the state, plus adding an additional 35 cents per gallon tax by 2022. When we look at our needs for thermal energy, if electricity is 10 cents /KWh, natural gas would have to be over \$29.00/MMBtu before electricity would be less expensive. Of course, that assumes 100% use/conversion of the Btus into the final product, like a cup of coffee. That is not always the case. Someday, if they cannot make the application of alternate fuels for thermal energy generation cost prohibited, maybe we will see taxes on natural gas usage at \$1.00 or \$2.00 per Therm (\$10.00 or \$20.00/MMBtu) or more. What will be left in your wallet? What is the business risk of rising energy costs? This is not a question we hear many financial institutions or investors asking these days. This is how we dealt with boiler MACT. Understanding the real cost implication of any policy or rule as they will affect our members and the country at large will take the help of all the CIBO owners and suppliers and more, if we are to succeed will.

Environmental - As of Monday November 23rd, there will be a total of 58 days remaining for this current Administration. Within that time, it is important that they get as many rules, laws and policies in written form and published to establish the base line from any change has to be made. That will also establish the starting point for comments (it is not severe enough or it is way too severe). Those words become the center of the technical discussion although not the center of the political discussion. While the politics of the particular discussion like that of the above Zero Net GHG emissions by 2050 is difficult to move, the technical information CIBO can bring to the table can positively mitigate the outcome. When reality is defined, it is very difficult to deny it or call it something that it is not. A long, long time ago sitting in a meeting with the EPA Assistant Administrator for Air, there was a discussion about the inclusion of the Non-EGU units within the NOx Sip Call. There was a discussion about doing it then knowing what we would get or doing it later when, for sure, it would eventually come. That time may be creeping up sooner than we might think. We are working on comments on the Cross States Air Pollution Rule (CSAPR). While it applies to electric utility units only, there are multiple questions about the inclusion of the NON-EGU sector with a specific calling out of 50 units where EPA claims around 5000 tons of annual NOx emissions can be saved cost effectively (at approximately \$5000/ton). And, this is from an administration that has a pro-business and operations mentality. 58 days from now that may not be the case. Comments are due on December 14. We have sent out an older presentation from LADCO/OTC that details the costs of NOx reductions for Non-EGUs back in 2009. We would like to find any information on the less than 250,000 PPH boilers that have installed or might have considered NOx reductions (including burner modifications) to get to less than 9 PPM NOx emissions from their current requirements. There have been a number of requests for an extension on the comment deadline. If granted, hopefully there is sufficient time for the current administration to publish the words that will become the point from which our arguments can be made when it is taken up in the next Administration. As we distributed to the members MM2A/OIAI or the Once In Always In rule was published in the Federal Register on the 19th. That will make it difficult, but not impossible, for the New Administration to overturn or change it. We are sure the ENGO community and some states either have already or are in the process to

take this to the courts and do everything they can to stop it. We will hear more about this on December 9th.

The December Meetings should be great.

Technical - During the Energy/Technical session of the Annual Meeting, there was discussion regarding the development of the questions regarding implementing sustainability as mentioned above. As these problems/questions come forward, the Technical Committee will look for ways to bringing the developers of applicable technologies to solve the problems/questions to the members in the appropriate forums as CIBO did for the Fluidized Bed Combustion Technology in the 1980, and 1990s. Bringing the Owners, users together with the researchers, developers and suppliers of today together to answer these questions and solve these problems is the role CIBO has always played.

Annual Meeting - We have mentioned much of the policy and election implications above within the Government Affairs, Energy and Environmental sections. The presentations were excellent with survey comments adding up to one of the best ever Annual Meetings. While it was one of the best ever, it was also a significant milestone meeting for CIBO with major Bylaws modifications accepted and ratified, empowering CIBO members and providing the governance and operational flexibility and security to operate for the next 42 years. Each of our Owner/Operator Members, our Associate Members and now our University Affiliate Members now has a dedicated Board of Directors seat with a vote on the overall operation and direction of the association. Owners have 3 votes, Associate members have 2 votes and universities have 1 vote. Between now and the December 9th meeting, each class of membership will be selecting a nominating committee to present candidates to the members for election to an Executive Committee that will oversee the day-to-day operation of the association in line with the vision and mission, goals and objectives and budget as agreed to by the Members. All of this will happen during the morning of December 9th and the new Executive Committee will begin their terms on January 1st. The current Board of Directors is acting as the new Executive Committee to secure the replacement for Bob Bessette in 2021, develop a budget for presentation to the Board on the

9th and to facilitate the transition into the New CIBO for 2021 and beyond.

From the President's Desk – Bob Bessette

- As I expect you know or have heard, I plan on retiring April 30th next year; and, I am excited about the prospects that lie ahead for me and for CIBO. The potential future CIBO Executive Director candidate we are working with could not be any better for leading CIBO into this new future. As you may have surmised from reading the above, the need for what CIBO does and has done in the past will be needed now probably more than ever than in the past. And as an old guy my patience with working with the far left youngsters is not what it once was. I also don't think they were as far left as the current crop. Between now and then we have a lot to do. Life would be a lot easier if we had the unlimited funding the young people believe exists. In that light, we have sent out member dues invoices for the 2021 calendar year and we are looking forward to your positive response.

As I look to celebrate Thanksgiving, this year will not be like any year in the past. COVID-19 has made sure of that. I am not cooking a 24 pound turkey. There will not be the trek of a major portion of the kids, the grand kids and now the great grand kids to grandma's house. Thank goodness we have learned to use ZOOM, Microsoft Teams, & Go-to-Meetings for virtual get-togethers. As I look back on 2020 with a positive eye, I believe we have to be thankful that it is almost over; and, 2021 is almost here. I believe 2021 will be a much better year. When thinking back over the last year, there are still so many things I must be thankful for -- you guys and ladies, my family, no COVID, everyone who works to protect us and keep us safe and so much more. I believe, God is surely looking out for me; and in that, I wish each of you a Happy Thanksgiving in this new world of social distancing and finding ways to maintain the love, traditions and relationships we have enjoyed with our family and friends before this COVID-19 pandemic.

What can CIBO do for you?