



Boiler Blast News



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

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Energy & Sustainability – Recent statements indicating the direction that the ENGO are driving to eliminate, shut down oil production and the use of fossil fuels will have tremendous implications for the industrial and institutional energy sectors of the country. If you use energy for heating and cooling, especially where that heating and cooling cannot be reduced efficiently when using electricity, 10 Cents per Kwh, electricity, without the ability to use a heat pump, would be competitive with \$3.50/Gallon No.2 Oil, \$3.80/Gallon No. 5-6 Oil, and \$29.00/MMBtu Natural Gas. If we were in California with an electricity cost of 30 Cents per Kwh, No.2 Oil, No.5-6 Oil and Natural Gas could go up to \$10.50/Gallon, \$11.40/Gallon and \$87.00/MMBtu respectively before electricity would be the least expensive alternative. Even with a heat pump in at 30 Cents per Kwh electricity, Natural Gas could increase to \$29.30/MMBtu before electricity would have a competitive advantage relative to thermal energy. Without the ability to use fossil fuels for thermal energy, there is no cap on what can be charged for electricity. That said, the drive for Environmental, Social and Governance (ESG) reporting and sustainability is one toward electrification and Net Zero GHG emissions by 2050, 2030, or whatever date you feel appropriate. There is a matter of perspective. The average legislative staffer in Washington, or any state capitol, is probably

24 years old, doesn't need a car and lives in an all-electric home or apartment. Their life line is a mobile device (cell phone) that they plug in at night and use all day long. What is there other than electricity? Do we need any energy sources other than electricity? How do we educate and inform them on the diversity of energy use across the economy? CIBO is the only place where thermal energy is represented with the technical realities of real life need within energy, environmental and economic applications. The elections are in less than a week. There will be a major difference in how CIBO will be needed to respond after the elections. In either case, the need for educating a new cast of staffers and workers within the legislative and executive branches of the government, here and across the country, will be a challenge for all of us.

Environmental – When CIBO members bring real, sound technical information to the table, better rules and regulations are developed. We saw this with Boiler MACT, NSR Reform, NOx and SOx limits on industrial and institutional energy sources. When the real cost of emission reductions are assessed, alternatives and the ability to bear those costs within the industrial and institutional sectors, reasonableness most often prevails. The proposed revisions to CSAPR that applies to utility units (EGUs) has been released and has multiple questions

regarding the addition of Industrial and Institutional units to the rule for NOx reductions not directly considered under the Boiler MACT. A new Administration next year will surely complicate the situation, potentially driving the inclusion of our units within the new rule. Over the years CIBO has been very successful in providing information to the OTC regarding NOx emission reduction costs and practicality that the relative cost per ton of NOx from our units would be cost prohibitive, more than alternative source reductions; and, as a result, any new reductions for NON-EGU sources have not been forthcoming to date. The work we did in the early 2009s and 10s is now being updated and used by many commenting on the new rule. CIBO will be working with the MOG Coalition and the Washington Industry Coalition to provide technical information to prepare comments. We will be asking our members to check the validity of the cost for reducing NOx from their current limits to single digit California levels. With Mary Nichols, current head of CARB, tentatively tapped and the EPA Administrator for a Biden Presidency, California emission limits may take on a new significance. As mentioned above, the "War" on fossil fuel (Natural Gas, et. al.) is well under way. CIBO, working in a coalition with AF&PA, AFPM and the WOOD Council will be submitting comments on the EPA Acid Gas Air Pollution Cost Manual on November 3rd. We expect this work to help support the cost work

we will be doing relative to comments associated with the inclusion of Non-EGUs under the CSAPR. CIBO has also been a participant in the broader industry coalition supporting comments on the Boiler MACT Rule. A main part of the Boiler MACT coalition comments, filed last Friday, center on the New Unit HCl limits. These limits will preclude the ability for new units to burn high chlorine waste fuels like chicken and turkey litter and coastal wood products in the future. The limits are low enough that there is some concern that accurate testing and monitoring can be provided to certify compliance on a 24/7 basis. The comments are very good and were forwarded to our members on Wednesday, October 28th. We will be hearing more about this on November 11th during the Annual Meeting Energy and Environmental Session. One thing for certain, if the administration does not change, the volume of and drive for litigation will accelerate exponentially. In those situations, the technical merits of an argument tend to get lost on the courts. If there is a new administration, the technical merits of an issue can have a mitigating impact on the final outcome. While the Annual Meeting will provide a great update on what is expected as a result of the elections, our December Meeting will be a Virtual Meeting with back to back Energy and Environmental Sessions on the same day. By the December Meeting, the path of our energy and environmental issues should be coming into focus and provide some details on those issues that will be most important to address over the next year. Details on the December Meeting will be coming shortly.

Annual Meeting - Probably the most important Annual Meeting ever. We will vote on proposed modifications to the Bylaws and Charter to bring CIBO into the new world of Industrial and Institutional Energy beyond just Boilers and establish a more member empowered governance structure to support the new Executive Director to replace Bob Bessette next year. The discussion and vote is scheduled for the Business Meeting on Tuesday morning November 10th. To ensure there are no conflicts, amendments to the Articles of Incorporation, sometimes called the Charter, will be proposed and voted on simultaneously. Much excellent work has been done by the Board of Directors and the bylaws and governance and executive director task groups to get CIBO to this point. We need all Principal Representatives to participate in the Virtual Business Meeting (No Cost) on Tuesday Morning, November 10th. The

remainder of the meeting will set the stage for what will be coming considering the outcome of the election the week before. Scott Segal of Bracewell Law will be talking about the implications of the elections and Kevin Culligan of EPA will update us on what we might expect in the next year from EPA plus more. There is probably no better time we could have this Virtual Meeting. Check it out www.cibo.org.

From the President's Desk – Bob Bessette

- With Halloween this weekend, that little song “They are coming to get you my friend, my friend. They are coming to get you my friend,” keeps rolling through my brain. I remember an encounter we had with one Senate Staffer during Boiler MACT Days and the last questions she asked was, why do you need steam anyways? I think the new question will be, you have electricity why do you need anything else? As I look forward to the end of next April and retirement, I look back on the 26 years I have been doing this and see we have actually accomplished what the original founders set out to do. I see how much the times have changed with the new questions looking for answers in 20 or 30 years that, now, assume technical capabilities such that what is perceived as possible in mind is accepted as real. The charge for the future will be different. In this environment, implementing sustainability, or anything, is assumed. It is only when assumptions don't work out that there is a problem. CIBO is still the only place where thermal energy is truly considered with its environmental considerations. And, without considering thermal energy, implementing ZERO Net GHG emissions by 2050, or whenever, will be impossible. This is where I believe CIBO can play its greatest role ever.

What can CIBO do for you?