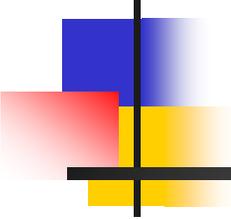




Representing the Interests of America's Industrial Energy Users since 1978

A decorative graphic on the left side of the slide consists of a vertical black line intersecting a horizontal black line. To the left of the vertical line are three overlapping squares: a blue one at the top, a red one in the middle, and a yellow one at the bottom. The horizontal line extends across the width of the slide.

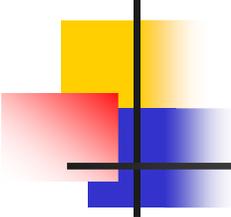
Industrial and Institutional Boilers after Boiler MACT

for

Institute of Clean Air Companies

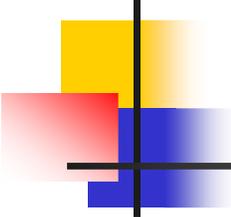
2011 Annual Meeting

April 28, 2011



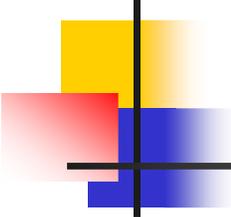
What do I Want to Do?

- Ask a few questions
- Set a frame for common understanding
- Provide a short boiler owner summary of the rule
- Offer some thoughts about compliance and the future market for emission control technology
- Talk a little about uncertainty and litigation
- And end with an old Greek saying and a question



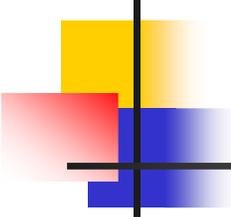
A Few Questions

- How many of you will sell a product if it cost more to make than that for which it can be sold?
- Should you make a Profit? Yes? No?
- Do shareholders, investors and banks deserve a return on their investments?
- Should you have to buy something if there is no guarantee it will do what you need it to do?



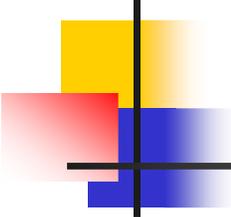
A Common Understanding

- You have to make a profit to grow a product or business in the long term or at least cover your costs to survive in the short term.
- If that cannot be accomplished, the product or business will die.



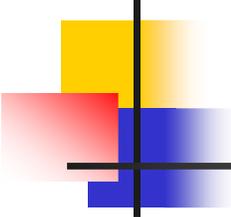
Short MACT Summary

- The Final Rules are better than the Proposed Rules – However, major items have been left unchanged or made worse.
- There is good and bad news relative to compliance and achievability.
- The Good
 - Keeping the Gas I Work Practice Standards
 - Allowing a test to move Gas II to a Gas I Subcategory
 - Including a Limited Use Subcategory



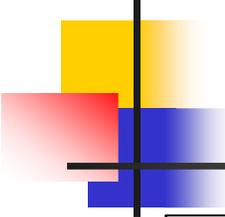
Short MACT Summary

- The Bad (some)
 - New Unit standards for anything other than Gas I are not achievable.
 - Standards For Dioxin are not achievable.
 - The Contained Gaseous Materials definition will shift units to CISWI or increase Flaring of the gases.
 - The PM Standard for solid fuel units was reduced by almost 80%.
 - Definitions of Energy Assessment and Energy Use Systems and Energy Audit requirements are questionable.
 - CO emission limits for select biomass boilers are not achievable.
 - PM and O2 requirements including CEMS are impractical.
 - There was no Health Based Emission Limit



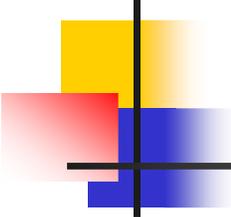
Compliance

- **Boiler owners' must comply with all aspects of the rule.**
- **Simultaneously!**



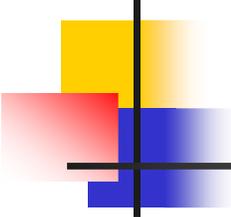
Existing Unit compliance with Final Standards

Existing Solid or Liquid Units Of 1594 total units, 31 units comply without incurring costs.			
Category	Of 31 Units, Number that Comply without Incurring Costs	Total Units	Percentage of Total Units that Comply without Incurring Costs
Biomass	26	466	5.58%
Coal	2	544	0.37%
Process Gas	2	71	4.93%
Liquid	1	513	0.19%



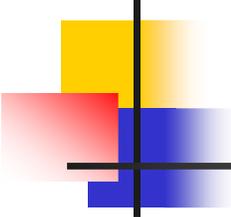
Compliance

- Time line for decision making
 - 3/11 – 7/11 Data Collection & Alternatives Consideration
 - 6/11 – 1/12 Alternatives Evaluations
 - 12/11 – 5/12 Compliance Option Selection
 - 3/12 – 8/12 Detailed Engineering / Go-No Go decision
 - 8/12 – 1/13 Permitting & Regulatory Negotiations
 - 8/12 – 6/13 Equipment Purchase & Final Engineering
 - 4/13 – 1/14 Construction & Installation
 - 1/14 – 3/14 Start-up
 - 3/14 – 9/14 Compliance Testing



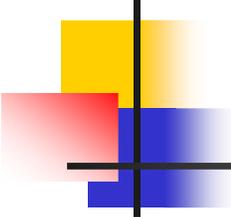
Thoughts on the ICI Boiler Market for Emission Control Technology

- Questions:
 - How many new solid fuel ICI boilers will there be in the future?
 - Is the existing unit market the end?
- The Existing Market
 - 1594 total units minus 31 that can comply without doing anything equals 1563 units as a potential market.
 - Will they, can they spend the dollars?



Uncertainty and Litigation

- If it can happen it will happen.
- Will NRDC and NACAA or their Friends challenge the Work Practice Standards?
- Request for Administrative Reconsideration?
- Request for a Stay of the Rules Administrative and judicial?
- Petitions to the courts?
- Past experience with Boiler MACT I
- What will the Owners do – Newer and Older units?
- Where is the economy going?



The Fox and The Hedgehog

Archilochus (c. 680 BC – c. 645 BC)

“The Fox knows many things; but the hedgehog knows but one great thing.”

Are you a Fox or Hedgehog?

We will know more on May 21, 2011 following the deadline for filing with EPA and the courts.