

# **Comments Regarding Environmental Compliance Risk**

## **CIBO Annual Meeting**

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# Regulatory Certainty?

## 1. NAAQS Reauthorized Every 5 Years

0.120 ppm O<sub>3</sub>, 1 hr. peak → 0.080 ppm O<sub>3</sub>, 8 hr. avg. → 0.075 ppm O<sub>3</sub>, 8 hr. avg.

## 2. Hazardous Air Pollutants

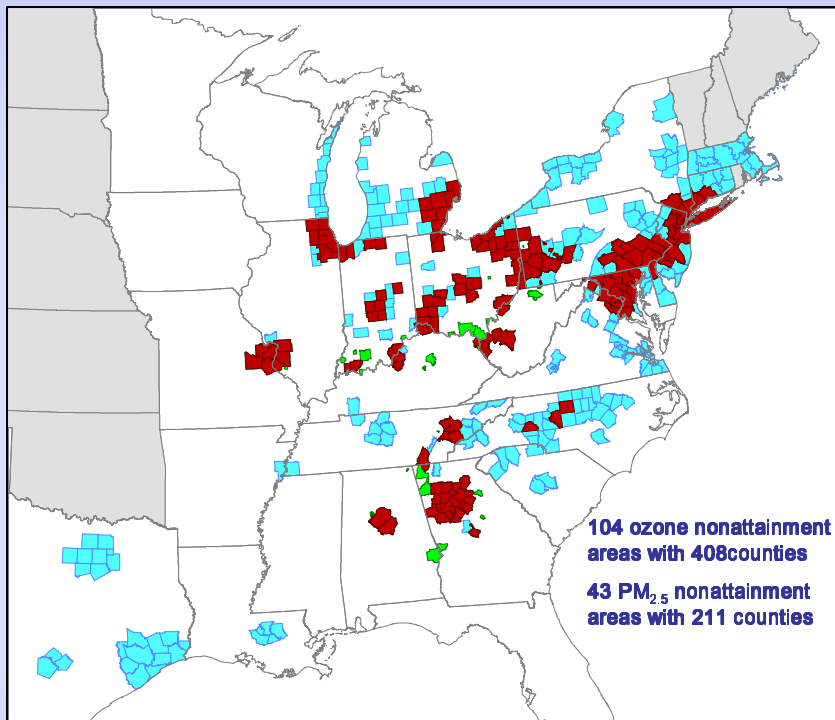
§112(d).6 .....shall review and revise as necessary emission standards  
.....no less than every 8 years...

§112(f) residual risk provision

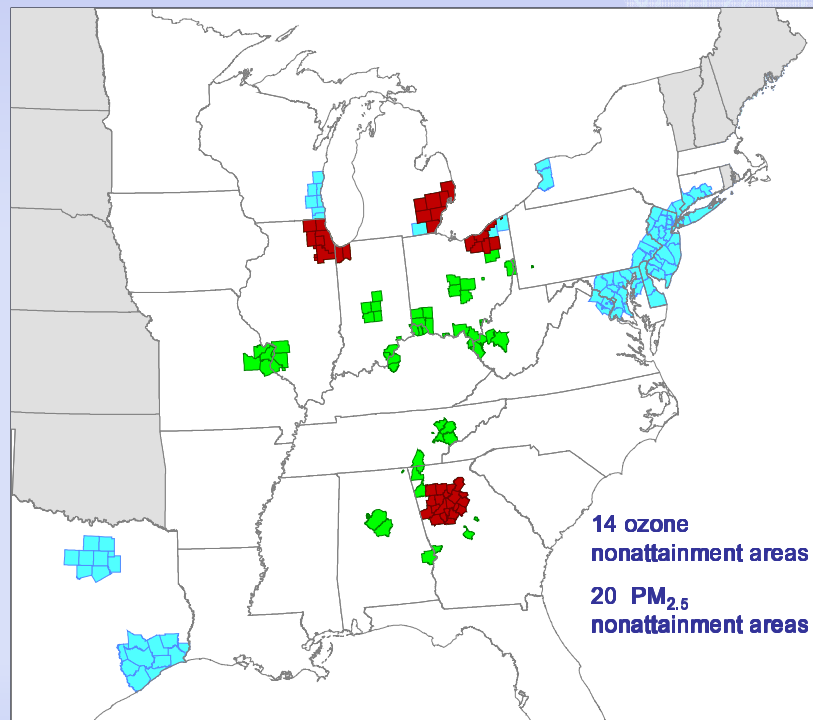
## 3. BART .....but what about “Glide Path” to 2064?

# Ozone and Particle Pollution: CAIR, together with other Clean Air Programs, Will Bring Cleaner Air to Areas in the East - 2010

**Ozone and Fine Particle Nonattainment Areas (March 2005)**



**Projected Nonattainment Areas in 2010 after Reductions from CAIR and Existing Clean Air Act Programs**



- Nonattainment areas for 8-hour ozone pollution only
- Nonattainment areas for fine particle pollution only .
- Nonattainment areas for both 8-hour ozone and fine particle pollution

Projections concerning future levels of air pollution in specific geographic locations were estimated using the best scientific models available. They are estimations, however, and should be characterized as such in any description. Actual results may vary significantly if any of the factors that influence air quality differ from the assumed values used in the projections shown here.

# Recommendation:

1. Detailed familiarity with all statutory provisions and regulatory detail.
2. Maintain high level of control technology due diligence.
3. Awareness of production cycles/maintenance schedules.
4. Balance of plant issues and resources.
5. Concept of Value at Risk for company.
6. Know technology supply chain.....lay off performance risk!

# Finance Department

- CFO's office involvement – needs to know Capex for environmental now and future!
  - Wall Street
    - e.g. Market Cap - \$10,000,000,000
    - 1% change caused by Downgrade -  
\$100,000,000
- Companies disclose environmental liabilities, sources affected in Annual Reports.

# Value At Risk?

## 2006 Emissions

(@\$3,000/ton)	32,000 tons NO <sub>x</sub>	\$48,000,000
(@\$500/ton)	40,000 tons SO <sub>2</sub>	\$10,000,000
		<hr/>
		\$58,000,000 /year

Hg?      CO<sub>2</sub>?