Education, Outreach & Strategy

CIBO Annual Meeting
14 October 2011

Our Challenge

How can we help decision makers understand our point of view?

Education

“Myth Busters”

Education

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Environmental regulations are job creators	Environmental regulations mainly create construction jobs	Construction jobs are temporary jobs. Unreasonable burdens force industry to consider shedding permanent jobs.

Outreach

“He who frames the question controls the outcome of the debate”

Outreach

The Art of Spin

Argument 1
Where knowledge is limited, and the desire to learn the complex reality doesn't exist, opinion can be shaped by whoever generates the most powerful symbols.

Argument 2
On a matter of only tangential interest, those in power tend to follow their publics' wishes, however they originate.

Argument 3
There is little to be gained for those in power in resisting public opinion, and much to be gained by giving in.

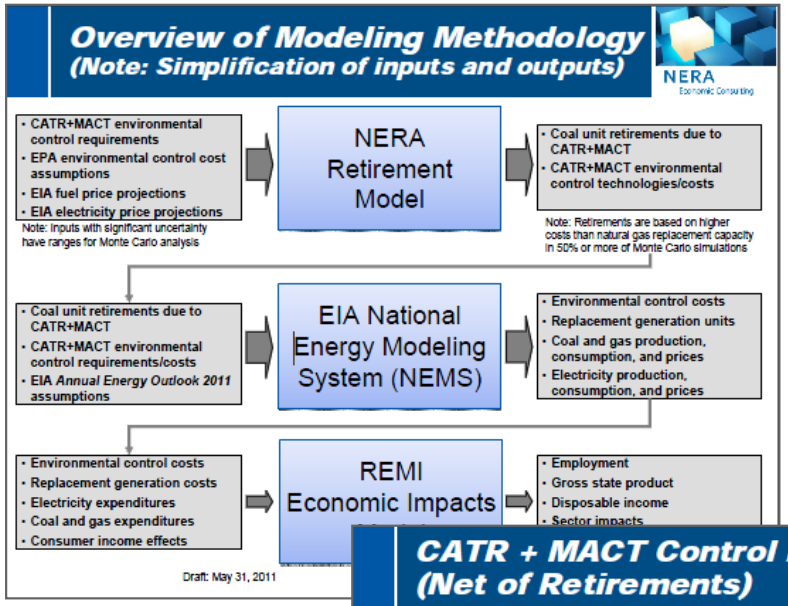
Conclusion
By shaping the battlefield of perception, it is thus possible to get those in power to change positions.

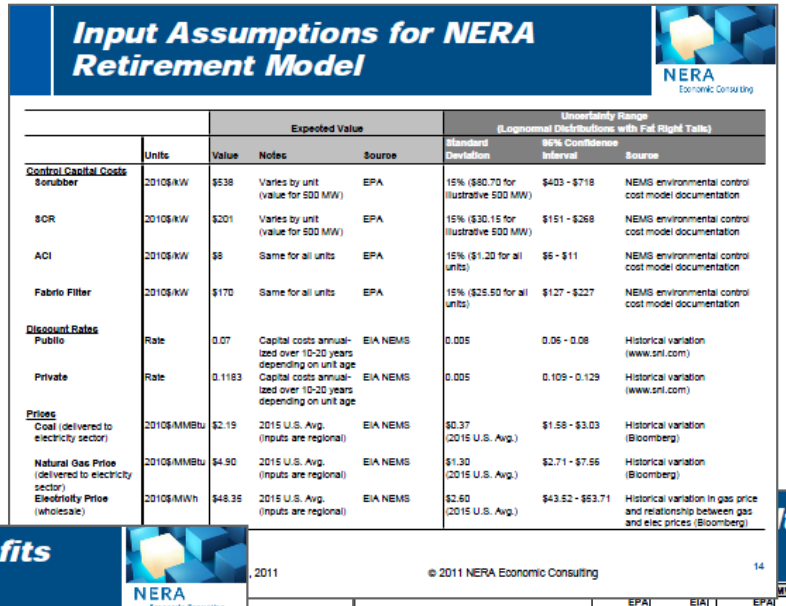
Outreach

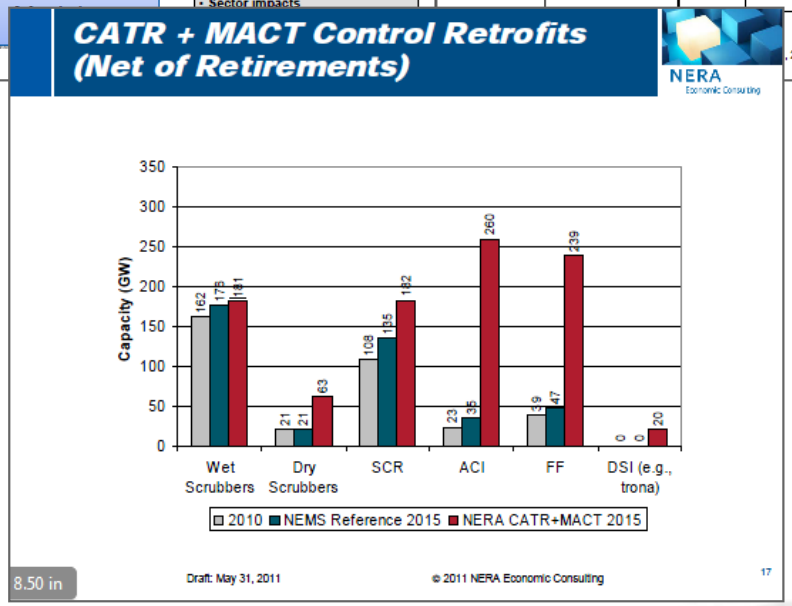
Some generalizations about Energy & Environment:

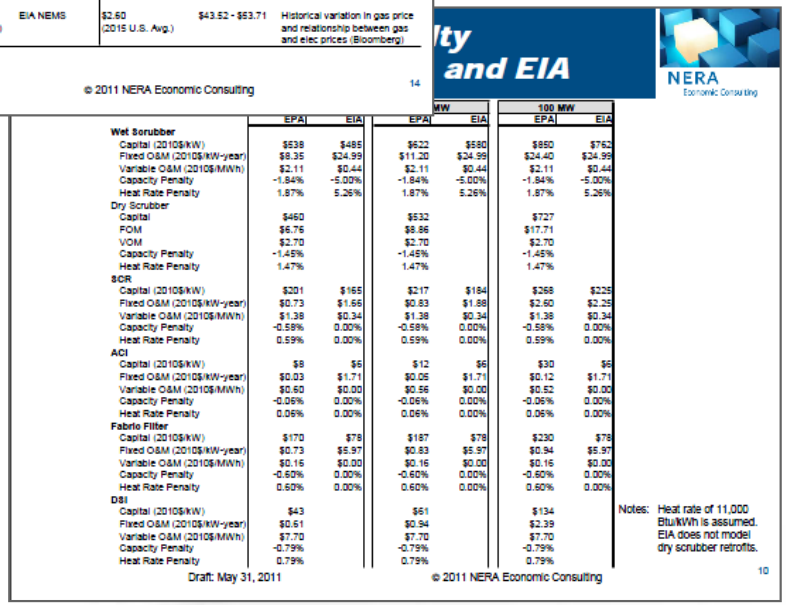
- These are highly complex issues.
  - Not many people really understand the issues.
- Leaders in DC have a huge range of issues to understand.
  - They rely on others to help inform their opinions
- Engineers understand these issues best
  - Knowledge offers the ability to exercise influence on the issues
- But . . . Engineers are not gifted at advocacy & persuasion

Outreach for Economists & Engineers









NERA analysis of CATR + MACT for American Coalition for Clean Coal Electricity, May 2011

Outreach for Everybody Else

Put it in terms people can relate to!

- Boiler MACT applied to cars would require:

• Seats 8	*Honda Odyssey*
• 0-60 mph in less than 5 seconds	*Chevrolet Corvette*
• Tows 10,000 lbs	*Ford F-250 Super Duty*
• 4WD and off-road capability	*Jeep Grand Cherokee*
• 200,000 mile trouble-free life	*Lexus GS-350*
• 50 mpg	*Toyota Prius*
• Less than $20,000	*Hyundai Sonata*

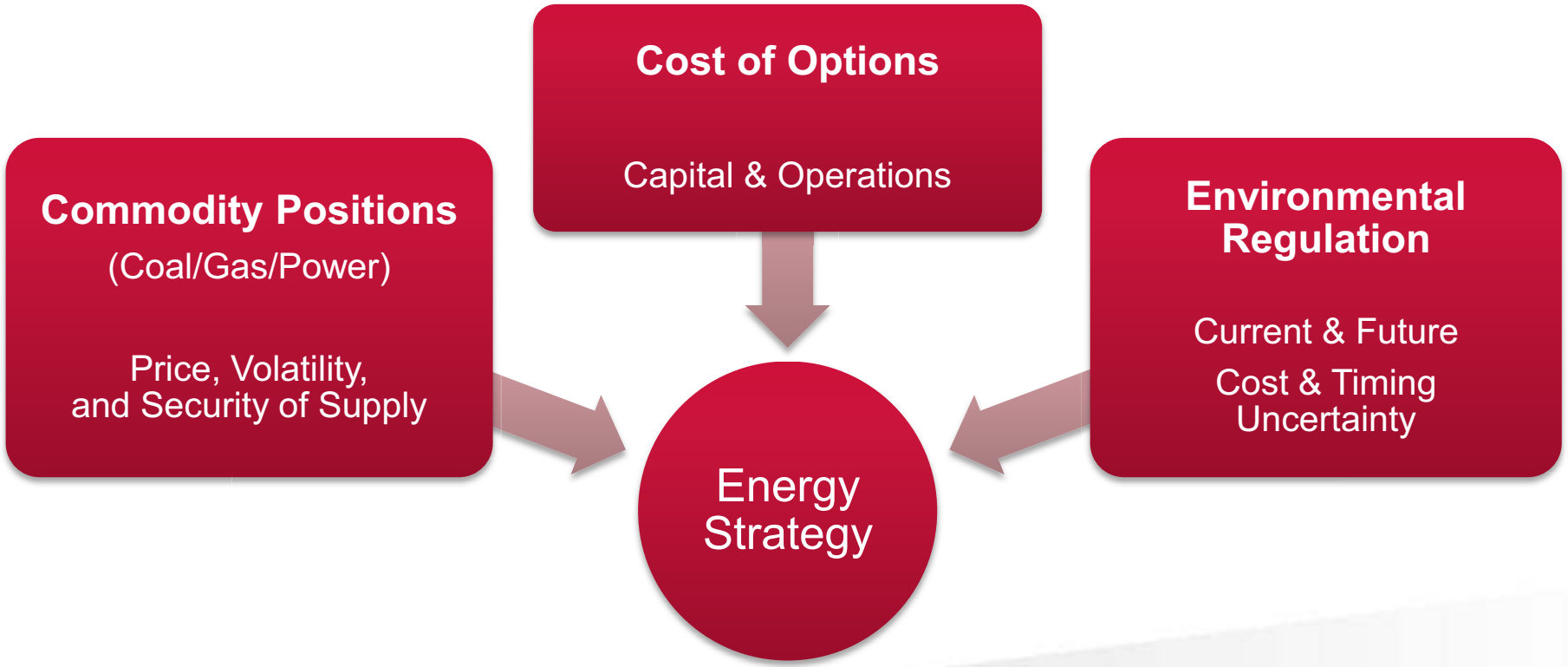
- Is that *really* achievable?

Strategy

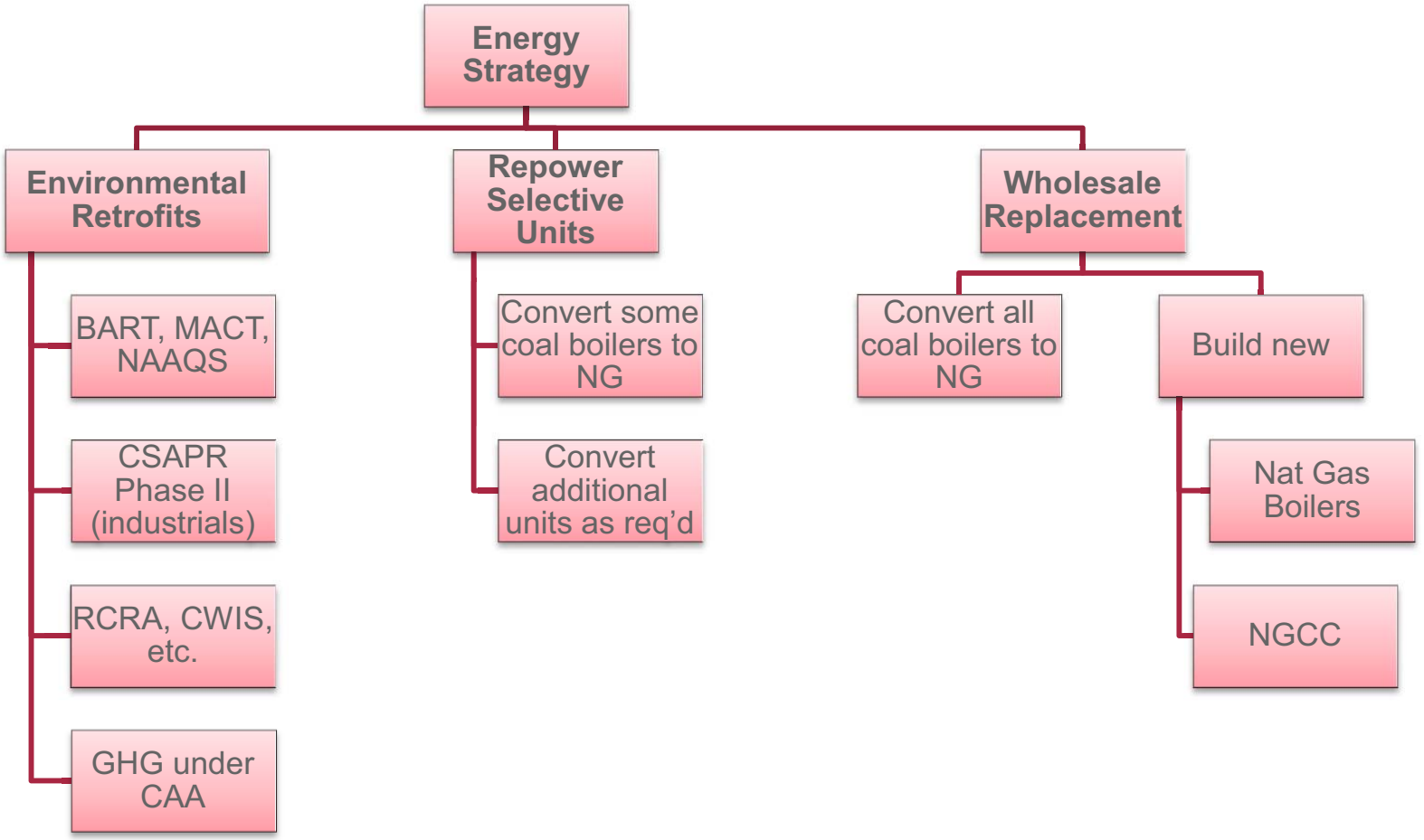
The 6 P's

Strategy

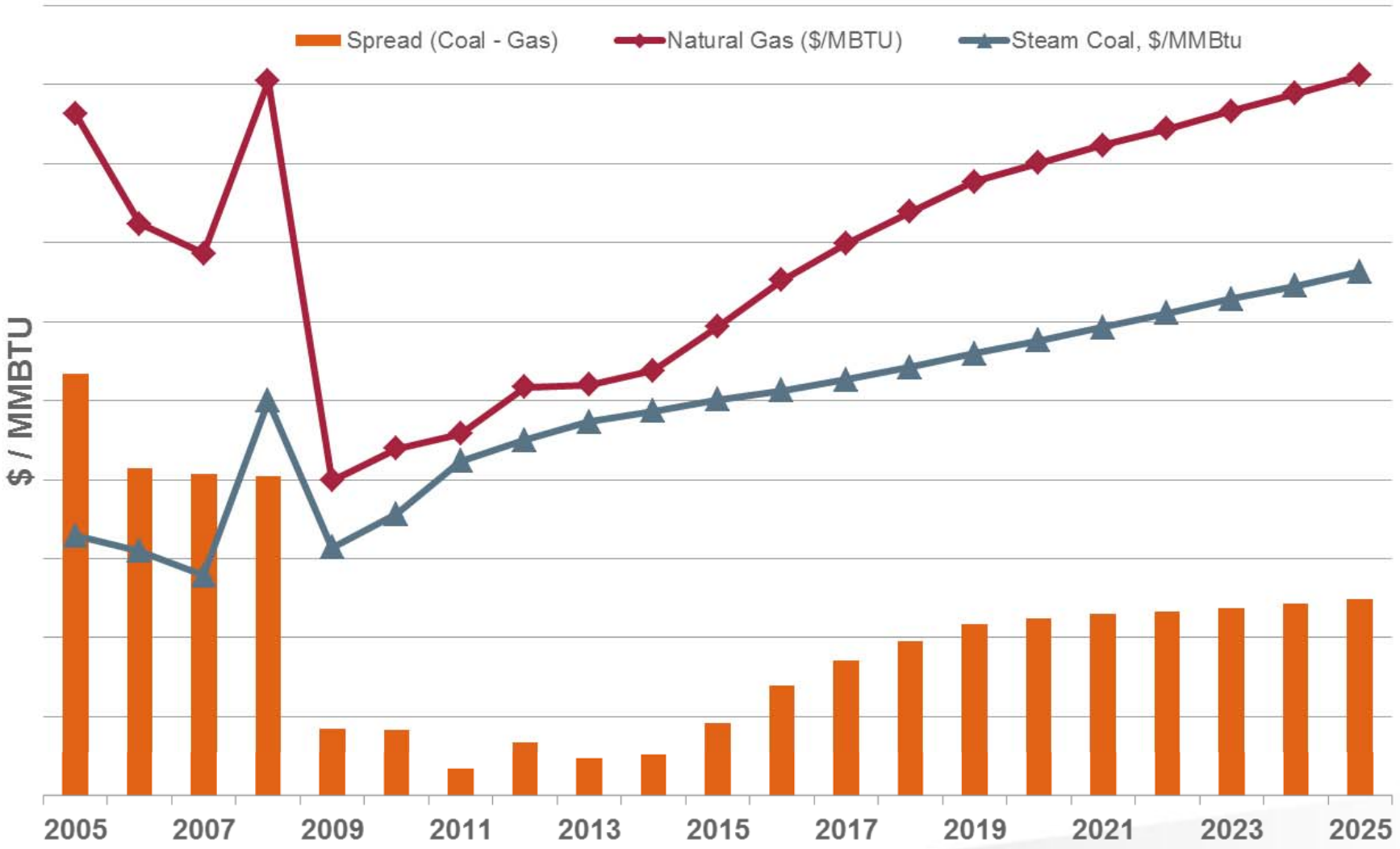
Strategic decisions for energy hinge on three key dimensions:



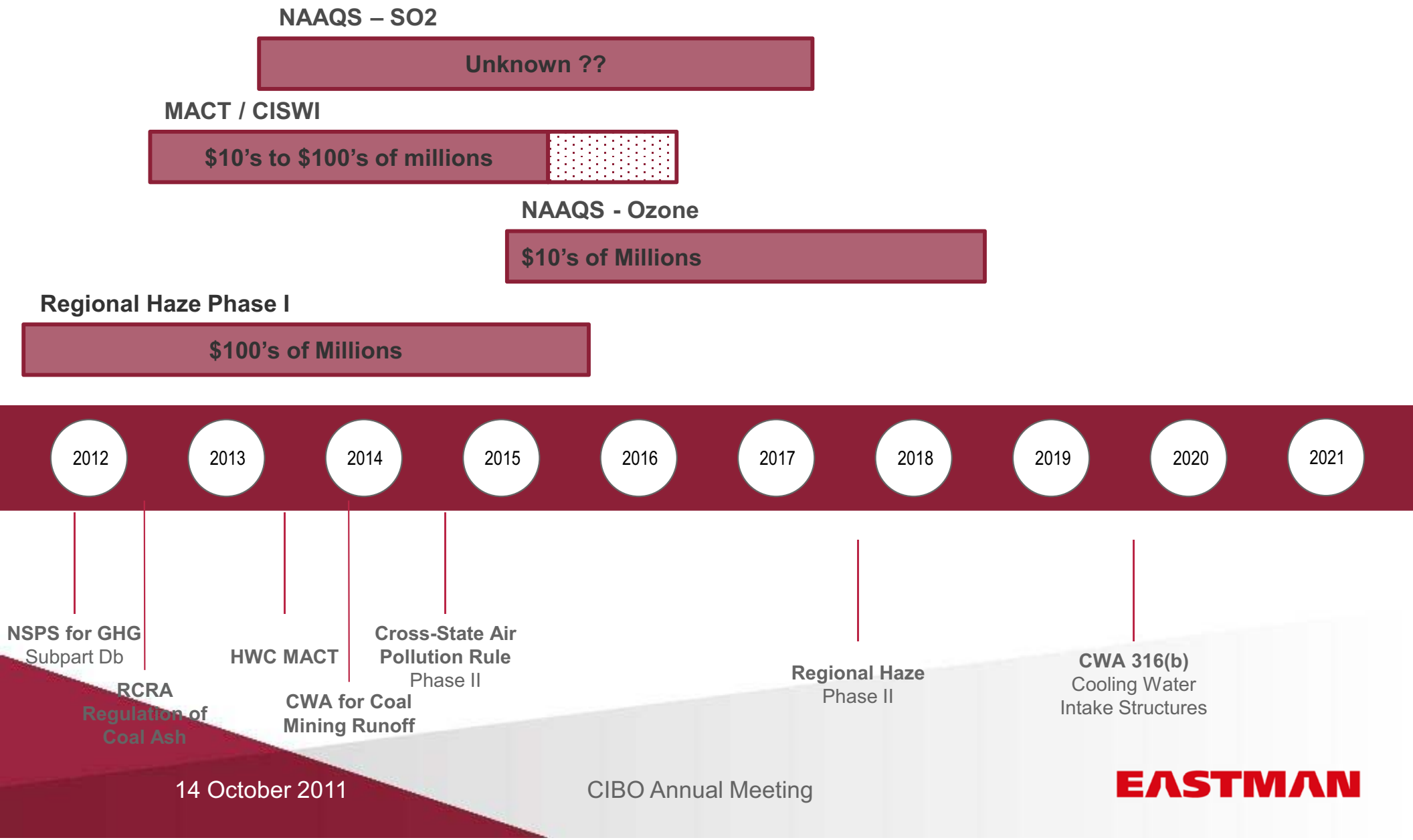
Decision Pathways: First Pass



Commodity Impact



Regulatory Landscape



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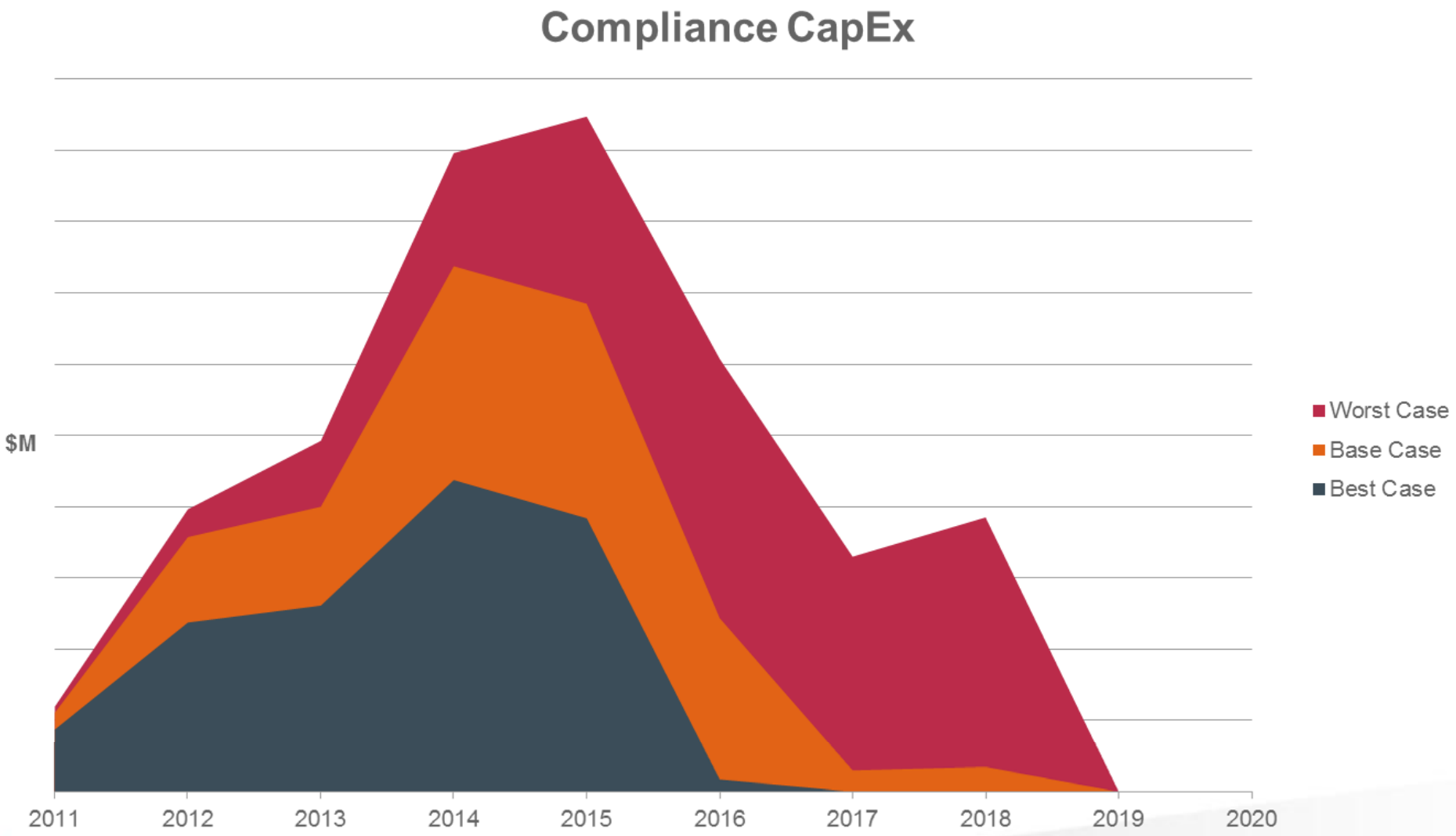
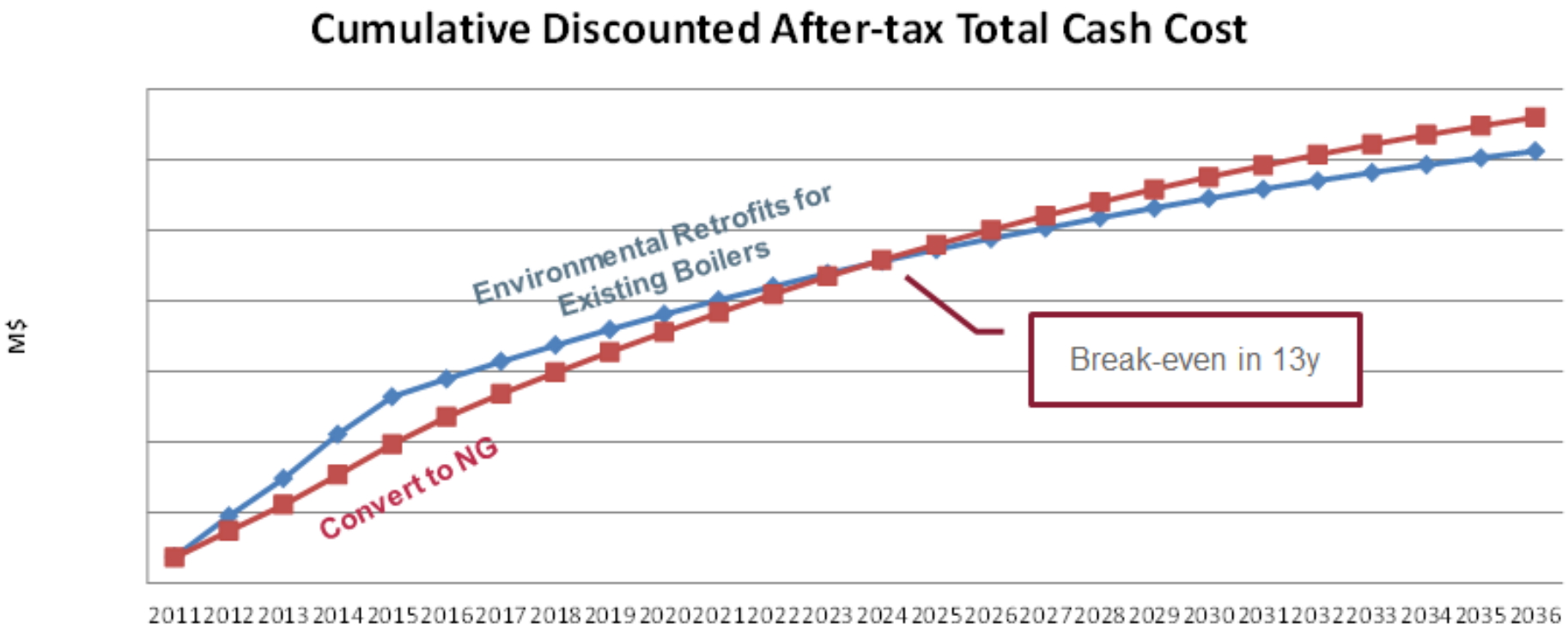
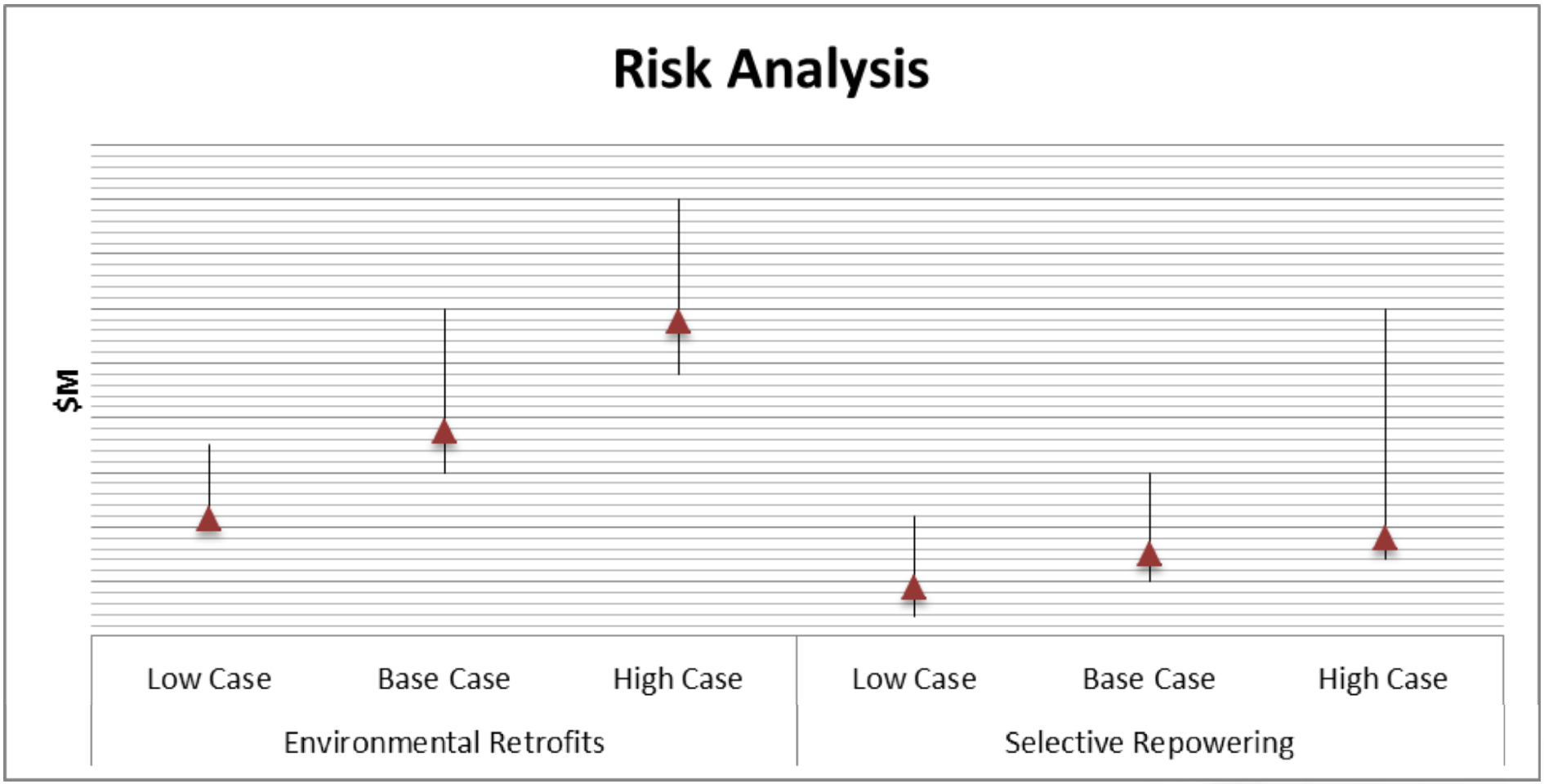


Financial Analysis: Base Case Assumptions

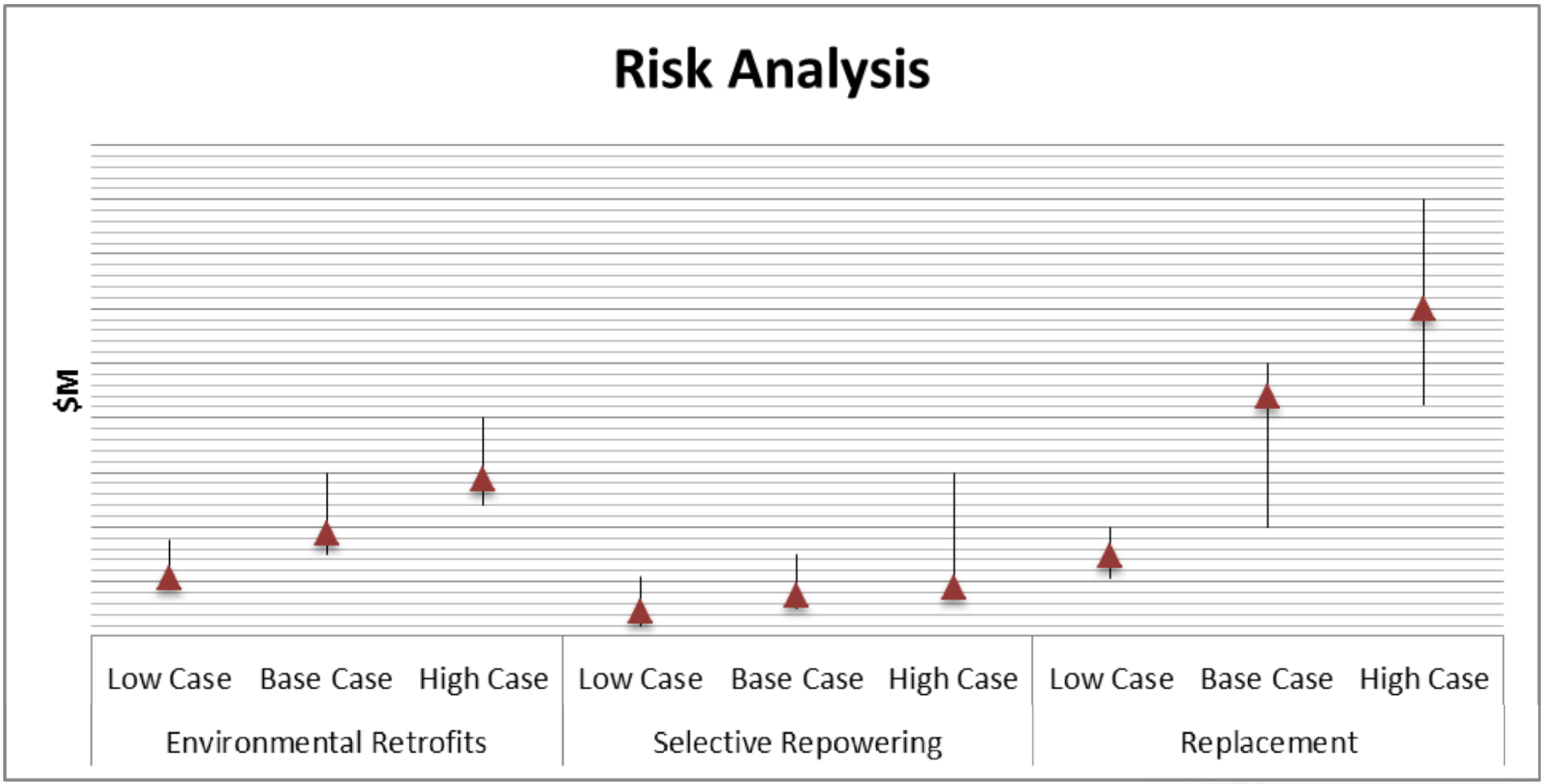


Plus Sensitivity Analysis around Capital, Commodities, Black Swan Events, etc.

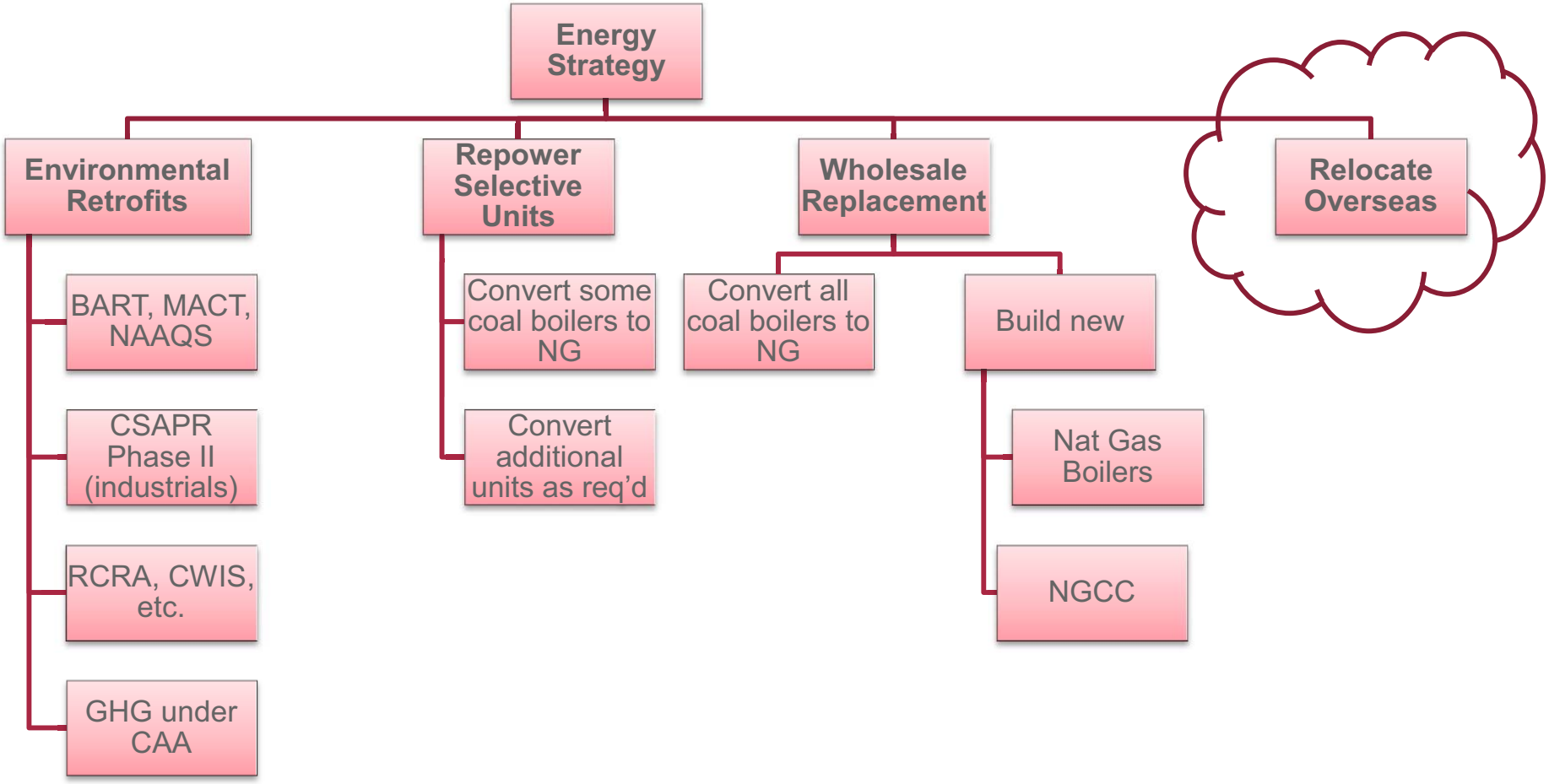
Risk Analysis (First Pass)



Risk Analysis (Second Pass)



Decision Pathways: Second Pass



Thank you

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