

The Reality of Economic & Environment Considerations

An Equipment Supplier's Perspective

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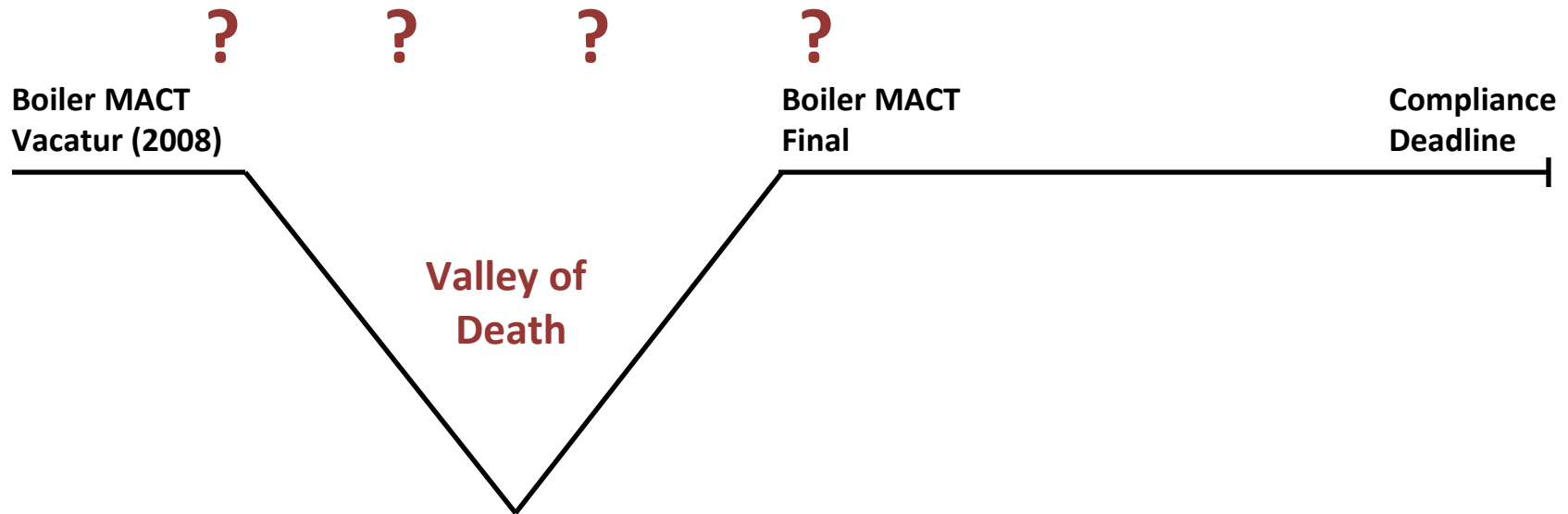
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Perspective

- Today, Pending Clean Air Regulations—BMACT, CSAPR, UMACT, CMACT—Creates Concerns Beyond:
 - Technology Capabilities
 - Employment + Economic Impacts
 - Labor Availability
 - Component Supply
 - Grid Reliability
- **Will There be (enough) Technology Vendors?**

Vendor View of BMACT Regulatory Uncertainty/Delay



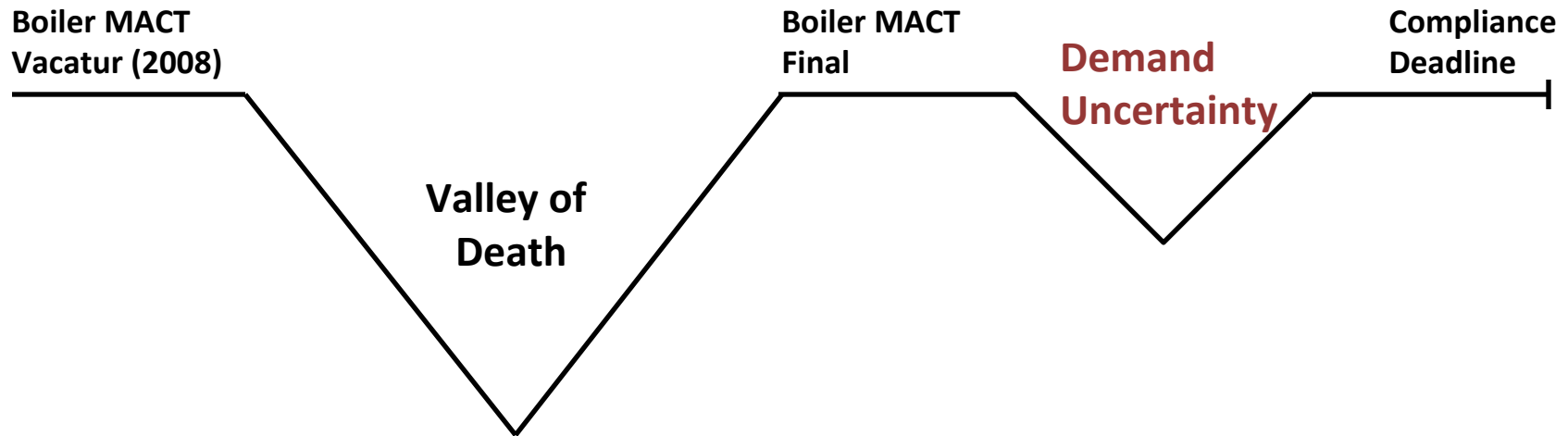
Contributing Factors to Valley of Death:

- Lack of New Capital Projects (w/APC requirements)
- Delay/Uncertainty in APC Regulations (New & Retrofit)
- Limited Capital Supply (Line of Credit), Credit Restrictions
- Absence of Incentives for Early Compliance

No Demand,
Expense w/out
Revenue

Where are we today?

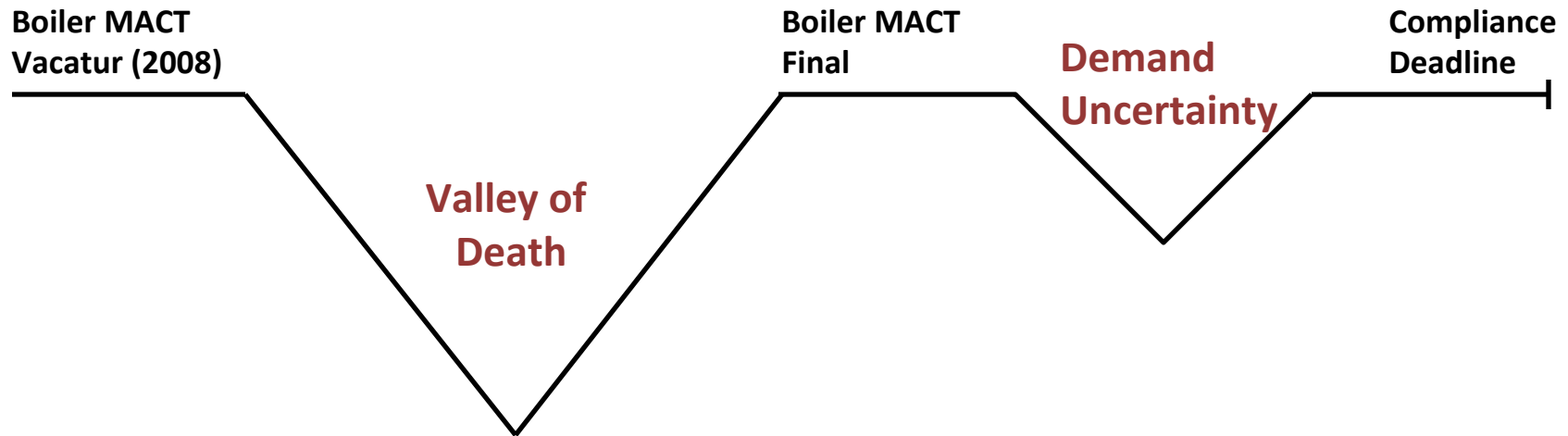
Vendor View of BMACT Regulatory Uncertainty/Delay



Contributing Factors to Demand Uncertainty:

- Compliance Timeline — 3 years; 3 years + 1; 5 years (Legislation)
- Litigation Uncertainty — Defers Compliance Decisions
- Capital Availability — Defers Compliance Until End of Period
- Supply/Demand — Affects Ability to Implement Compliance

Vendor View of BMACT Regulatory Uncertainty/Delay



Factors that Reduce Risks from Valley of Death, Demand Uncertainty:

- APC Technology Diversity
- Market Diversity—Utility + Industrial (+ Transportation?)
- Product Diversity--APC, Boilers, Energy Efficiency Services.....
- Corporate Size, Profit Margin (non-APC Business)
- Global Presence

Which APC Vendors Will Survive “Valley of Death”? Demand Uncertainty?

ADA Environmental Solutions, LLC

Dustex

Alstom Power Environmental Systems

Flex-Kleen

Amerair Industries, LLC

Lhoist

[Amerex, Inc.](#)

Marsulex Environmental Technologies, LLC

American Air Filter International

Micropul, LLC

Anguil Environmental Systems, Inc.

Nalco Mobotec USA, Inc.

The Babcock & Wilcox Company

Neumann Systems Group, Inc.

Babcock Power, Inc.

Norit Americas, Inc.

Belco Technologies Corporation

Siemens Environmental Systems & Services

Clyde Bergemann, EEC

Tri-Mer Corporation



Why Should CIBO Members Care?

- **More Industrial APC Vendors**
 - Greater Technology Choices
 - Price Competition; Reduced Cost of Compliance
 - More Engineering Staff for Compliance Planning, Project Management
 - Ability to Meet Compliance Deadline
 - Training Support, Aftermarket Services
- **Technology/Application Knowledge Base**
 - Age of Staff; re-Hire Potential
 - Lack of Replacement Staff—Recruitment Potential?
- **Competition with Utility-Oriented APC Vendors**
 - Monopoly Pricing
 - Compliance Prioritization
 - Aftermarket Services

What Can Help Vendors Survive?

- Payment for Engineering, Compliance Studies
- Create Incentives for Early Compliance, Spread Compliance Over Multiple Years
- Book Compliance Plan w/Vendor, Pre-Pay Engineering Contract



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