



CIBO Annual Meeting Special Project Fund Discussion

October 13, 2011



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



What has the CIBO Special Fund Supported?



Recent Boiler MACT, Area Source, CISWI, NHSM Rule Efforts & Accomplishments

- CIBO members with URS to prepare a detailed analysis of EPA's source inventory, units needing controls, and control costs
 - Done for both Proposed and Final Rules
 - Considered the most authoritative source for Boiler MACT control costs
- Commissioned IHS Global Insight to determine broad economic impacts of Boiler MACT rule on regulated entities with indirect and induced impacts
 - Concluded 16,000 jobs at risk/\$1 Billion capital spent on compliance
- Organized/led House E&C Comm. Majority Staff briefing on Boiler MACT rule impacts and IHS Global Insight Report
- Assisted Institutional member testimony on American Energy Initiative- HE&C/Energy & Power Subcommittee
- Led successful industry request for BMACT comment period extension
- Scheduled and coordinated CIBO Hill visits
- Ongoing support of Congressional Staff analysis of BMACT rules and impacts



Recent Boiler MACT, Area Source, CISWI, NHSM Rule Efforts & Accomplishments (Cont'd)

- Drafted & filed comprehensive comments on all 4 proposed combustion rules along with significant input from URS- improvements included:
 - Increase in some subcategory emission limits
 - Retention of Gas 1 Work Practice Standards
 - Ability for Gas 2 sources to qualify as Gas 1
 - Work practice approach for Startup/Shutdown periods
 - Addition of Limited Use subcategory
 - Lesser CO CEMS requirements
- Sought Administrative stays of all 4 rules
- Drafted & filed Petitions for EPA Reconsideration for BMACT, CISWI, and Area Source rules, also with URS input
- Filed 4 Petitions for Review in DC Circuit Court
- Filed initial submissions & Motion for Intervention in DC Circuit Court for BMACT, CISWI, Area Source rules
- Filed Petition for New Rulemaking for NHSM final rule



Recent Boiler MACT, Area Source, CISWI, NHSM Rule Efforts & Accomplishments (Cont'd)

- Filed Motions to Intervene in DC Circuit Court for Completion Case & Delay Notice Case
- Assisted with BMACT legislation H.R. 2250
 - Passed House E&C Committee Sept. 11, 2011
 - Heard of House Floor last week
 - Up for Floor vote this week
- Ongoing coordination with industry coalition on BMACT and other rule efforts



Other Activity

- Coal combustion byproduct classification
- Energy legislation
- NAAQS
- GHG policies and regulations
- etc.
- Coordination with other Trade Associations



CIBO Special Project Funds

- 2010
 - Contributions \$201,800
 - Expenses \$244,731
 - However, contributions included CIBO fund transfer
 - \$39,000 CIBO Accounts Receivable at year-end 2010
- 2011
 - Contributions \$99,000
 - Expenses \$96,997
 - CIBO Accounts Receivable remains on the books
- Conclusion- contributions are not fully covering Special Project expenses
 - Ominous outlook for continued efforts



Recognition of Member Contributors Over 2000-2011 Period- Primary Contributors

Company/Institution	Cumulative Contribution
Eastman Chemical Co.	\$94,000
Alcoa	\$50,000
ADM	\$40,000
Cargill, Inc.	\$39,500
Citizens Gas/Thermal/Energy Group	\$30,000
DuPont	\$30,000
International Paper	\$19,000
Tate & Lyle	\$19,000
Procter & Gamble	\$18,000
Grain Processing Corp.	\$17,000
Epcor USA Ventures	\$16,000
Michigan State University	\$12,000
Notre Dame	\$10,000

Recognition of Member Contributors Over 2000-2011 Period- Other Contributors

Company/Institution	Cumulative Contribution
Capital Power Ops., Koch Companies	\$8000
Weyerhaeuser Co.	\$6000
Bunge North America, Celanese, Cinergy Investments, Cincinnati Bulk Terminals, LLC, Dow Chemical Company, Duke Energy Generation Services, MeadWestVaco, River Trading Company, Suez Energy	\$5000
FMC Corporation	\$3000
Inter-Power, Lyondell Chemical	\$2500
General Motors Company, Metso Power & Automation, Wheelabrator Technologies	\$2000
Piney Creek	\$1250
Dustex Corporation	\$1000
Sebesta	\$600
Case Western Reserve University	\$500
Fuel Tech, Inc.	\$300



CIBO Legal Counsel Retainer

- \$15,000/month
- Covers:
 - Routine association legal assistance
 - Moderate efforts and document preparation on specific issues
 - Participation and coordination with other Trades on specific issues
 - Review and input on coordinated documents
 - Participation and preparation for quarterly and other meetings



Options for Funding Additional Legal and Other Outside Assistance/Consulting

1. Continue voluntary requests for contributions on a frequency as needed to cover expenses (beg) without any specific company/institution amount request
2. Voluntary requests for contributions on a frequency as needed with a specific common amount request per company/institution
3. Voluntary requests for contributions on a frequency as needed with a specific amount request based on facilities owned/operated by the specific company/institution
4. Forecast appropriate level required for the following year and increase dues for that year accordingly to enable payments from general funds
5. Special assessments on all members at a level to be determined during the year based on actual expenses expected/incurred



Options for Funding- Further Detail

- Option 1- Voluntary response to begging
 - Basically continue current approach and hope for the best
 - Utilize steering committee to determine scope and level of activity based on projected costs and expected available funds
 - Could also limit activity based on total \$ not to exceed
- Option 2- Voluntary response to a specific amount per member request
 - Would treat all companies/institutions uniformly
 - Probably difficult to budget by company/institution
- Option 3- Voluntary response to a specific amount request based on facility/equipment
 - Example- per company at \$5000 for each plant/facility/powerhouse above some size threshold firing >50% heat input on coal or biomass; \$3000- >50% liquid fuel/oil; \$1000- >50% gaseous fuel
 - Ties contribution to potential costs and savings
 - Some companies get nailed



Options for Funding- Further Detail

- Option 4- Dues increase
 - Treats all members similarly, regardless of company/institution structure and equipment
 - Would allow budgeting if total quantity was enough to cover expenses plus additional costs with potential surplus toward fund balance/staff/other uses or eventual dues decrease to balance income/expenses
- Option 5- Special assessment
 - Bylaws allow the Board to impose on pro rata basis
 - Could also be based on Option 3 methodology or other
 - Could be implemented following a vote of Active Member Principle Reps or Board; but would need member agreement of specific scope and cost to proceed



Discussion

- Any thoughts on the 5 options?
- Any alternative suggestions?
- Any suggestions regarding a process to proceed?