

EASTMAN

Environmental Issues, The New Energy Era, and their Implications

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Natural Gas Changes Everything

- Feedstock changes fuel resurgence of U.S. chemical industry
 - New Source Review/NAAQS nexus could derail growth
- Fracking came just in time for:
 - Nationally
 - MATS compliance
 - Boiler MACT compliance
 - Clean Power Plan
 - Eastman
 - BART/Regional Haze
 - SO₂ NAAQS
 - Boiler MACT

Concerns

- Renewables provide diversity for electricity supply, but not process steam
- Once converted, cannot go back to coal
- Impact of fracking regulations
- Future of Central App coal??
- Impact of Clean Power Plan
 - Storage issue for renewables
 - Grid reliability due to push for renewables
 - Impact on natural gas prices