

CIBO Energy & Environmental Committee Meetings

December 9, 2020

I. Energy Committee – Fred Fendt, The Dow Chemical Company

Fred reviewed the material presented at the Annual Meeting. This year has been a difficult year for many reasons. Working from home has become more accepted. Climate issues have become more potent. Even natural gas is being attacked by environmentalists. Dow Chemical has committed to GHG reporting by the second week in January (Task Force for Climate Related Financial Disclosure). Even more amazing is that energy use data is being shared. Dow is committed to being carbon neutral by 2050.

The environmentalist vision is that all electricity will be generated by solar and wind and the rest of the sectors (industrial, residential, commercial, and transport) will be completely electrified. With a carbon price of \$40/ton, the price of natural gas increases by \$2.50/MMBTU. At \$200/ton, the price will increase by \$12.50/MMBTU.

Natural gas has been a life saver for the industrial base in the US, as the low price of gas in the US allows for the justification of industrial plants in the US. Industry needs a voice in Washington, DC for industrial energy. Climate pressures are building fast.

CIBO has a good reputation for sound technical positions. We need to refocus our efforts on energy policy. We need to educate ourselves on the technical issues at play. This is a policy issue that keeps CIBO relevant. We will need more white papers and educational material to bring our information to the legislators and regulators. The issues of scale and technical limitations need to be put forth. We need to review our existing white papers and reports to start to determine what we could update and issue fairly quickly. Fred asked for names (volunteers) to form a working group. If anyone has suggestions for a white paper topic, please get that information to Fred. If possible, outline the scope of the paper that you have in mind.

II. Environmental Committee – Kristine Davies, Trinity Consultants, Inc.

Kristine noted that we have a new vice chair for the environmental committee. Thuy Mai is with DuPont supporting their environmental activities.

The startup, shutdown, and malfunction (SSM) issue continues. EPA was challenged to require units to meet numerical permit levels during SSM conditions. EPA was also challenged to tighten up SIP provisions regarding SSM. EPA has been revising the requirements for SSM in which a unit must meet the permit level or follow strict work practice standards. On the other hand, the SIP is intended to meet the NAAQS. EPA's monitoring role is to review the SIPs and not necessarily isolate individual actions. Some states are reviewing their SIPs.

EPA issued a guidance document and was intending to try to untangle the various situations, including the potential use of “affirmative defense”. Affirmative defense was struck down by the courts in one of the rulings, but EPA had pledged to work with states towards a workable SSM approach. It is not clear what EPA's approach will be in the new administration.

Ann McIver gave an update on the CSAPR situation. EPA is under court order to have a rule in place by May 1, 2021. EPA issued a revised rule for comment, which is due on December 14, 2020. A request for extension was denied on the basis that the May 1st deadline was sacrosanct.

The revised rule is aimed at EGUs only. However, EPA asked for information on emissions from ICI boilers to determine if such units could contribute to NOx reductions. Questions asked if there were sources that could achieve potentially cost effective reductions including low NOx burners, switching from coal to gas, and adding CEMs to allow trading. EPA also stated that it was possible to install low NOx burners in something like 6 months. Comments were requested to confirm whether or not this was true. Costs for installation were requested. Effectiveness of controls were requested.

Many industrial units were impacted by the NOx SIP call and already have low NOx burners. EPA recognized that such units are low emitters. However, they asked for comments on whether or not some of these units could be included in the proposed trading program under CSAPR. Comments are due on Monday. The proposed rule is aimed at the 2008 NAAQS ozone standards. There will be the 2015 NAAQS ozone standard to be addressed.

CIBO members prefer to work with their state agencies on meeting their “good neighbor” SIPs. A draft of our comments will be sent out either tomorrow afternoon or Friday morning. Comments will obviously be needed on Friday to get them into the final submission by Monday.