



# NEWSLETTER

Midwest Cogeneration Association, Inc.

July, 2002

Vol. 17, No. 2

## SIXTH ANNUAL

# Golf OUTING

You are cordially invited to participate in the *Midwest Cogeneration Association's Sixth Annual Golf Outing*. The outing will once again be held at Arrowhead Golf Club in Wheaton, Illinois on Thursday, July 25, 2002. This premiere event will be a scramble format, with team and individual prizes available.

After an exhilarating round of golf, you will be treated to an outdoor barbecue, awards presentation and a chance to meet with fellow MCA members in a social setting. This should add up to a relaxing change of pace for all of us.

Starting tee times will begin at 10:00 a.m. Please contact David Patricoski via e-mail at [dtpat@aol.com](mailto:dtpat@aol.com) or at (630) 858-8110 if you are interested in participating. No tee times will be reserved until payment is made. On the day of the outing, we ask that the participants check in at least 20 minutes prior to your scheduled tee time.

The cost for this event will be \$100.00 for members and \$110.00 for non-members. This includes green fees, golf cart, two (2) beverages, afternoon snack bar and early evening barbecue. The available tee times are somewhat limited for this event, and therefore we must receive your payment no later than July 13, 2002 to ensure a reservation.

Anyone wishing to sponsor a hole or donate a prize may contact David Patricoski via e-mail at [dtpat@aol.com](mailto:dtpat@aol.com) or by phone at (630) 858-8110. Those parties who do sponsor a hole will be recognized at the hole with a 12" x 12" posted sign. Those donating prizes will be honored at the barbecue.

We look forward to your participation!

## THE SIXTEENTH ANNUAL NON-UTILITY POWER CONFERENCE

**SEPTEMBER 19, 2002**

The Midwest Cogeneration Association will hold its Sixteenth Annual Conference on Tuesday, September 19, 2002 at McDonald's Lodge, Oak Brook, Illinois. There will be two concurrent sessions that address the full range of regulatory, environmental and technical issues. This popular event provides an opportunity for those involved in cogeneration to learn about the latest technology and regulatory developments, see over 35 exhibits of state-of-the-art equipment and services, exchange information and relax at a western barbecue that evening.

Over 100 professionals attended in 2001 and found the conference most beneficial and we are sure you will feel the same way after attending this year's conference.

This year's Keynote Speaker will be Mr. William Parks of the U.S. Department of Energy. Followed by an exciting line up knowledgeable and diverse speakers from the cogeneration field.

Cost to attend the conference is \$250 for members and \$325 for non-members.

**Watch your mail for additional information, or check out the website at [www.cogeneration.org](http://www.cogeneration.org) for continuous updates on conference plans along with a listing of exhibitors from last year.**

## FROM THE BOARD ROOM

You may have noticed that the website for the MCA has changed; and if you have not, please take time to log on at [www.cogeneration.org](http://www.cogeneration.org). Aside from that obvious change, I think it might be of interest to all members just what the board has been doing for the last six months to effect other changes to the MCA.

The Board of Directors meets every month of the year, without exception, for at least two hours in the early evening at a place that takes some of the board members at least an hour out of the way from going home; usually a conference room donated by one of the board members' employers. We do, however, serve dinner, either in the guise of two or three pizzas, or one long sub sandwich along with your choice of a soft drink, coffee, or bottled water. Certainly not a meal endorsed by my doctor, or my wife.

We have discussed many issues since January. The board has approved the increase in membership dues. A move necessitated by increases for such things as postage, printing, and administrative costs, to name a few. We also had to raise the cost of attending our dinner meetings to \$35 to cover the rising banquet prices and the additional cost incurred by people calling in and making the commitment to attend and, for whatever reason, not showing up. Having said all that,

we are still among the least expensive organizations within which to maintain a membership. We believe that the MCA gives our membership the biggest bang for their buck!

David Patricoski is working very hard on the upcoming golf outing. So far we have approximately 30 people signed up. Any others wishing to attend should contact David by e-mail at [dtpat@aol.com](mailto:dtpat@aol.com) as soon as possible as we are limited to the number of participants. All of the board members are working diligently to prepare for our annual conference on September 19th. Our Keynote Speaker this year will be Mr. William Parks of the U.S. Department of Energy. He is the administration's point man for both distributed generation and cogeneration. The board has also approved the appointment of a "By-laws Committee" which will meet this summer and prepare recommendations for the possible revision of the MCA by-laws. Bob Conway is working very hard with Ken Jacobs on clearing the way for the use of credit cards, not only for the conference, but also for the bi-monthly meetings. This should make it a little more hassle free for the membership. The handbook has been revised and distributed thanks to the efforts of Ms. Robin Pelsis (our administrative assistant) and the input of many of our board members.

Last week we had a meeting with Mr. John Cuttica of the Midwest CHP Application Center and it was decided that an alliance with his group, without sacrificing our autonomy, could be most beneficial to both the MCA and The Midwest CHP Application Center. The Application Center is located at the University of Illinois at Chicago and is funded by the US Department of Energy to promote the implementation of CHP/Cogeneration in the same eight state Midwest region as the MCA. We will appoint a committee of approximately 10-12 people, representative of a cross-section of the MCA membership, that would meet every quarter with a group from the Application Center, with John Cuttica acting as moderator. The purpose of the committee is to provide input and guidance to the Center and to ensure that both the MCA and Center programs are well coordinated, with little to no overlap. Anyone wishing to be a part of that sub-committee should contact me by e-mail at [tomriemer@jtrindustries.com](mailto:tomriemer@jtrindustries.com). Presently, the Application Center receives similar input and guidance into their program on the regulatory and legislative side from another interested CHP group (the Midwest CHP Initiative).

*Continued on page 4*

# MCA ACTIVITIES

## MIDWEST COGENERATION ASSOCIATION

P.O. Box 283  
 Western Springs, IL 60558-0283  
 Voicemail: (630) 323-7909  
 Website: www.cogeneration.org

### 2002 OFFICERS and BOARD OF DIRECTORS

- President**  
 Tom Riemer  
 JTR Industries, Inc.
- Vice-President**  
 Bill O'Shea  
 O'Shea Environmental
- Secretary**  
 Larry Hagemeyer  
 Dial Corp.
- Treasurer**  
 Kenneth W. Jacobs  
 Stanley Consultants, Inc.

#### Board of Directors

- Robert J. Conway  
 Charles Equipment Co.
- Gary Ephraim  
 CITCO
- Freddi L. Greenberg  
 Freddi L. Greenberg Attorney at Law
- Dean Karafa  
 GKC/EME Inc.
- Jim Kezerle  
 Ricardo Engineering
- David A. Miller  
 Energy Choices, Inc.
- Raymond Protich  
 Reliable Power, Inc.
- Michael Smedley  
 Trigen-Peoples District Energy Co.
- Kieth Vogelsang  
 Cummins Onan Northern Illinois
- Alden T. Wulff  
 Retired



## NEW MEMBERS

- |   |  |
|---|--|
| <b>Paul Schwichtenberg</b><br>SPRTC                 | <b>Tim Libson</b><br>AES Great Plains            |
| <b>Alex Jaikovski</b><br>Exxon Mobil                | <b>Kyle C. Johnson</b><br>Preon Power            |
| <b>Stephen Thurston</b><br>Cummins Mid-States Power | <b>Joe Cacic</b><br>E.D. Newell Company          |
| <b>Marc Willard</b><br>GKC EME, LLC                 | <b>Michael Walsh</b><br>Taft Contracting Company |

## MCA ACTIVE COMMITTEES

- |  |  |                   |
|--|--|-------------------|
| <b>Awards</b>                                  | <b>Conference</b>  | <b>Newsletter</b> |
| Bud Wulff*<br>Gary Ephraim                     | Tom Riemer*<br>Gary Ephraim<br>Bill O'Shea<br>Bob Conway<br>Ken Jacobs | Volunteer Needed  |
| <b>By-Laws</b>                                 | <b>Golf Outing</b>   | <b>Nominating</b> |
| Robert Patricoski*<br>Bud Wulff<br>John Conway | David Patricoski*  | To be determined. |
|  | <b>Membership</b>  | <b>Programs</b>   |
|  | David Miller*  | Kieth Vogelsang*  |

If you are interested in participating on any of the above committees, please contact Tom Riemer at 630/665-9090 or the Committee Chair designated by the \*.

## *FROM THE BOARD ROOM (con't.)*

As a grassroots organization made up of those people and organizations that actually work in the marketplace selling the concept of cogeneration to the potential user, developing the project, engineering the project, installing and supplying the material and equipment and, finally, operating the installation, the Midwest Cogeneration Association can provide the Center with input and guidance from those sectors. The intent of the Application Center is to then carry

out projects that will truly reflect the needs of the CHP/Cogeneration industry in the Midwest. John Cuttica and the Midwest CHP Application Center is also making available to our membership their time and expertise on joint efforts with potential customers; both in the development of feasibility studies and/or face-to-face presentations to the potential user. Anyone wishing to avail themselves of that opportunity should contact John by e-mailing him at [cuttia@uic.edu](mailto:cuttia@uic.edu).

Well, as you can see, there is a lot going on and, with that in mind, please give some thought to getting involved. We are still having a difficult time getting people to actively participate. Many of our board members have given their time freely for a long time, when no one else could or would. The nominating committee is going to start working early this year. Any member wishing to become a candidate for the board should e-mail us at [www.cogeneration.org](http://www.cogeneration.org).

## **A Workshop for Illinois Businesses Combined Heat and Power**

- Learn:** Why "On-site" Electric Generation Can Be A Wise Business Decision
- Learn:** How Utilizing The Reject Heat Turns Into Larger Profits
- Learn:** Where CHP Already Exists in Illinois - Case Studies
- Learn:** How To Assess Your Facility For CHP
- Learn:** How To Get Your Project Started
  - Financing
  - Interconnection
  - Permitting

**Tuesday, July 9, 2002 - Holiday Inn, Mart Plaza, Chicago, Illinois**

**[www.erc.uic.edu/chpworkshop](http://www.erc.uic.edu/chpworkshop) or (312) 996-4490**

## REGULATORY UPDATE

### CHP WINS TWO SIGNIFICANT VICTORIES IN US REGULATION

The US CHP industry has been boosted by winning two significant victories, coincidentally occurring on the same day in April, in a campaign by the US CHP Association to improve the climate for the technology.

First, the US Senate adopted the Carper- Collins Amendment to the Senate Energy Bill, which preserves the rights of CHP projects to have access to the sale of excess power to incumbent monopoly utilities, as well as the right to purchase back-up power from utilities. The Senate Energy Bill has yet to be finally agreed, but the passage of the Carper-Collins amendment should assure that CHP continues to have market access while efforts to restructure electricity markets and regulation continue across the nation.

The US CHP Association adds that it continues to work on the provisions of the legislation that call for CHP tax incentives, with

a high likelihood of a 10% tax credit for new CHP units, but current uncertainty as to whether the tax credit may be offset by lengthened depreciation periods, and as to the eligible size classes of units.

The second victory was in the unanimous decision by the Federal Energy Regulatory Commission (FERC) to retain, in its formal Notice of Proposed Rulemaking (NOPR) on Interconnection of Electric Generation, provisions for an expedited process for interconnection of small generators. Expedited interconnection for small generators was proposed in FERC's NOPR in October 2001, but an intense process of seeking consensus on interconnection standards conducted by FERC staff failed to reach a consensus. Transmission-owning utilities were joined by some state regulatory interests and other industry groups to oppose any special treatment for small generators,

despite FERC's suggestion that their interconnection generally would have no system impact. This would leave small generators required to queue up for interconnections with large merchant power projects and subject to the same exhaustive and expensive study and engineering requirements - enough to tip the economics against most small power projects.

The US CHPA is concerned that the underlying intent is to suppress the ability of small self-generators to emerge at all, including most CHP projects, for competitive reasons and because distributed generation may be seen as a disruptive technology in the electricity industry at a time when it is trying to reinvent its regulatory and market structures. The Association was therefore gratified to learn that the FERC decided to include expedited small generator interconnection policies in its formal NOPR.



For up-to-the-minute  
information on the Midwest  
Cogeneration Association visit  
our website at:

[www.cogeneration.org](http://www.cogeneration.org)

## AROUND THE MIDWEST

### CENEX-HARVEST STATES COGEN START-UP

Cenex-Harvest States Inc., the integrated grains and foods division of CHS Cooperatives is performing start-up testing of an 11.7 MW simple cycle cogeneration unit at its soybean processing plant in Mankato, Minnesota. The new power plant will utilize a General Electric PGT10B turbine/generator. Construction of the \$8 million project started last summer and commercial start-up is expected within the next couple of weeks.

Cenex-Harvest States' Mankato soybean processing plant, which includes soybean crushing, soy flour processing, quality control laboratory and one of the single largest vegetable oil refineries in the US employs about 30 people

and has been in operation since 1986. The plant crushes more than 35 million bushels of soybeans annually and refines nearly one billion pounds of oil.

Cenex-Harvest States Inc. is involved in food, milling and processing, grain marketing and country operations.

### CUMMINS FORMS NEW ALLIANCE

Cummins NPower, LLC has been formed through the alliance of Cummins North Central, Cummins Northern Illinois and Cummins Great Lakes. Headquartered in St. Paul, Minnesota, the new distributor will cover all of Minnesota, North Dakota and Wisconsin and portions of Michigan, Illinois and Indiana.

### MERCURY EMISSIONS

Reps. Thomas Allen (D-ME) and Christopher Shays (R-CT) are circulating a letter asking the Environmental Protection Agency to continue developing strict MACT (Maximum Achievable Control Technology) standards for power plant mercury emissions. The letter also urges the administration to strengthen the mercury provisions contained in its Clear Skies Initiative.



### We Want To Hear From You!

This newsletter offers a forum to communicate with turnkey design build contractors, equipment suppliers, potential customers, regulators and utilities. We look forward to featuring your comments and editorials. If you would like to submit comments, an editorial or be featured in an article, please address comments to the MCA mailbox at P.O. Box 283, Western Springs, IL 60558-0283, the voicemail system at (630) 323-7909, the website at [www.cogeneration.org](http://www.cogeneration.org) or an e-mail to [MCA@cogeneration.com](mailto:MCA@cogeneration.com).

### Membership

Have you renewed your membership? If you have not renewed your membership, this is the last newsletter you will receive.

If you've misplaced the membership renewal form sent to you, contact Robin Pelsis at [mca@cogeneration.org](mailto:mca@cogeneration.org) to request a copy or call her direct at (847) 202-3257.

Don't forget to renew your membership now and avoid the rush at the Annual meeting.



## AROUND THE MIDWEST

### COGEN PLANT POWERS CATERPILLAR MANUFACTURING AND RESEARCH CAMPUS

In early 2000, CILCO, an AES Company, and Caterpillar reached a service agreement for CILCO to provide all of the electric and thermal energy for Caterpillar's manufacturing and research facilities southwest of Peoria, Illinois. The result was the construction by AES of the 45 MW Medina Valley cogeneration plant in Mossville, Illinois.

The AES Medina Valley cogeneration plant provides electricity, process steam, heat and chilled water to Caterpillar's Mossville manufacturing and research campus and electricity to the company's Mapleton foundry.

The Medina Valley cogeneration plant consists of three 12.2 MW Titan 130 combustion engines, two 8.9 MW steam turbines, a natural gas engine driven chiller, two electric chillers, three absorption steam chillers and three heat recovery steam generators (HRSGs). The HRSGs and the combustion turbines were supplied by Solar Turbines as a package. A stand-alone gas-fired auxiliary boiler has been installed as a backup to supply thermal energy to Caterpillar when the cogeneration plant is out of service.

The three combustion turbines are fitted with dry lean-premixed combustion technology, which limits NO<sub>x</sub> emissions. Catalytic converters installed on each combustion turbine control carbon monoxide emissions.

Although CILCO has title to all of the electricity and thermal energy produced at the Medina Valley cogeneration plant, all of the thermal energy and up to 37 MW of electricity is sold to Caterpillar under a long-term contract. Any electricity not required by Caterpillar is sold into the grid.

During the winter months the steam produced by the plant is used by Caterpillar's Mossville plant for heating and process steam. During the summer, the steam is used in absorption chillers to produce chilled water for cooling. The cogeneration plant has the capacity to produce up to 410,000 lb/hr of steam, 7,200 tons/hr of chilled water and 45 MW of electricity. This is sufficient to provide all of the electricity, steam and chilled water for Caterpillar's Mossville and Mapleton facilities.

The Mapleton 882,000 sq. ft. foundry is used by Caterpillar for casting the cylinder blocks, cylinder heads, liners and manifolds for the company's diesel engines.

Construction of the \$51 million Medina Valley cogeneration plant began in April 2000. The first steam was supplied to the Mossville facility in December 2000, which then allowed Caterpillar to retire an old inefficient coal-fired steam plant. After decommissioning the old steam plant, all of CILCO's plant

operators were re-employed by AES to operate the new Medina cogeneration plant. Commercial operation of the Medina plant began in May 2001.

According to Scott Cisel, vice president of CILCO, Caterpillar is their largest customer and, as a result, he looks forward to supplying competitively priced energy and related services to them for many years. Not only is the Medina Valley Cogeneration plant able to provide Caterpillar with low-cost energy, the plant is also more environmentally friendly and reliable than the coal-fired plant it replaced.

Caterpillar's building site manager, Ross Baer, states that a major goal of Caterpillar is to continually look for ways to reduce the overall emissions from the Mossville and Mapleton facilities. A major reason for closing the coal-fired steam plant and contracting with AES for the supply of electricity and thermal energy from the Medina Valley gas-fired cogeneration plant was to reduce emissions. This also relieved them of coming up with the capital to construct their own power plant, says Baer.

According to Tom Thomas, president of AES Medina Valley Cogen, L.L.C., the Medina Valley plant's design is a model for future AES distributed generation plants.

*Reprinted from Power Engineering*



Midwest Cogeneration Association  
P.O. Box 283  
Western Springs, IL 60558-0283

RETURN SERVICE REQUESTED



July 25, 2002 **Sixth Annual MCA Golf Outing**

Location: Arrowhead Golf Course,  
Wheaton, IL  
Contact: David Patricoski  
(630) 858-8110  
dtpat@aol.com

July 29-August 2, 2002 **The Advanced Project Finance Courses**

Location: Omni Ambassador East,  
Chicago, Illinois  
Sponsor: Infocast  
Contact: (818) 888-4444

Aug 12-14, 2002 **Operational Outages for Power Generation**

Location: Chicago, IL  
Sponsor: Marcus Evans Conferences  
Contact: 713 650 6007 ext 207  
www.marcusevansconferences.com/

September 19, 2002 **MCA SIXTEENTH ANNUAL NON-UTILITY CONFERENCE**

Location: McDonald's Lodge,  
Oak Brook, Illinois

September 19-20, 2002 **Energizing America's Cities Conference  
Developing Sustainable Energy Solutions**

Location: Palmer House Hilton,  
Chicago, Illinois  
Sponsor: Gas Technology  
Contact: (847) 390-7800

September 19-20, 2002 **Distributed Generation**

Location: Embassy Suites Hunt Valley,  
Baltimore, Maryland  
Sponsor: AEE  
Contact: Valerie Oviatt  
(770) 925-9633

September 19-20, 2002 **Real-Time Energy System Integration**

Location: Embassy Suites Hunt Valley,  
Baltimore, Maryland  
Sponsor: AEE  
Contact: Valerie Oviatt  
(770) 925-9633

September 22-25, 2002 **Independent Energy Producers Annual Meeting**

Location: Stanford Sierra Camp, Fallen  
Leaf Lake (near South Lake Tahoe)  
Sponsor: IPP  
Contact: Carol Hudson  
(916) 448-9499

October 7-8, 2002 **Energy Management: Skills Update 2003**

Location: Georgia World Congress  
Center, Atlanta, Georgia  
Sponsor: AEE  
Contact: Valerie Oviatt  
(770) 925-9633

October 8-9, 2002 **Energy Venture Fair III**

Location: The Westin Chicago River  
North, Chicago, Illinois  
Sponsor: Infocast  
Contact: (818) 888-4444

October 24-25, 2002 **Energy Auditing 101: Identifying Cost Saving Opportunities in Plants & Buildings**

Location: Omni Ambassador,  
Chicago, Illinois  
Sponsor: AEE  
Contact: Valerie Oviatt  
(770) 925-9633

November 20, 2002 **MCA Membership and Board of Directors Meeting**

Location: TBA

December 5-6, 2002 **Keys to Energy Management**

Location: Four Points by Sheraton  
Bethesda, Bethesda, Maryland  
Sponsor: AEE  
Contact: Valerie Oviatt  
(770) 925-9633

*Any opinions or positions contained in the MCA newsletter are solely the opinions or positions of the author of the article in which it appears; and does not necessarily represent the opinion or position of the MCA, its Membership or its Board of Directors.*