



DECEMBER 2021

INSIDE TCMA

Supreme Court to Rule on EPA's Climate Authority

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On October 29, 2021, the U.S. Supreme Court agreed to hear an appeal of the D.C. Circuit's decision vacating the Affordable Clean Energy (ACE) rule, the Trump Administration's action to address CO2 emissions from existing fossil-fired power plants. This marks the latest development in a legal fight over what authority the Clean Air Act confers on the EPA to regulate greenhouse gas emissions from the power sector—a fight that has spanned over six years and three presidential administrations. Depending on the outcome, the Court could open the door to significant new regulations or tie the Administration's hands by restricting the scope of EPA's authority under the Clean Air Act. Click [U.S. Supreme Court Agrees to Review Scope of EPA Authority over Power Plant Greenhouse Gas Emissions \(bdlaw.com\)](#) for a legal summary from Beveridge & Diamond.*

* Courtesy of the Indiana Cast Metals Association (INCMA) newsletter. •

Chairman's Comments 2021

Thank you so much for the opportunity to serve as our Chairman over these past two years. It's certainly been an experience given the global pandemic. As I depart from this experience, I want to leave you with a note about my expertise, the electricity market.

My first day in the industry was August 29, 2005, when Hurricane Katrina hit the Gulf Coast. Since then, it's been one revolution after the other. Hurricanes, natural gas shortages, shale gas revolution, 100 straight days of 100-degree heat, polar vortexes, recessions, a global pandemic, and the worst winter storm in 150 years...

Now, we are dealing with a whole new set of circumstances, particularly in the Texas market. The political fallout from the winter storm has the Texas Public Utility Commission looking to restructure our entire market. Instead of focusing on the "lowest cost" power (often highly subsidized, unreliable wind power), they are now shifting the focus to "most reliable" power. These historic changes, the most we've seen since electricity deregulation passed in Texas in 1999, will most certainly lead to higher costs than you've seen over the past several years.

Those of you looking at the short-term market will see very significant increases in electricity rates. However, the longer-term markets are still relatively attractive for the time being. My recommendation is to consider longer term pricing at this time. Even if you have a few years remaining on your current agreement, now is the time to consider an extension which may not even begin for two or three years.

You're essentially in a lifetime contract for electricity, yet most consumers only know what they will pay for the next few years. With all of the structural changes in our electricity market along with the global pressures on our natural gas market, this may very well be your last opportunity to lock-in at or near your current rates well into the future. At the very least, it's worth a look.

Thank you again for the opportunity to serve. Please feel free to reach out to me at any time if I can ever be of service to you or your family. Have a merry Christmas! •

Jared Patterson



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Comments from the Executive Director

2021 is almost a memory behind us! We thought it would be the end of the pandemic and all the issues associated with 2020. Not so, but many of our members experienced a rebound in their businesses in spite of all the bad news we heard on a daily basis. Labor shortages, material price increases, and delayed deliveries have added to the list of challenges to our industry.

However, there are opportunities for 2022. Business is expected to stay strong into the first quarter. The rise of the electric vehicles will provide new markets for our industry with Tesla building a new plant in Texas. CastExpo will return next year on April 23-26. That is a strong indicator of a return to normalcy.

I want to take this occasion to thank our outgoing Chairman, Jared Patterson, for his work during such difficult circumstances of 2020 and 2021. Jared has led us in a new direction in communicating with our representatives in the Texas legislature. We are a better association because of his leadership. At the same time, I want to welcome Brett Morehead as our new TCMA Chairman. Brett's foundry experience as well as his supply chain knowledge will be a valuable resource for the TCMA. Having served as Chairman of the Texas Chapter of the American Foundry Society, Brett brings us an abundance of experience in managing industry associations.

Best wishes to all during the holiday season.
Merry Christmas and a Happy New Year! •

Clifford Smith
Executive Director

Upcoming Events 2022

January 14: Texas Chapter AFS meeting at Racetrack in Houston
April 23 – 26: CastExpo 2022 in Columbus
May TBD: TCMA Annual Meeting

Welcome

This TCMA newsletter is developed by the association to improve communication and provide members with the latest news and legislative action concerning their companies and the cast metals industry.

Let us hear from you!

Please send company news, legislative inquiries, product updates and employee highlights to TCMAINC.ORG.

Visit our website

WWW.TCMAINC.ORG

TCMAINC.ORG serves as a valuable resource for our members. Go online to read about our newest members to the association, members' achievements, the latest updates on our bulletin board and the latest news in the foundry business.