



NATIONAL COAL ADVISORY – MARCH 2014

UPDATE ON NCC EXISTING COAL FLEET STUDY ASSESSING THE COAL FLEET IS MORE IMPORTANT THAN EVER

It's been a very interesting winter. Long, cold, snowy, icy. As the New York Times reported in its article "[Coal to the Rescue, but Maybe Not Next Winter](#)" it's also been an expensive winter for consumers as utilities have had to "draw on more expensive reserves to meet the demand" for more electricity and natural gas.

NYT reporter Matthew Wald cautions that "there might not be relief in future winters, as the coal-fired power plants that utilities have relied on to meet the surge in demand are shuttered for environmental reasons."

Soaring utility bills this winter have been attributed to increased demand as well as to supply constraints. The prospect of being one cold winter or one Katrina disaster away from a major power disruption is resounding more loudly these days. It

compels us to take a hard look at our power supply situation and address issues related to diversity, security and reliability of supply.

That's just what we're doing in our current study which will provide an assessment of the existing coal fleet.

As you'll recall, Secretary of Energy Ernest J. Moniz requested that the NCC undertake a study to address the question: What can industry and the Department of Energy, separately and jointly, do to facilitate enhancing the capacity, efficiency and emissions profiles of the existing coal generation fleet in the U.S. through application of new and advanced technology?

The study will focus on the following key areas:

- The Role & Benefits of the Existing Coal Fleet
- Changes that Could Impact Future Benefits from the Coal Fleet
- The Path to Improving the Flexibility & Maintaining the Reliability of the Existing Fleet
- Measures to Maintain and Enhance the Efficiency of the Existing Fleet
- Retrofitting CCS on Coal Units

"What we learned from the Polar Vortex is that for one key system, 89% of the coal capacity that is slated for retirement next year ... was called upon to meet rising demand. That raises a very serious question – what happens when that capacity is gone?"

Sen. Lisa Murkowski

The study will also address the jobs implications associated with the modification and addition of equipment at existing coal power plants.

Our lead authors have completed a first-cut draft of the study which is

now being reviewed by our Study Review Team. If you are interested in participating in our Study Review Team, please let me know immediately.

We're on track to have the study completed for the NCC membership's review and approval at the Spring meeting ~ May 14th, 2014, Washington, DC. Hope you'll be able to join us.



NCC LEADERSHIP

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Jeff Wallace, NCC Vice Chair

Vice President, Southern Co

Fred Palmer, Coal Policy Chair

Senior VP, Peabody Energy

Bill Brownell, Esquire

Vice Chair Coal Policy

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ADA Environmental Solutions

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PPL Energy Plus

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NCC 2014 SPRING MEETING & 30TH ANNIVERSARY CELEBRATION May 13th-14th ~ Washington, DC

Please plan on joining us for the National Coal Council's 2014 Spring Meeting and the celebration of our 30th Anniversary on May 13-14 in Washington, DC. Our schedule of events includes:

Tuesday, May 13th

11:45 am -12:45 pm New Member Orientation Lunch
(New members by invitation)
1:00 - 2:00 pm Communications Committee (all welcomed)
2:15 - 3:30 pm CAC Executive Roundtable
(Chair's Advisory Committee Members & Invited Guests)
3:45 – 5:30 pm NCC Executive & Finance Committees
6:00 – 8:00 pm Reception & 30th Anniversary Celebration

Wednesday, May 14th

9:00 am – 12:30 pm Full Council Meeting
12:30 – 1:30 pm Networking Lunch

The Opening Reception will be hosted at the Sequoia Restaurant located on the banks of the Potomac River [Sequoia DC](#) (3000 K St NW, Washington DC).



All other activities, including accommodations, will be hosted at the Mandarin Oriental (1330 Maryland Avenue SW, Washington, DC). The Mandarin is offering NCC members a special rate of \$305/night single/double occupancy. **Reservations must be made Tuesday, April 15th in order to secure this rate.** Please mention the National Coal Council when booking your room. Reservations may be made by calling 202-787-6140 or online at the following nifty site:
https://resweb.passkey.com/Resweb.do?mode=welcome_ei_new&eventID=11176118



We're pleased to announce that **Deputy Assistant Secretary for Clean Coal** (and former NCC member) **Julio Friedmann** will be delivering the opening keynote address on May 14th. The participation of additional agenda speakers is being finalized and details will be forthcoming.

We'll be emailing you a registration form for the event in the coming weeks. In the meantime, if you have questions please contact our office.

COAL RESOURCES

Department of Energy
www.doe.gov
[Office of Fossil Energy](#)

National Energy
Technology Laboratory
www.netl.doe.gov
[Coal & Power Systems](#)

EIA Coal Data Browser
www.eia.gov/coal/data/browser

House Energy & Commerce
Subcommittee on Oversight &
Investigations
Status of DOE Clean Coal
Programs
Julio Friedmann & Scott Klara
[Hearing February 11th, 2014](#)

House Energy & Commerce
Subcommittee on Energy &
Power
Benefits & Challenges to
Energy Access
[Hearing March 6th, 2014](#)

Coal Technology Symposium:
Advancing Coal for a
Carbon-Constrained World
[Program Presentations March 5th, 2014](#)

Partnership for Affordable
Clean Energy (PACE)
<http://energyfairness.org/>

Peabody Energy Campaign
Tackles Global Energy Poverty
[Advanced Energy for Life](#)

EPRI
[Poly-generation: An
Opportunity for Diversification
& New Revenue](#)

Presidential Memorandum
[Quadrennial Energy Review](#)

Our Energy Policy
www.ourenergypolicy.org

Gellici Speaking Engagements
[Virginia Coal & Energy
Alliance](#)

Kingsport, TN ~ May 20, 2014
[Washington Coal Club](#)
Washington DC ~ May 22 2014
[Clearwater Clean Coal](#)
Clearwater, FL ~ June 2, 2014
[Power Experts 2014](#)
Chicago ~ June 17-18, 2014

National Coal Council
NationalCoalCouncil.org

COAL CONVERSION FORUM A SUCCESS



The National Coal Council
Power for America from America

In Association With



THE CATHOLIC UNIVERSITY OF AMERICA
*Institute for Policy Research
& Catholic Studies*

CT χ (Coal to χ)

The Value of Coal Conversion

February 26th, 2014 χ Washington, DC

The NCC recently hosted a one-day forum in cooperation with The Catholic University of America's Institute for Policy Research & Catholic Studies on the topic of "The Value of Coal Conversion." Based on comments from our attendees, it was a great success!

As we know, coal produces about 40% of electricity in the U.S. Its value, however, extends beyond power generation. Coal is a versatile resource that can be gasified and converted into a vast array of valuable products, including ~

- Transportation Fuels
- Urea & Other Fertilizers
- Chemicals
- Industrial Gases
- Hydrogen
- Pipeline Synthetic Natural Gas
- Enhanced Oil Recovery

The finished products produced through coal conversion often have greater market potential than raw materials and, therefore, enhance business values in the U.S. as well as trade opportunities in the international marketplace.

At the Coal Conversion Forum we addressed the **Market Drivers, Economics and Policy** aspects of CTX. Our luncheon keynote speaker, Holly Krutka discussed **China's Successful Evolution of CTX Technology** based on Shenhua Group's experience. Our two afternoon panels provided a round-up of **University R&D Initiatives** and **Commercial Industry Initiatives** to advance CTX technologies.

Among the major takeaways from the event:

- Interest in CTX continues. DOE is engaged and opportunities at the Department of Defense continue to be viable.
- Project financing opportunities are available for those diligent enough to explore various government financing options within and outside DOE. Companies may need to work outside the box to structure creative funding.
- Lots of very smart people at universities throughout the U.S. are engaged in the CTX space, not just in technology development but in efforts to reduce costs and train future engineers.
- Industry is also hard at work in many and varying aspects of CTX, most importantly in developing projects and technologies with attractive economics and sound environmental properties.
- China is eating our lunch ~ we need to work harder to advance U.S. CTX technology development and deployment.

Of particular note for the National Coal Council, Greg Merle presented an overview of Clean Coal Refining Corporation's direct coal hydrogenation project in Indiana. He announced that the project would be named in honor of NCC's first Executive Director, Jim McAvoy. Information on the **James F. McAvoy Direct Carbon Hydrogenation** project, along with other presentations from the CTX event is available on the NCC website under the "Information-Presentations" tab.

Event Speakers

LUNCHEON KEYNOTE

**Dr. Holly Krutka, Executive Editor
Cornerstone Magazine/Shenhua Group**

**Guido DeHoratiis, DOE Fossil Energy
Tom Tarka, NETL
Mark J. Riedy, Kilpatrick Townsend & Stockton**

**Dick Bajura, West Virginia University
Scott Montgomery, Catholic University of America
Andrew Tong, The Ohio State University
Rodney Andrews, University of Kentucky
Maohong Fan, University of Wyoming**

**Robert Kelly, DKRW Energy LLC
David Piejak, LP Amina
Randall Harris, Adams Fork Energy Project
Sasha Mackler, Texas Clean Energy Project
Carrie Lalou, Synthesis Energy Systems
Gregory Merle, Clean Coal Refining Corporation**

Thank you!!!!

A big shout out to **Hunton & Williams** for graciously providing us with a meeting room in their state-of-the-art conference facility. The accommodations enhanced our ability to learn and to interact. And thank you **Catholic University of America** for partnering with us on this event. We couldn't have done it without you!

THE BUSINESS AT HAND



Where's My NCC Appointment Letter? Part 2

Patience is not the ability to wait, but the ability to maintain a good attitude while waiting.

Author Unknown

Sorry folks, no movement yet on those appointment letters. As I noted in last month's newsletter, the slate of candidates we've recommended for appointment to serve on the NCC is still being reviewed by DOE.

The good news is that the list has gone through its review by the White House Liaison and been returned to DOE. NCC leadership has been communicating with folks at various levels in the Fossil Energy Office at DOE and we appreciate their efforts to assist in getting these appointments approved by the Secretary. We'll keep you posted.

Continued
Your ^ Patience is Appreciated
Along with Your Good Attitude!

Chair's Advisory Committee Adds Two New Members

The List is Growing! Join the CAC Today!

Welcome to **Arch Coal** and **PSEG Fossil** as our newest Chair's Advisory Committee Members!

Membership in the Chair's Advisory Committee (CAC) is open to all levels of NCC members who contribute to the NCC above their baseline dues level for the Council. Add a little something to your dues payment and become a CAC member before the May 14th special event.

CAC members participate in special events and activities, including NCC, Inc.-hosted Executive Roundtable Sessions in which CAC members meet in small group discussions with key energy industry stakeholders. These invitation-only Roundtables are hosted in conjunction with each biannual meeting of the NCC, Inc. in Washington, DC. CAC members also receive special recognition at NCC events and in NCC publications/website. We invite you to join the following companies in their CAC support for NCC. Contact me for more information (jjgellici@NCC1.org)

THANK YOU 2014 CAC MEMBERS!
ADA-ES, Arch Coal, Peabody Energy
PPL EnergyPlus, PSEG Fossil
& Southern Company

NCC BUSINESS ITEMS

Financial Affairs* Dues are Due

Greg Workman, NCC Finance Chair
& Director of Fuels, Dominion Resources

It's that time again ~ time to renew your commitment to the National Coal Council and submit your annual membership contribution. Invoices were issued in November 2013 and were due and payable in January 2014. We're still waiting on a few folks to make their contributions. If you need another invoice, contact the NCC office.

We've had a few calls with questions regarding this year's dues increase. In October 2013, the NCC Executive & Finance Committees approved an across-the-board dues increase for all membership levels. The increase was undertaken in recognition that we've been operating at a deficit for four out of the last five years. In 2013, we ended the year with a \$60,000 deficit.

NCC leadership and staff are making strides to turn the tide. During the last six months of 2014, we successfully cut operating expenses by nearly \$2,000/month. This year's budget includes even more cost-savings initiatives.

On the revenue side of the ledger, it should be noted that it's been five years since our last dues increase. But we're not just relying on membership contributions to increase revenues. We're undertaking efforts to enhance the value of membership in our Chair's Advisory Committee, increasing efforts to secure sponsorships and have launched a fund-raising initiative to finance improvements to our website and enhance our educational outreach efforts.

Unlike many other FACA groups, NCC is not supported by the Department of Energy. We take no funds from DOE and rely exclusively on the support of our members. Dues are voluntary; about 15% of our members elect not to pay dues. Many of these folks contribute in other ways – such as participating in NCC studies, sponsoring receptions, funding education outreach efforts and hosting events – and we value their participation in the NCC. But it does mean that those of us with the means to do so need to step up and contribute to keep the organization running.

Decisions to increase dues are never taken lightly. This recent increase was no exception. If you have questions or concerns relating to NCC finances, please contact me at greg.workman@dom.com.

*New Feature ~ NCC Finance Chair Greg Workman will be reporting to NCC members quarterly on the state of our financial affairs.

WHO KNEW?*

University Coal Research Program

DOE's Office of Fossil Energy frequently fund universities through research competitions or through research proposals jointly submitted with private companies.

In 1979, DOE launched a program to encourage greater university participation in its fossil energy program. It set aside funding for a special university-only competition requiring professors to conduct cutting-edge research alongside students who were pursuing advanced degrees in engineering, chemistry and other technical disciplines.

The annual competition funds university research proposals in categories that support the government's highest coal research priorities. What have emerged from this initiative are new discoveries in energy science and technology, as well as a new generation of scientists and engineers with hands-on experience in coal-related research.

DOE Fossil Energy has received as many as 200 proposals in a given year from academic institutions throughout the U.S. Typically between \$2.4 million and \$5 million in grants are available each year. Private companies also provide funding to help leverage federal dollars in some of these projects.

Since its inception, the University Coal Research (UCR) Program has funded more than 728 research projects, with a combined value in excess of \$132 million. These projects have provided new insights into coal's future use and given more than 1,800 students invaluable experience in understanding the science and technology of coal.

Nine projects were supported under the program in 2013, in the areas of computational energy sciences, material science and sensors/controls. Included among the award winners was our very own NCC member West Virginia University, which received a grant for "investigating the use of graphene-based materials to provide selective sensing of gas species in a mixed-gas environment at temperatures in the range of 600 to 1000 degrees C."

For more information on the UCR program and award winners for 2013 ~ [University Coal Research Program Awards 2013](#).



U.S. DEPARTMENT OF
ENERGY

***A regularly featured column on industry & university initiatives in support of clean coal technology development & commercialization.**

WELCOME KAREN C. BENNETT, HUNTON & WILLIAMS LLP



The National Coal Council is pleased to welcome Karen Bennett, Counsel, Hunton & Williams LLP as our new Legal Counsel. Karen has deep-rooted knowledge and broad experience with the coal industry and her practice includes a wide range of permitting, litigation, enforcement, compliance and other matters impacting coal.

Prior to entering private practice, Karen was Vice President for Environmental Affairs at the National Mining Association (NMA), where she advised mining interests on legal and policy matters. She is well-versed in compliance related to the Clean Water Act (CWA), Surface Mining Control and Reclamation Act (SMCRA), National Environmental Policy Act (NEPA), Endangered Species Act (ESA) and the National Historic Preservation Act (NHPA).

Karen's experience in the coal industry will be a valuable addition to NCC, as will her knowledge of the Federal Advisory Committee Act (FACA) under which the NCC operates. Karen received her JD from the University of Denver, College of Law and her BA in Political Science and History from the University of Wisconsin.

NCC has engaged the legal services of Hunton & Williams to provide NCC with legal guidance on FACA and other legal administrative issues. NCC's engagement of Hunton & Williams continues our practice of securing legal services on an annual independent contractor basis; legal counsel does not serve as an employee of the NCC.

NCC MEMBER FOCUS

Although a relatively new member to the NCC, Mark is fast becoming an institution. Since his appointment, he's been an active member of the NCC Coal Policy Committee, having served as a section leader for NCC's 2009 study. He not only attends most NCC meetings but is always at the ready with a question for our speakers or an insightful comment that contributes to our knowledge.

Mark Schoenfield manages technical and business development activities for Jupiter Oxygen Corporation under the direction of the CEO. Jupiter Oxygen is an energy technology company with a patented heat transfer technology using oxy-combustion for carbon capture, air quality and energy efficiency for power plants and industrial furnaces.

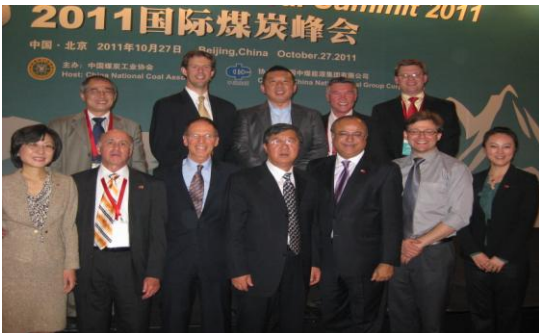
Mark has shared his energy and technology expertise widely in many, varying venues. In 2007, he testified before Congress on climate change, environmental and energy security issues. He's also addressed state legislative committees on energy policy and he works closely with DOE's National Energy Technology Laboratory.

In 2008, he was a presenter on oxy-combustion technology at the MIT Carbon Capture Forum, and in 2009 he presented at the International Energy Agency's 1st Oxy-Fuel Conference. In 2011, Mark was a presenter at the Clean Coal China Congress and also served on a US Trade Mission in China. He was the recipient of a Konrad Adenauer Foundation energy study trip to Germany in 2008.

Mark is the co-author of numerous technical papers on energy technology. He served as a member of the Columbia University Earth Institute CCS Task Force. Mark has been an NGO delegate and presenter at UNFCCC climate change conferences, as well as a presenter and participant at various international and domestic events on oxy-combustion, energy efficiency and climate change, such as at the National Commission on Energy Policy and the CO2 Enhanced Oil Recovery Workshop.

Mark's professional activities have included participation in the Business Council for Sustainable Energy and in the Alliance to Save Energy. He also is a co-inventor for an oxy-combustion patent.

In addition to serving on the NCC, Mark is a member of the Secretary of Commerce's Environmental Technologies Trade Advisory Committee (ETTAC; 2012 Chairman). His past experience includes providing strategic and tactical legal advice to businesses, serving as a management consultant, teaching programs on negotiation, authoring negotiation and alternative dispute resolution books and articles and being an associate professor at Northwestern University in the School of Law and the Center for Urban Affairs.



MARK SCHOENFIELD
SR. VICE PRESIDENT OPERATIONS
& GENERAL COUNSEL
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Mark writes that he is pleased to be an actively participating member of the NCC, because:

- 1. Through NCC, he can be engaged in shaping recommendations on key U.S. policy issues, providing input that will go directly to important government officials.**
- 2. NCC provides excellent networking opportunities for his company's technologies.**
- 3. NCC offers opportunities to learn – during studies and through other NCC interactions – from people with outstanding expertise and experience.**
- 4. Coal is a vital resource for reducing world poverty and improving living standards.**

I couldn't have said it better myself, Mark. Thanks!



COAL CURRENTS

Todd H. Cunningham, Contributing Editor

A brief survey of leading coal industry stories of the past month. Highlighted underlined text links to the cited articles. Right click on highlighted text and select the "Open Hyperlink" option to view the cited article.

CLIMATE CHANGE

Supreme Court Hears Arguments on EPA Regulation of Greenhouse Gases

The U.S. Supreme Court heard arguments in *Utility Air Regulatory Group (URAG) v. EPA*, involving the "narrow question" of whether the Environmental Protection Agency (EPA) acted permissibly in determining that its authority to regulate greenhouse gas emissions (GHG) from motor vehicles allows it to regulate those from stationary sources – including coal-fired power plants – under the Clean Air Act (CAA). According to *National Journal's Energy Edge*, [industry groups and others asserted that EPA is "unilaterally rewriting Clean Air Act permitting rules to include greenhouse gases in a way Congress has not authorized."](#) The publication reported that Justice Anthony Kennedy, a swing vote, and other conservatives "cast skeptical eyes" on EPA's requirements for large industrial polluters, but "showed no appetite for upending [the] landmark 2007 decision that established the agency's overall authority to regulate greenhouse gases." Meanwhile, it said, the Court's liberal justices "appeared supportive of EPA applying its discretion" in this matter.

EPA Chief Lays Messaging Groundwork for Upcoming Emissions Rule

Environmental Protection Agency (EPA) Administrator Gina McCarthy "sought to lay the messaging groundwork for ... EPA's broadest second-term climate initiative," a proposal to set carbon emissions standards for existing power plants, *National Journal's Energy Edge* reported. The agency chief suggested that [EPA's outreach to stakeholders "will get us a proposal that's better than anybody expected."](#) She emphasized that states will be given significant latitude in crafting plans, "recognizing that [they] are all in very different places here, and we need to make this work." Separately, the publication reported that Energy Secretary Ernest Moniz defended the Administration's "all of the above" energy strategy against attacks from environmentalists, while underscoring its commitment to a low-carbon future. [He touted efforts to use fossil fuels more cleanly](#), in part by noting his visit to a coal-fired power plant under construction in Mississippi that will capture carbon emissions for use in enhanced oil recovery.

President to Propose \$1 Billion "Climate Resilience Fund" in 2015 Budget

President Obama indicated [he will propose a \\$1 billion Climate Resilience Fund in his fiscal year 2015 budget](#), intended to research the projected impacts of climate change, fund infrastructure and otherwise assist communities in preparing for these impacts. Speaking in California, the Chief Executive said that events such as the drought that has afflicted the state "have reinforced our knowledge that our communities and economy remain vulnerable to extreme weather and natural hazards" intensified by the effects of climate change. *FierceGovernment* noted that the planned request will follow an executive order directing federal agencies to make it easier for local jurisdictions to face these effects. *The Washington Post* noted that the fund's prospects are uncertain in the GOP-controlled House, but reported that the White House says the President will continue to press the need to adapt.

Obama Sees Opportunity for Global Agreement on Climate in 2015

Next year's United Nations climate conference in Paris "will be [an opportunity to forge a strong global agreement that reduces greenhouse gas emissions](#)," according to President Obama. The pact would come into effect in 2020. While Obama did not assess the odds of a successful outcome in Paris, his decision to mention the summit in multiple forums during a visit by France's president "shows that White House officials at least don't see the rocky U.N. process as a lost cause," *National Journal's Energy Edge* suggested. Elsewhere, *Politico Morning Energy* reported, Secretary of State John Kerry said he would instruct U.S. diplomats "to make climate change a priority." But a *New York Times* columnist said the Secretary's emphasis that the U.S. must get major emitters on board "has a chiding tone" and is [unlikely to further his goal of leading efforts to craft a new climate agreement](#) by late 2015.

Todd H. Cunningham, who writes the "Coal Currents" column for the Council's monthly National Coal Advisory, is available for additional writing projects involving coal and other energy policy issues. For information on Todd's background and experience, see his LinkedIn profile at www.linkedin.com. To discuss your editorial needs, contact Todd via email at tcunningham03@comcast.net.

Coal Currents (continued)

ENVIRONMENTAL REGULATION

Federal Judge Vacates Interior's Dept.'s Stream Buffer Zone Rule

A federal judge vacated the Interior Department's 2008 stream buffer zone rule and remanded the issue to the Office of Surface Mining (OSM). The rule repealed the 1983 requirement that coal companies leave a 100-foot buffer between mountaintop coal mining operations and waterways. According to *Politico*, Judge Barbara J. Rothstein of the U.S. District Court for the D.C. Circuit focused largely on the claim that the George W. Bush Administration wrongly ruled that no consultation with other agencies was necessary, and held that this "was not a rational conclusion." It reported that the previous 1983 version now will remain in effect until a new rule is finalized. While the vacated rule had been in effect only in limited areas, *SustainableBusiness.com* News noted, [legislation pending in the House, H.R. 2824, would revive it and make it applicable in every state.](#)

EPA's McCarthy Emphasizes "Flexibility" in Emissions Guidelines

The Environmental Protection Agency wants to understand "both the intended and unintended consequences of our actions," Administrator Gina McCarthy told representatives of North Dakota's coal and ethanol industries during a visit to the state. According to *The Jamestown Sun*, Gov. Jack Dalrymple told the agency chief that EPA's proposed carbon dioxide emissions regulations must be based on commercially viable, cost-effective technology. During a meeting at the Great Plains Synfuels Plant, *The Sun* reported, an industry executive said that carbon capture and storage technology has not been adequately demonstrated, and EPA's rules "should instead focus on efficiency improvements ... feasible for each power plant." Sen. Heidi Heitkamp (D-N.D.) asserted that there is "a big public policy push ... to basically regulate coal out of the market." [McCarthy insisted that there is no "war on coal,"](#) saying that states will be accorded flexibility to apply EPA's guidelines, *The Dickinson Press* reported.

ON CAPITOL HILL

GOP Lawmakers Grill DOE on Readiness, Costs of CCS Technologies

GOP members of a House Energy and Commerce subcommittee questioned the technical readiness and cost of carbon capture and storage (CCS) technologies during a hearing on the Department of Energy's clean coal programs. One aim, specified Oversight and Investigations Subcommittee Chairman Tim Murphy (D-Pa.), "is to make sure energy and environmental policies match the technological realities." In fact, commented the full committee chairman, Rep. Fred Upton (R-Mich.), "It is not yet clear whether DOE is really in the driver's seat or taking a back seat to EPA on the policy or the technology matters that may have an impact on our national energy policy." Costs are another critical issue; Julio Friedmann, DOE Deputy Assistant Secretary, testified that [capturing carbon from coal-fired power plants would increase the cost of their electricity by as much as 80%](#), *Bloomberg* reported. Second-generation large pilot projects are needed to bring down costs, Friedmann added.

Utility Exec Cautions That Current CCS Project Just a "First Step"

A Southern Company executive cautioned that the coal-fired plant with carbon capture and storage (CCS) technology it is building in Mississippi [is only a "first step" in demonstrating the technology's viability.](#) Southern's Danny Herring testified at an EPA hearing on its proposed rule on carbon emissions from new power plants. The CCS technology has not been used on a commercial scale. But according to *Reuters*, EPA cited the project when it set out plans for strict limits on the carbon dioxide that can be generated by new power plants, with Administrator Gina McCarthy saying such projects will use already-available CCS technology. Meanwhile, *Reuters* noted, several Republican lawmakers contend that EPA's proposal may violate the Energy Policy Act of 2005, which provides that projects receiving assistance from entities like the Department of Energy cannot be the sole factor in determining that a technology such as CCS is viable.

EPA Report Says Coal Ash Safe for Reuse in Certain Materials

[Coal ash is safe for reuse in certain construction materials,](#) according to a report released by the EPA, providing industry supporters "a measure of hope as the agency prepares to issue its first-ever regulations on the substance," *The Intelligencer / Wheeling News-Register* reported. The Agency noted that slightly more than half of coal ash is disposed of in landfills or surface impoundments, with much of the rest recycled for use. According to an EPA statement, "The beneficial use of encapsulated (coal combustion residuals) in concrete and wallboard is appropriate because they are comparable to virgin materials or below the agency's health and environmental benchmarks." EPA's stance "will help provide more certainty" for workers impacted by coal ash, said Rep. David McKinley (R-W.V.), the publication reported. However, *The Washington Examiner* said, [a spill of coal ash in North Carolina "is heating up debate](#) over how [EPA] should regulate electric utilities' handling of the material."

Coal Currents (continued)

ENERGY ISSUES

Coal "Making a Comeback" as Gas Prices Rise During Bitter Cold

Coal is making a comeback, aided in part by a bitter winter that has pushed natural gas prices to what *Bloomberg Businessweek* reported is a four-year high. The publication noted that gas prices have spiked almost 50% from a year ago, while coal prices have declined by 1.9%. [Coal's share of electric generation could climb to 40.3% within three years, Bloomberg specified, while gas's share will probably drop to 27%](#). Commenting on the numbers, a *Forbes* contributor wrote that "It's becoming clear that a few years of cheap prices wasn't enough to drive a wholesale investment away from coal and into natural gas. Power plants, after all, represent billions in sunk costs ..." "Gas may be cheap and abundant, and it may represent a compromise on climate change issues," the *Forbes* column concluded. "But coal's reign in the power market is far from over."

Report Sees Coal Demand, Production Increasing, Sector "Stabilizing"

This year will be the lowest point for U.S. coal producers, followed by an increase in domestic and foreign demand that will stabilize the business, according to ICF International. According to *FierceEnergy*, ICF forecast that coal demand, and domestic production, over the next decade should average approximately one billion short tons per year. It termed two of the biggest drivers of coal contraction – low natural gas prices and EPA regulation of power plants' carbon dioxide emissions – "[less of a threat to the coal sector moving forward.](#)" Explaining its stance on the latter risk, ICF said it expects EPA to set emissions standards in a way that provides flexibility for adoption by states, limiting the number of new coal plant retirements.

DOE Developments

EIA Unveils Interactive Online Tool for "One-Stop Shopping" on Coal Info

The Department of Energy's statistical unit, the Energy Information Administration (EIA), has unveiled a Coal Data Browser, which it describes as [an interactive, online tool that brings together comprehensive information, statistics and visualizations about the U.S. coal sector in a single place](#). *FierceEnergy* quoted EIA Administrator Adam Sieminski as saying that the browser "provides users with a level of access to coal data they've never had before ... 'one-stop shopping' for information about coal." The browser is currently on EIA's beta site, with the DOE unit soliciting feedback before its final release.

MINING & TRANSPORTATION

Court Tells STB to Reconsider Finding in Dispute Over RR's Coal Rates

A federal appeals court has directed federal regulators to reconsider BNSF Railway's contentions concerning [the proper way to allocate costs and revenues in a coal transport case](#). The action by the U.S. Court of Appeals for the D.C. Circuit followed the Surface Transportation Board's (STB) rate unreasonableness ruling in a case involving electric cooperatives, a decision that provided an estimated \$345 million in relief to electricity consumers in a nine-state region. According to *ECT.coop*, the co-ops' complaint stemmed from BNSF's unilateral setting of new rates to replace those in a coal transport contract that had expired in 2004. In 2009, STB determined that tariff to be excessive, ordering the railroad to refund more than \$100 million in overcharges and to set new, lower rates through 2024. "The case has ping-ponged between the appeals court and the STB since then," *ECT.coop* reported.

Efforts to Increase Coal Exports From West Coast Facing Opposition

Efforts to establish new ports for exporting coal from the West Coast are facing "stiff opposition," and smoother expansion efforts on the East Coast "may give eastern miners an added boost," *The Motley Fool* reported. The publication cited Washington State regulators' "extreme environmental view" in scrutinizing a new port, the Millennium Bulk Terminal; the regulators will look at the impact of the coal's use at its final destination as well as at local impacts. If this starts a trend, "[It's going to be harder for all Powder River Basin miners to get more coal on the water.](#)" it suggested. Meanwhile, in the East, coal terminals around New Orleans appear to be increasing capacity without much trouble, it said. *Platts* also reported on coal terminal expansion near New Orleans, pointing out that despite a recent decline in coal exports, they are likely to pick up in future years. This is particularly true for Illinois Basin coal, it noted.

BY THE NUMBERS

Volume of U.S. Coal Exports Rising in Recent Years, EIA Reports

[The volume of U.S. coal exports has steadily increased in recent years](#), from 50 million short tons (MMst) in 2005 to a record 126 MMst in 2012, the Energy Department's Energy Information Administration (EIA) reported. Export volumes set a monthly record in March 2013, before declining in the second half of the year, EIA added. The statistical unit explained that the recent growth in coal exports has been driven by volume increases in steam coal exports and price increases in metallurgical coal, which generally sells at a significantly higher price per short ton than steam coal. Half of U.S. coal exports go to Europe, it pointed out, followed by Asia (26%), North America (11%), and South America (10%).