



NATIONAL COAL ADVISORY – AUGUST 2014

NCC FALL 2014 MEETING SET

Members of the National Coal Council (NCC) will be convening at the Gaylord National Resort and Conference Center on the DC waterfront October 15-16 for the NCC's 2014 Fall Meeting.

Meeting Program

To date, we're pleased to confirm the following speakers for the Full Council Meeting (Thursday, October 16, 9 am-12:30 pm):

- **Kimberly Greene**, Chief Operating Officer, **Southern Company**
- **Julien Dumoulin-Smith**
Exec. Director /Equity Research Electric Utilities & IPPs
UBS Securities LCC
- **Ken Medlock**, Energy Resource & Economics Fellow
Rice University - Baker Institute for Public Policy

Thank you to NCC members **Jerry Oliver** and **Jackie Bird** for their assistance on the Program Development Committee!

Hotel Registration Deadline ~ September 19, 2014! [Gaylord National Resort](#)



The Gaylord Resort is located at 201 Waterfront Street, National Harbor, Maryland 20745 ~ just 8 miles from National Airport. Deluxe guest room rates are \$227 per night; *resort fee is included in room rate*. Rates are available starting October 14, 2014 for those arriving early.

Rooms can be reserved by calling 1-888-236-2427 and requesting "National Coal Council Meeting Oct 2014."

For online reservations: <https://aws.passkey.com/g/28384367>

NCC members requesting travel reimbursement **MUST contact Kenni Shaw at the Department of Energy by September 11th** via email kenni.shaw@hq.doe.gov or phone (301-903-9451). Requests received after September 11, 2014 may not be considered for reimbursement. The 2014-2015 NCC Charter specifies that reimbursement for travel expenses will be provided as follows: "Members of the Council serve without compensation, with a limited exception being case-by-case reimbursement in accordance with Federal travel regulations for per diem and travel expenses incurred by non-industry or not-for-profit group members while attending Council meetings." All questions regarding eligibility for travel reimbursement should be directed to Ms. Shaw.

Meeting Registration Now Open On-Line!

NCC members, meeting guests and media can now register for Fall 2014 meeting events on-line at [NCC Fall 2014 Registration](#) {<https://www.etches.com/ereg/index.php?eventid=99704&>}

Please register for the meeting no later than Friday, October 3rd.

For questions on hotel logistics or meeting registration please contact Hiranthie Stanford at 202-765-4349 or hstanford@NCC1.org.



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Vice President, Southern Co Svcs

Mike Durham, NCC Vice Chair

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Chris Jenkins, VP Coal & Auto

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Holly Krutka, Executive Editor

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CCS/CCUS PROGRESS

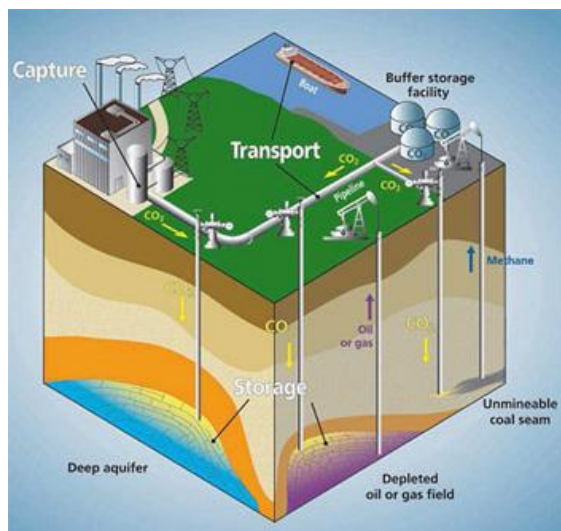
NCC STUDY IN FULL SWING

Energy Secretary Moniz has requested that the NCC undertake a study to assess the value of DOE's Carbon Sequestration Program, addressing the question of "what is industry's assessment of the progress made by DOE and others regarding cost, safety and technical operation of CCS/CCUS?" The Council has been asked to report on how industry sees and accepts major technical findings from the CCS/CCUS community and how these findings relate to DOE programs and investments.

The study is being chaired by NCC member **Amy Ericson, US Country President, ALSTOM, Inc.** and the Technical Chair and Lead Author is **Carl Bozzuto**, a former VP of Technology with ALSTOM's Power Environment Sector.

A study outline has been finalized and chapter lead authors appointed:

- A. The CCS/CCUS Imperative
~ **Holly Krutka, Shenhua Group**
- B. Status of Current CCS/CCUS Projects & Technologies Worldwide
~ **Pam Tomski, Global CCS Institute**
- C. Overview of Current DOE CCS/CCUS Programs
~ **Shannon Angielski, Coal Utilization Research Council (CURC)**
- D. CCS/CCUS Deployment Challenges
~ **Carl Bozzuto, ALSTOM**
- E. Gap Analysis
~ **Jeff Phillips, EPRI**



The study will examine the status, achievements and gaps for carbon capture, carbon storage and carbon utilization (including transport). A more detailed outline is available by contacting the NCC office.

We anticipate having the study completed by year-end 2014.

NCC members are welcomed and invited to participate in the study. You may volunteer to work with the chapter leads and contribute text to any of the noted chapters. Or you can volunteer to participate on a study review team tasked with reviewing drafts of the study during the study preparation process.

If you are interested in participating in the NCC study, please contact Janet Gellici at jgellici@NCC1.org asap.

COAL RESOURCES

Department of Energy
www.doe.gov
[Office of Fossil Energy](http://www.doe.gov/office-of-fossil-energy/)

National Energy
Technology Laboratory
www.netl.doe.gov
[Coal & Power Systems](http://www.netl.doe.gov/coal-and-power-systems/)

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

U.S. Chamber Energy
Institute –IHS Study
Highlights Value of Fuel
Diversity
[The Value of US Power
Supply Diversity](http://www.uschamberenergy.com/the-value-of-us-power-supply-diversity/)

EIA Links Oil Prices & EOR
[Oil Prices Drive Projected
EOR](http://www.eia.gov/analysis/energy/oil-prices-drive-projected-eor/)

Two Energy Poverty Videos
from Bill Gates' Blog
[Bjorn Lomborg on Saving
Lives with Fossil Fuels](http://www.bjornlomborg.com/saving-lives-with-fossil-fuels/)

Coal Matters: Coal &
Transport Fact Sheet
[World Coal Association
Fact Sheet](http://www.worldcoal.org/fact-sheet/)

FERC Perspectives on EPA
111(d) Proposed Regulation
[House Energy &
Commerce Subcommittee
Hearing](http://www.houseenergycommerce.com/subcommittee/hearing/)

Making the Case for
Sustainability in the Coal
Ash Debate
[ACC American Coal
Magazine July 2014](http://www.americancoal.org/magazine-july-2014/)

Sargent & Lundy Work on
Petra Nova Post-
Combustion Project
[Power Engineering July
2014](http://www.powerengineering.com/2014/07/)

NASA Climate Website for
Kids [Climate Kids](http://climatekids.nasa.gov/)

Gellici Speaking Engagements

[Southern Coals Conference](http://www.southerncoals.com/)
Cincinnati – September 10
[Pittsburgh Coal Conference](http://www.pittsburghcoal.com/)
Pittsburgh – October 7
[Power Experts Conference](http://www.powerexperts.com/)
Atlanta – November 5

National Coal Council
[NationalCoalCouncil.org](http://www.NationalCoalCouncil.org)



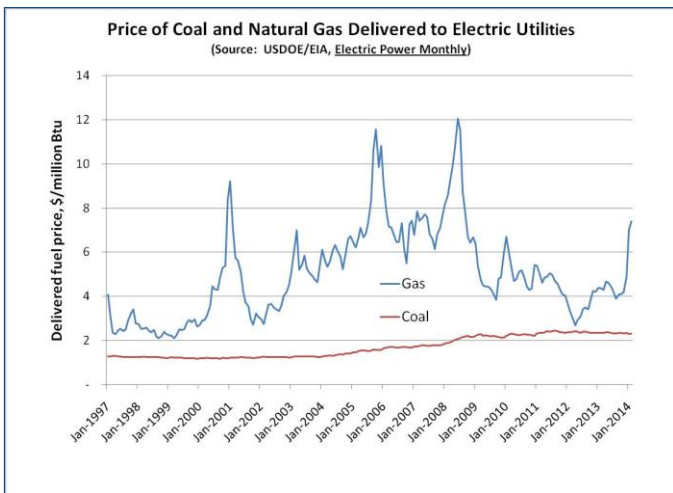
NCC STUDY DETAIL

Reliable & Resilient: The Value of Our Existing Coal Fleet

In May 2014, NCC members approved a study the Council conducted for Secretary of Energy Moniz assessing various opportunities for enhancing the capacity, efficiency and emissions profile of the existing U.S. coal fleet. A series of articles over the next few months details primary findings and recommendations from sections of the report.

Benefits of the Existing Coal Fleet

Electricity is essential to U.S. citizens' economic well being, health, safety and quality of life. Access to low-cost, reliable coal-fueled power generation enhances lives. Since 1950, coal has dominated electricity generation due to its domestic abundance, accessibility, reliability and low cost compared to other generation alternatives.



Low-cost coal power keeps U.S. electricity prices below those of other free market nations. If the existing coal fleet were replaced with the next cheapest generating source – natural gas combined cycle power plants – a conservative estimate of the impact on the U.S. economy would be a 1.5% drop in GDP and a loss of 2 million jobs by 2040.

Coal's low cost and abundance (U.S. has 27% of the world's proven coal reserves) provides economic stability. In addition to serving as a crucial buffer to spiking natural gas prices, coal offers the energy security value of a power generation option that is not dependent upon real-time fuel delivery/transport and is relatively immune to terrorism.

Existing Coal Fleet Benefits

- Energy Security
- Fuel Mix Diversity
- Direct & Macroeconomic
- Supply & Price Stability
- Environmental
- Job Creation

Consumer class	Electricity Price in 2013, Cents/kWh						
	U.S.	Denmark	France	Germany	Italy	Spain	UK
Residential	12	42	20	41	32	31	24
Industrial	7	15	13	20	23	17	16

Continuous technology improvements have greatly reduced emissions from the coal fleet. Since 1970, coal-based power generation has increased nearly 150% while key emissions have decreased almost 90%. State-of-the-art technologies have reduced emissions of SO₂ 88%, NO_x 82% and particulates 96%.

The U.S. coal generation supply chain is unmatched in the world. Penn State University research estimates the U.S. coal power supply chain provides over \$1 trillion in gross economic output, 7% of U.S. GDP, 6.8 million jobs (5% of the U.S. workforce) and \$362 billion in annual household income.

Retrofitting advanced environmental technologies and enhancing efficiency at existing coal plants could result in the annual creation of 44,000-111,000 jobs, depending on the degree of efficiency improvement achieved.

NCC Recommendation - DOE should ensure that basic federal energy policy assessments, such as the Quadrennial Energy Review (QER) and the President's Advance Manufacturing Initiatives consider the impact of generation diversity and lower priced electricity facilitated by coal-fired power plants, and assess how pending coal plant retirements are likely to impact power prices, availability and reliability.

A series of 7 fact sheets and a PowerPoint graphics deck (complete with explanatory notes) from the NCC study is available on the NCC website at www.nationalcoalcoal.org under the "Information/Reports" tab.

Big changes are underway at the **Smithsonian's National Museum of Natural History**, which recently closed its dinosaur hall to begin the exhibit's first complete renovation since 1911. The Nation's new **Fossil Hall**, slated to open in 2019, will tell the story of Earth, the life it supports, and how each profoundly affects the other. Vivid displays, compelling stories, interactive experiences and iconic specimens, including the national collection of dinosaur skeletons, will present today's world as a product of geological forces, biological evolution and environmental change over vast spans of time.

Visitors will travel back through time to the Ice Ages, when humans coexisted with big mammals like mastodons and ground sloths; through the Cretaceous and Jurassic periods from 66 million to 200 million years ago, when dinosaurs ruled; and to a **300 million year old Pennsylvanian coal mine**. Additional exhibits would show the origin and evolution of life and present the evidence of how we know this amazing story.

Kirk Johnson, Sant Director of the Museum, shared this exciting news at the NCC's Spring Meeting in May, and described how the new permanent exhibition will present coal to the public. **Exhibit and web components will demonstrate how and where coal is formed.** Featuring the plants and animals that lived in the ancient wetlands where peat formed and later transformed to coal, this portion of the Hall will reconstruct an ancient forest and show the visiting public (nearly eight million people per year!) what the fossil record actually looks like. Through a **mock-up of an underground coal mine** showing plant fossils in the roof, coal will be directly related to fossil plants and the **ecosystems of the "coal age."**



Smithsonian
National Museum of Natural History

At its May 2014 meeting in Washington, DC, the NCC was pleased to welcome Dr. Kirk Johnson, Sant Director of the Smithsonian's National Museum of Natural History who described the Fossil Hall renovation and how coal would be featured in the new exhibit.

But the New Fossil Hall is much more than just a new exhibition. It is a comprehensive, integrated plan for research, public engagement, training and collection care that will increase knowledge about life on Earth and deliver the initiative's core messages to the widest possible national and global audience.

Investigations will reconstruct the past from fossil clues that reveal changes through time — the only means for studying the effects of large, rare events such as meteor impacts and slow processes, like long-term shifts in the carbon cycle.



These studies are more critical than ever, as scientists strive to understand our changing planet and global conditions that have not existed for millions of years. **The exhibition will allow visitors to explore "how science works":** asking questions, forming hypotheses, studying evidence, finding answers and asking new questions.

To date, the Museum has received a \$35 million leadership gift from David H. Koch. Philanthropic gifts totaling an additional \$35 million are required to finish the new Fossil Hall and to support its long-term operations and associated programming and scientific research.



The most visited natural history museum in the world, the National Museum of Natural History recognizes its unique position to use the popularity of dinosaurs and other fossils to inform its vast audiences about Earth's past and show

how life and environments have interacted over time to create the world we know today. The Museum invites the NCC's support in helping them present the planet's 4.6-billion-year history and deliver a central message: Earth's distant past is connected to the present and shapes the future. **For more information please contact Loretta Cooper at 202-633-0039 or cooper@si.edu.**

WHO KNEW?*



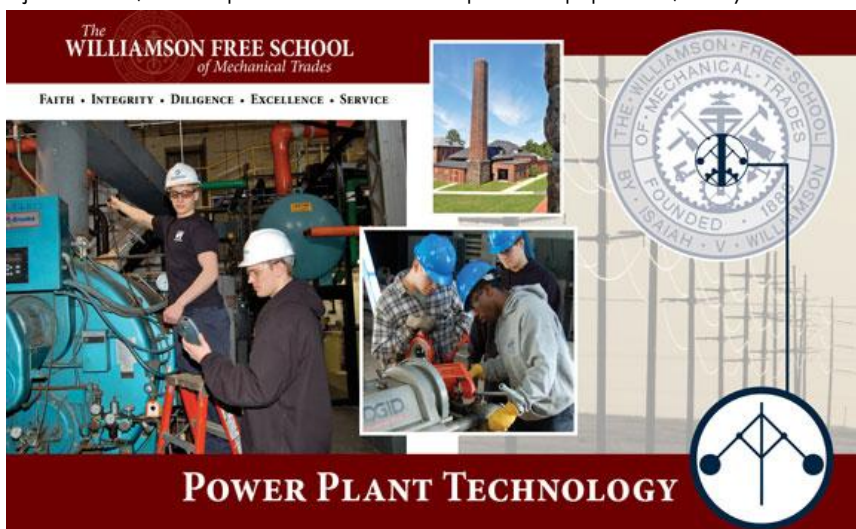
<http://www.williamson.edu/index.htm>

School Trains Future Power Plant Operators

Located in Media, Pennsylvania on the outskirts of Philadelphia, the **Williamson Free School of Mechanical Trades'** mission is to prepare deserving young men to be useful and respected members of society by gratuitously providing students with academic, trade and technical education. The school was founded in 1888 by Isaiah Vansant Williamson, a Philadelphia merchant and philanthropist.

One of the programs offered at Williamson is a **Power Plant Technology Associate in Specialized Technology Degree**. Through the operation of the School's power plant and maintenance of its utilities, students gain valuable practical experience preparing them for positions in the power and utilities industries. Students take turns with shift work, which includes readings and adjustments, start-up and shutdown of plant equipment, daily water treatment tests, and mechanical and electrical maintenance.

Students also learn the proper operation, maintenance and testing of boilers, turbines, diesel engines, electric generators, switch gear, pumps and other auxiliary equipment, as well as the theory of nuclear, fossil fuel, hydroelectric and other systems of power generation. The basic principles of electricity, electrical power, motor controls, wiring diagrams, engineering mechanics and mechanical and electrical systems are also covered. Additional courses to strengthen students' knowledge and skills include boiler/turbine instrumentation, welding and metal survey.



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



NEW NETL DIRECTOR NAMED

WELCOME Dr. Grace Bochenek!

[Bochenek Announced as New NETL Director](#)

On August 4th, DOE announced that Grace Bochenek had been named the Director of the National Energy Technology Laboratory (NETL), tasked with managing the day-to-day operations of NETL's research and development program. With more than 1,000 federal and contractor employees at five sites across the U.S., NETL's primary mission is to develop new technologies and approaches to ensure the safe, clean and affordable use of fossil energy resources.

Dr. Bochenek has more than 25 years of technical and management experience in the federal government with the Department of Defense. She most recently served as Chief Technology Officer of the U.S. Army Materiel Command where she served as the principal technical advisor on all engineering and scientific activities within the command.

The National Coal Council welcomes Dr. Bochenek and looks forward to working with her and her staff.

NCC MEMBER FOCUS

We're pleased this month to feature a new member of the NCC ~ Thomas Lorenzen. Tom's depth of legal expertise in matters relating to the environment and natural resources will serve as a tremendous asset to the NCC. Welcome aboard Tom!

Tom Lorenzen is a partner in the global law firm of Dorsey & Whitney LLP, where he focuses on environmental law and the federal rulemaking process. Most notably, he presently represents a number of companies and trade organizations in connection with EPA's proposed climate change regulations, "Waters of the United States" rule and regulations governing production of ethanol and other biofuels. He also represents companies requiring legal counsel in environmental compliance and in trial and appellate litigation and administrative actions.

From 2004 until joining Dorsey in 2013, Tom was an Assistant Chief in the U.S. Department of Justice's Environment and Natural Resources Division (ENRD), where he supervised the federal government's legal defense of all Environmental Protection Agency rules, regulations and other final actions judicially reviewable under the various federal pollution control statutes.

Over his 16-year career at Justice, Tom managed or personally litigated dozens of seminal environmental cases under the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Federal Food, Drug and Cosmetic Act, and other federal pollution control statutes, including:

- *Massachusetts v. EPA and Coalition for Responsible Regulation v. EPA* (in which the U.S. Supreme Court upheld the EPA's authority to regulate greenhouse gas emissions under the Clean Air Act and the D.C. Circuit and Supreme Court subsequently upheld most of EPA's first suite of greenhouse gas regulations),
- *EPA v. EME Homer City Generation* (in which the Supreme Court ultimately upheld EPA's Cross-state Air Pollution Rule), and
- *Entergy Corp. v. Riverkeeper* (in which the Supreme Court affirmed the EPA's authority to weigh costs against benefits in determining how to regulate cooling water intake structures under the Clean Water Act).

Tom also worked closely with the White House, EPA and other federal agencies to develop many of the rules that he and his Justice Department team later defended. He is a recipient of numerous Department of Justice awards, including the prestigious John Marshall Award for Providing Legal Advice, awarded by the Attorney General in 2010 for his work with the White House, EPA and the Department of Transportation in developing the Light-duty Motor Vehicle Greenhouse Gas Rule.

For 12 years before joining the Department of Justice in 1997, Tom was in private practice, where he developed expertise in environmental compliance counseling and due diligence, trial court and appellate litigation and corporate transactional practice. He received his B.A. from UCLA in 1982 and his J.D. from Harvard Law School in 1985.



THOMAS A. LORENZEN
PARTNER
DORSEY & WHITNEY LLP

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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

Coal Will Continue to Play a Major Role, EPA's McCarthy Asserts

Coal will continue to play a significant role in U.S. electricity generation under the Environmental Protection Agency's (EPA) Clean Power Plan, Administrator Gina McCarthy said on Capitol Hill. Appearing before the Senate Energy and Natural Resources Committee, the regulator said Agency projections indicate coal will account for about 30% of U.S. electricity in 2030 (vs. 37% today). McCarthy emphasized the flexibility accorded states, commenting that those heavily dependent on coal will continue to invest in it. She dismissed the claim, stemming from an article in *The New York Times*, that [EPA had allowed the Natural Resources Defense Council to write the rule](#), terming that assertion "a discredit" to Agency staff. McCarthy added there have been no discussions about extending the 120-day comment period, despite requests for extra time. Some industry groups, including the 140-member Partnership for a Better Energy Future, have requested an extension, while calling for "drastic changes," *The Hill* reported. "[This regulation is simply not workable](#)," National Association of Manufacturers CEO Jay Timmons told reporters, with future legal action likely if changes are not made.

Australia Repeals Carbon Tax Levied on Largest Greenhouse Gas Emitters

Australia's Parliament has voted to repeal a carbon tax on the country's leading greenhouse gas emitters, a levy that Prime Minister Tony Abbott characterized as "useless" and "destructive," contending that [it damaged the economy without helping the environment](#). According to AP, the tax, \$22.50 (US) per metric ton of carbon dioxide, went into effect in 2012 and was applied to about 350 of Australia's biggest carbon emitters. The news service indicated that Abbott plans to replace it with a taxpayer-financed \$2.55 billion (AU) fund to provide industry with incentives to use cleaner energy, rather than penalizing polluters. Big business and industry groups rallied behind the carbon tax abolition, while the leader of the political opposition in Parliament denounced the prime minister for making Australia "the first country in the world to reverse action on climate change."

U.S., China Will Attend UN Climate Summit, Ink Emissions Partnerships

President Obama and Chinese President Xi Jinping [will attend the United Nations climate summit](#) in New York in September. According to *National Journal*, the meeting is aimed at building momentum for a global climate treaty next year, with success dependent on "buy-in from the top of major economies." Meanwhile, the UN's climate chief told Reuters that international negotiations have made greater progress toward a 2015 agreement on greenhouse gas (GHG) emissions reductions than during the lead-up to 2009's unsuccessful attempt. The official said that reduction targets adequate to limit the global temperature increase to 2 degrees Celsius over pre-industrial levels will not be locked in from the start, but reviewed every few years. Separately, Reuters reported that the U.S. and China, crucial to any agreement to replace the 1997 Kyoto Protocol, signed eight GHG emissions reduction partnership pacts, including an agreement to share information on clean coal power generation technology. However, it added, "fundamental differences" remain.

States Take EPA to Court Over Proposed Coal Plant Emissions Regs

Twelve states have gone to federal court attempting to block EPA's proposal for regulating carbon dioxide emissions from coal-fired power plants. Filing in the U.S. Court of Appeals for the D.C. Circuit, the states asserted that EPA lacks legal authority for its action; according to *The New York Times*, they contended [the agency may not issue separate regulations on power plants using different sections of the Clean Air Act](#). Because EPA previously issued regulations governing mercury emissions, the plaintiffs said, "it does not have the authority to issue a new regulation on carbon emissions from the same power plants," *The Times* reported. An article in *Greenwire* suggested that a recent Supreme Court ruling on an immigration law may figure in [the first legal challenges to EPA's emissions standards](#). The situation – "an administrative agency interpreting seemingly unresolvable statutory text" – is similar to the CAA standard under which EPA proposed its emissions rule.

Coal Currents *(continued)***CLIMATE CHANGE** *(continued)***Carbon Fee, Electricity Cap****Seen as Outgrowth of EPA Greenhouse Regs**

EPA's "top-down" proposal for reducing carbon dioxide (CO₂) emissions from coal-fired power plants by 30% in 2030 [will detract from the diversity essential for affordable, reliable electric power](#), House Energy and Commerce Committee Chairman Fred Upton (R- Mich.) cautioned at an Energy and Power Subcommittee hearing. Subpanel Chairman Ed Whitfield (R- Ky.) agreed, asserting that EPA lacks expertise to address implications of "the radical transformation they've proposed for the electric generation sector." The session featured testimony from members of the Federal Energy Regulatory Commission (FERC). Commissioner Philip Moeller stated that dispatching generation based on lowest carbon emissions rather than, as now, lowest price would require "a complete redesign of markets to include essentially a carbon fee on any resources that emit carbon dioxide." Moeller underscored that, "The title of the proposed rule, the Clean Power Plan, makes it clear that [EPA is creating national electricity policy](#)." "Based on the timelines involved," he subsequently said, "EPA is essentially capping the amount of national electricity consumption in 2030." Going forward, Moeller said, he would reiterate his request for a formal FERC role related to the reliability implications of EPA's proposal.

IN THE INDUSTRY**World's Largest Carbon Capture, Storage Project Announced in Texas**

NRG Energy and JX Nippon Oil & Gas Exploration have announced plans for a commercial-scale post-combustion carbon dioxide (CO₂) capture system at a coal-fired power plant in Texas. The \$1 billion Petra Nova Carbon Capture Project, the world's largest, will separate and capture CO₂ from flue gas at a 610 megawatt (MW) unit of an NRG generating station. The CO₂ will be sent more than 80 miles via pipeline and injected into an oilfield to boost the production of crude. According to *PennEnergy*, the project is slated for completion in the fourth quarter of 2016. [It is expected to capture about 1.6 million tons of carbon dioxide annually and boost oil production at the injection site](#). Reuters quoted John Thompson of the Clean Air Task Force (CATF) as saying that projects like Petra Nova "transform carbon capture and sequestration from a technology that simply mitigates climate change to one that also generates energy, [a much more lucrative enterprise](#)." Project financing includes up to \$167 million in funding from the Department of Energy (DOE).

MINING & TRANSPORTATION**MSHA to Amend Civil Penalty Regs to Target Most Serious Conditions**

The Mine Safety & Health Administration (MSHA) has proposed to amend its civil penalty regulations, simplifying the criteria for assessing health and safety violations and emphasizing more serious safety and health conditions. According to the agency, [the prospective rule aims at encouraging operators to be "more accountable and proactive" in addressing conditions in their mines](#). Under the proposal, total penalties proposed by MSHA and the distribution of the penalty amount by mine size would generally remain the same. And while the existing minimum penalty of \$113 and maximum penalty of \$70,000 for non-flagrant violations would not change, minimum penalties for violations constituting more than ordinary negligence would increase to provide a greater deterrent for mine operators who allow them to occur. "The proposed rule will improve the civil penalty process," suggested Joseph Martin, the Labor Department's Assistant Secretary for Mine Safety and Health.

Coal Industry's Efforts to Access Export Market Hit Opposition, Delays

The coal industry's efforts to access the growing export market are facing bureaucratic challenges and resistance from environmentalists, AP reported, resulting in delays to proposed mines in the Northern Plains, ports on the West Coast and a proposed coal railroad in Montana. If built, the \$400 million-plus Tongue River Railroad would open the door to new mines in the Powder River Basin. However, the news service noted, the Surface Transportation Board (STB) has pushed back completion of its draft analysis – originally slated for last year – until April 2015, explaining that it wants to accommodate "intense interest" in the project. [Continuing delays, and limited West Coast port capacity, have led to continued constraints on coal exports to Asia](#), AP said. Separately, Platts quoted a Kansas City Southern railroad executive as saying that the short-term outlook for the utility coal business "lacks visibility, as [ongoing congestion over the rail network poses yet another hurdle for the domestic coal industry](#)."



Coal Currents *(continued)***ENVIRONMENTAL REGULATION****Federal Appeals Court****Upholds EPA Mountaintop Mining Measures**

A federal appeals court has upheld [two EPA measures intended to reduce water pollution from mountaintop removal coal mining](#), rebuffing contentions that the Agency exceeded its authority under the Surface Mining Reclamation and Control Act (SMRCA) and the Clean Water Act (CWA). A three-judge panel of the U.S. Court of Appeals for the D.C. Circuit ruled that EPA's 2009 adoption, with the Army Corps of Engineers, of an Enhanced Coordination Process for considering CWA permits, and its 2011 Final Guidance document relating to those permits, passed muster. This reversed a lower federal court's ruling in favor of the states of West Virginia and Kentucky, coal mining companies and trade groups, which contended that the initiatives exceeded EPA's authority. The appeals court indicated that the Final Guidance was not a final Agency action reviewable by the courts at this time; "If and when an applicant is denied a permit it may then challenge the denial of the permit as unlawful."

EPA Finalizes Rule to**Reduce NOx Emissions From Arizona Plant**

EPA has finalized a rule to reduce nitrogen oxide (NOx) pollution from the coal-fired Navajo Generating Station. The initiative provides for reducing the 2,250-megawatt plant's output by one-third – 750 MW – by 2020 and [installing Best Available Retrofit Technology \(BART\) to cut Navajo's nitrogen oxide emissions 80% by 2030](#). This will reduce visual impairment by about 73% at 11 national parks and wilderness areas, including the Grand Canyon. The plant, built in the mid-1970s on Navajo Nation lands in Arizona, will close in 2044 unless the tribe takes over operations, AP reported; while EPA cannot mandate the closure of power plants, it noted, the Agency was able to include that option in the final rule because it was proposed by Navajo's current owners. Negotiation of the rule took five years and involved the federal government and tribes, utilities, water users and environmental groups; the agency said an earlier proposal would have required the plant upgrades by 2023.

**MSHA's Coal Dust Rule Goes Into Effect; Two-Year Phase-In Begins**

The Mine Safety and Health Administration's (MSHA) final rule to lower miners' exposure to respirable coal dust has gone into effect, and will be phased in over the next two years at all underground and surface coal mining operations. According to the Labor Department unit, the final rule will [lower miners' exposure to coal dust, substantially increase operator sampling for respirable dust, and require immediate corrective action when an operator's sample shows excessive concentrations](#). "While the frequency of sampling by MSHA inspectors does not change," the agency noted, "the final rule authorizes MSHA to cite an operator based on a single MSHA sample showing excessive dust, rather than on an average of samples." The program's first phase, which provides immediate protection to miners, started Aug. 1; the next phase begins Feb. 1, 2016, when better monitoring equipment will be required. According to AP, the National Mining Association (NMA) denounced the rule as "a one-size-fits-all approach that fails to reflect the constructive suggestions" of industry and labor.

NIOSH Expands Health Surveillance Program to Surface Coal Miners

As part of MSHA's final rule for controlling coal dust, the National Institute for Occupational Safety and Health (NIOSH) has published an interim final rule [expanding the existing health surveillance program for underground coal miners to cover those employed at surface mining operations](#). According to NIOSH, the expanded program also adds a respiratory symptoms assessment and spirometry lung function testing to the tests provided. Miners will now be provided with spirometry and chest x-ray testing when they first enter mining and then periodically afterwards, the agency specified. Miners who show evidence of coal workers' pneumoconiosis can request special measures to decrease their future dust exposure, it added. And NIOSH, which developed and validated the use of a new continuous personal dust monitor, will also have the responsibility to approve these devices. Publication of the interim final rule "marks a distinct improvement in the protection of the nation's coal miners," commented NIOSH Director John Howard.

Coal Currents *(continued)*

INTERNATIONAL INTEREST

Ex-Im Bank Considering Financing for 4,000 MW Coal Plant in India

The Export-Import Bank is considering financing a 4,000-megawatt coal-fired power plant in India, [despite the Obama Administration's opposition to such projects](#), Reuters reported. The news service noted that the bank's board had voted last December to stop funding such plants overseas, unless they install carbon capture and sequestration (CCS) technology. Various countries and international financial institutions such as the World Bank and the European Investment Bank followed suit with their own restrictive guidelines on energy-related funding. The following month, however, the Export-Import Bank temporarily suspended enforcement of the controversial ban until September due to a provision in a House appropriations bill that defied the President's plan. The application is under review to determine if it satisfies the Bank's requirements, including adherence to environmental and other policies, an official said. The Bank does not identify which U.S. vendors have applied for a loan until it is approved.

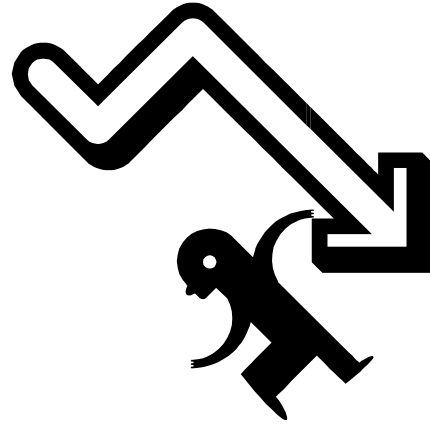
U.S. Coal Imports a Small, But Growing, Market Segment

The U.S. coal industry, facing challenges from low natural gas prices and federal regulation, is now facing cheap competition from overseas that is cutting U.S. exports and boosting imports, according to USA Today. "After plunging from their peak in 2007, U.S. coal imports have reversed course. They've jumped 57% in the first five months of this year compared with the same period in 2013, according to data from the Energy Information Administration," the newspaper noted. Meanwhile, exports, which "skyrocketed" from 39.6 million tons in 2002 to 125.7 million tons in 2012, fell to 117.7 million tons last year, according to EIA, it said. The publication quoted a UBS Securities coal analyst as saying that [while U.S. coal imports are up significantly, they remain a small share -- less than 2% -- of U.S. consumption](#). This country remains a net exporter of coal, it underscored, sending abroad nearly 10 times more in the first five months of this year than what it brought in.

BY THE NUMBERS

EIA Reduces 2014 Coal Projections; Coal Stocks Hit Recent Low

[EIA has lowered 2014 projections for the U.S. coal sector](#), citing weak domestic electricity demand and oversupply in global markets. In the July edition of its *Short-Term Energy Outlook*, EIA lowered its 2014 coal consumption projection to 951 million short tons (st), down from June's projection of 961 million st. For 2015, the DOE unit projected a further reduction, to 924.4 million st, due to coal-fired power plant retirements, slow electricity sales growth and lower natural gas prices. Coal's share of U.S. electricity generation is forecast at 40.3% in 2014 and 38.8% in 2015; market shares for natural gas are 26.6% in 2014 and 27.5% in 2015. Separately, EIA's *Quarterly Coal Report* for the first quarter of 2014 found that [coal stocks fell to their lowest level -- 165.4 million tons -- since the first quarter of 2006](#). EIA attributed the 16.2% decline from the previous quarter to cold weather across the nation, which forced electricity generators to draw down stockpiles.



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.