COAL IN THE GLOBAL CONTEXT

• The U.S. has more coal that any other country in the world - about 22% of global coal reserves.
• EIA estimates U.S. recoverable reserves using today's technology at +250 billion tons.
• Coal fuels 38% of global electricity, more than any other source. In the U.S., coal’s electricity market share is about 30% and projected to fall to 22% in 2020.
• Global coal use is about 8 billion tons and growing. New coal power plants are being built. In Asia, 300,000 MW is under construction - more than the entire U.S. coal fleet of about 250,000 MW. The U.S. is not building new coal power plants.
• Between 1990 and 2010, about 1.7 billion people worldwide gained access to electricity. During that time, for every 1 person gaining access from solar and wind energy sources, 13 gained access through coal.

COAL FOR STEELMAKING

• Global steel production uses about 1 billion tons per year of metallurgical coal.
• China is by far the world’s biggest steel producer, at 50% in 2018. The U.S. is in the top 5 steel producing countries globally.
**Coal Background and Overview Continued**

*Metallurgical coal* is used in the steel-making process, which is critical to America’s infrastructure. *Thermal or steam coal* is used to generate affordable, reliable 24/7/365 electricity to power our economy and is a fuel source for industrial plants producing cement and chemicals.

### RECENT U.S. COAL TRENDS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>% chg</th>
<th>tons chg</th>
<th>% chg</th>
<th>tons chg</th>
<th>% chg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production Total</strong></td>
<td>1000</td>
<td>897</td>
<td>728</td>
<td>774</td>
<td>756</td>
<td>684</td>
<td>-245</td>
<td>-24%</td>
<td>-71</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td>Appalachia</td>
<td>269</td>
<td>222</td>
<td>180</td>
<td>199</td>
<td>200</td>
<td>177</td>
<td>-68</td>
<td>-25%</td>
<td>-23</td>
<td>-11%</td>
<td></td>
</tr>
<tr>
<td>Interior</td>
<td>189</td>
<td>168</td>
<td>144</td>
<td>145</td>
<td>138</td>
<td>126</td>
<td>-51</td>
<td>-27%</td>
<td>-12</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td>Western</td>
<td>543</td>
<td>507</td>
<td>404</td>
<td>430</td>
<td>418</td>
<td>381</td>
<td>-125</td>
<td>-23%</td>
<td>-38</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td><strong>Production to Export</strong></td>
<td>97</td>
<td>74</td>
<td>60</td>
<td>97</td>
<td>116</td>
<td>102</td>
<td>18</td>
<td>19%</td>
<td>-14</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>Metallurgical coal</td>
<td>60</td>
<td>46</td>
<td>41</td>
<td>55</td>
<td>62</td>
<td>53</td>
<td>1</td>
<td>2%</td>
<td>-9</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>Steam coal</td>
<td>37</td>
<td>28</td>
<td>19</td>
<td>42</td>
<td>54</td>
<td>49</td>
<td>17</td>
<td>45%</td>
<td>-5</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td><strong>Consumption Total</strong></td>
<td>918</td>
<td>798</td>
<td>731</td>
<td>717</td>
<td>687</td>
<td>603</td>
<td>-230</td>
<td>-25%</td>
<td>-85</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>Coke Plants - Metallurgical coal</td>
<td>21</td>
<td>20</td>
<td>17</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>-3</td>
<td>-14%</td>
<td>0</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>Electric Power - Steam coal</td>
<td>852</td>
<td>738</td>
<td>679</td>
<td>665</td>
<td>637</td>
<td>553</td>
<td>-215</td>
<td>-25%</td>
<td>-83</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>45</td>
<td>40</td>
<td>36</td>
<td>35</td>
<td>32</td>
<td>31</td>
<td>-13</td>
<td>-29%</td>
<td>-1</td>
<td>-3%</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Energy Information Administration (EIA), all figures in Million Short Tons, Italics indicate forecast
Coal power plants are critical to baseload electric generation and grid reliability and resilience. During the early 2018 Bomb Cyclone weather event, coal plants provided 55% of the demand surge across six electricity regions covering most of the eastern U.S., keeping lights and heat on and avoiding electricity shortages.

**Preserve the existing US coal power plant fleet**

**Continue EPA regulatory reforms for power sector coal use**

- Replace the Clean Power Plan with the Affordable Clean Energy Rule (ACE) to reduce CO₂ emissions from existing plants by over 30% from 2005 levels.
- Support New Source Review program provisions to provide regulatory certainty to implement the efficiency improvements to comply with ACE.
- Support reasonable costs, achievable timeframes, and flexibility for power plant regulations for wastewater discharge and coal combustion residuals.

**Coal combustion residuals are not toxic; EPA regulates as non-hazardous materials. Their reuse in making concrete, wallboard, and roofing materials is an environmental success story.**
Coal
Regulatory Issues – EPA cont.

Preserve a pathway to develop new US coal power plants
Continue EPA regulatory reforms for power sector coal use

• Replace the CO₂ regulation for new plants with EPA’s proposed rule establishing the requirement for large new plants to use widely available supercritical technology.
Coal

Regulatory Issues – DOI, etc.

Protracted, costly, and uncertain mine permitting processes thwart development of America’s coal resources, which are more abundant than in any other country.

Permit Streamlining:

• Support completion of mine permit reviews in less than two years
• Support continued actions to reduce agency overlap & coordinate federal permit reviews including environmental (NEPA) reviews
Benefits of Coal Exports

• Coal exports improve our nation’s balance of trade and support jobs throughout the coal supply chain.
• U.S. coals offer a superior source of supply and product quality.
• Our mines operate under stringent environmental requirements, unlike some other countries with lesser operating and environmental standards.

Remove regulatory barriers to building new coal export terminals and expanding existing terminals
Coal Congressional Action

• Support **H.R. 172 New Source Review Permitting Improvement Act** introduced by Rep. Morgan Griffith (R-Va.) to streamline the permitting process for expanding, upgrading, or otherwise modifying power plants and manufacturing facilities.

• Support reintroduction of **H.R. 5270 Electricity Reliability and Fuel Security Act** (Rep. Larry Bucshon, R-IN), and similar bills **S. 2861** (Sen. Joe D. Manchin, D-WV) and **S. 2677** (Sen. Shelley Moore Capito, R-WV). They provide a temporary 5-year, 30% tax credit for existing coal power plant O&M to help sustain the remaining U.S. coal fleet.
Coal

Congressional Action


- Support **S. 383 Utilizing Significant Emissions with Innovative Technologies or USE IT Act** reintroduced by Sen. John Barrasso, (R-WY) and Sen. Sheldon Whitehouse, (D-RI), to encourage reduction of carbon dioxide emissions by stimulating development of carbon capture, utilization, and storage technologies (CCUS), and innovative ways to convert carbon to useful products.

- Support robust funding of DOE’s Fossil Energy R&D program.
Coal
Congressional Action

• Support maintaining coal excise tax at the current level, thus providing revenues above the level needed to pay recipients from the black lung disability fund. Reimposing the previous higher rate would cost industry $200 million more in taxes and risks industry employment, stability, and competitiveness.

• Oppose reauthorizing the Abandoned Mine Land (AML) tax beyond its current 2021 expiration that would unnecessary burden the industry. The existing balance in the fund is sufficient to reclaim remaining high priority sites that have gone unaddressed over the years without a further extension of the tax.
Coal

Congressional Action