



**Environmental Protection Agency Public Hearing**  
**Docket ID No. EPA-HQ-OAR-2013-0495**  
**Statement of Betsy Monseu, CEO, American Coal Council**  
**February 6, 2014**

My name is Betsy Monseu, and I am CEO of the American Coal Council (ACC). The ACC has been in existence for 32 years and represents the collective business interests of the American coal industry. Our members include coal suppliers, transportation companies, terminals, electric utilities, industrial consumers, and industry support services providers. They touch every aspect of turning one of America's most abundant resources into reliable, affordable electricity. I appreciate the opportunity to address the detrimental impacts and lack of benefits for all Americans of EPA's proposed greenhouse gas emissions standards for new fossil power plants.

EPA is setting the stage for significantly altering the U.S. energy mix, and indeed, its energy policy. These standards effectively take coal off the table as an option for new electric generation. Implementation of the rule will reduce American

energy diversity and security, stop the development of cleaner coal technologies, increase the risk of higher electricity prices, and “result in negligible CO<sub>2</sub> emissions changes” as the EPA concluded.

With about 28% of global coal reserves in the U.S., coal has historically been our lowest cost, most abundant, and most reliable energy source. It is responsible today for about 40% of U.S. electric generation. Coal provides good American jobs – over 800,000 direct and indirect jobs. Its economic importance is illustrated by examples from the National Association of Manufacturers. In Indiana, manufacturing is responsible for 28.2 percent of the state’s economy, the highest share in the nation. 81 percent of Indiana’s electricity is generated from coal. Ohio is third in the nation in manufacturing employment and fifth in energy consumption by the industrial sector. 72 percent of Ohio’s electricity is generated from coal. For American families, a shift away from coal is equally concerning. A long recession already caused great hardship. The cost of energy as a percentage of pre-tax income in the last decade has nearly doubled for the middle class. Six in ten Americans say a \$20 per month increase in utility bills would create hardship. One in three Americans qualifies for energy assistance. Affordable electricity is vital, and a diverse energy mix underpins that.

EPA asserts that the economic impact of the proposed standards is insignificant because utilities are building natural gas plants instead of coal, due to low gas prices. However, another significant factor in those utility decisions is EPA's burdensome regulations. As to natural gas, EPA apparently assumes it will remain a low cost fuel in perpetuity. However, consider the example just this winter as periods of colder weather pressured natural gas prices to over \$5.00/MBTU. This is at least 150% higher than the price of gas in the spring of 2012. There has also been some limitation of pipeline capacity and gas availability. Since gas cannot be stored in inventory at power plants as coal can, the effects of a supply disruption to plant operations and dispatch are immediate. In a future without coal, these natural gas dynamics take on even greater urgency. Purposefully moving away from energy diversity is an irresponsible policy choice for America.

Consider also that such a policy choice will not meaningfully impact global GHG emissions. U.S. coal plants currently account for only about 4% of such emissions. U.S. coal demand is only about 12% of total global coal consumption, whereas Asia is 70%. EIA estimates global coal use will rise about 40% by 2035. Low cost, abundant coal will continue to be used as a path to reach the 1.5 billion people globally who have no electricity access today.

The ACC's concerns about EPA's GHG rule include the requirement for CCS as the best system of emissions reduction. The lack of any commercial-scale power sector coal plants with operational CCS indicates the technology is not adequately demonstrated or achievable. Regulation must not get ahead of technology. That would be a departure from past practice and a bad precedent. EPA has historically based NSPS fossil standards on adequately demonstrated technologies at numerous units fueled by a variety of coals under varying operating conditions. For SCR technology for NOx emissions control, for example, EPA first identified at least 212 such SCR installations.

EPA's presumption that the rule drives technology and that costs will decrease over time does not hold up since the rule dramatically tilts the playing field away from new coal facilities. Utilities are pushed to make other decisions for generating capacity given the costs and constraints of CCS. Without ongoing, meaningful governmental support for CCS to propel development beyond first generation technologies and a reasonable timeline to achieve that, there are too many obstacles and too much uncertainty for private developers to move forward. DOE programs for federal investments in technologies to reduce emissions have played an essential role for decades, and that should continue for carbon. Public and private investments to develop mature technologies should be encouraged. This EPA rule will do the opposite.

Moving away from coal unnecessarily risks jobs as well as energy reliability, affordability, security, and diversity – for virtually no identified benefits. To those who proclaim it is a moral imperative to address climate change, we ask “Where is the moral imperative to provide reliable, affordable energy and good jobs in America?”