



Testimony of the Pennsylvania Coal Alliance before the Pennsylvania Department of Environmental Protection

RE: Listening Session on the Development of Pennsylvania's State Implementation Plan in
compliance with U.S. Environmental Protection Agency's
"Clean Power Plan"

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Marcus Hook Community Center
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My name is Will Dando and I am the Director of Government Affairs for the Pennsylvania Coal Alliance (PCA).

PCA represents over 300 mine operators and supporting businesses statewide. Pennsylvania ranks fourth nationally in coal production and our producing members account for about 90% of Pennsylvania's bituminous production.

Holding a listening session here in Marcus Hook is very interesting, as the refinery is seen as an example of the success that can be achieved when industry and government work together.

The PCA strongly recommends the DEP take a similar approach with regards to the utilization of coal under any plan for compliance with the Clean Power Plan (CPP).

Pennsylvania is one of the top three electricity-generating states in the nation and boasts a strong and diverse electric portfolio enabling the Commonwealth to export energy, while keeping prices low for residents and businesses. Coal provides a strong supply of baseload electricity, safeguarding ratepayers against spikes in demand and rapid price increases with rates averaging 35 percent lower than neighboring states in RGGI.

This also allows energy-intensive industries such as manufacturing to be able to forecast pricing and do business in Pennsylvania because of the predictable and reliable market and is directly attributable to the fact that about 95 percent of its generation mix comes from lower cost and indigenous energy sources – coal, natural gas and nuclear power.

In 2013, global coal production grew 4 percent, faster than other fossil fuel, an obvious indication that other countries are embracing, not turning away from coal. The U.S. leads with 27% of the world's coal reserves—over 265 billion tons.

However, in the U.S., the destruction of the coal industry has been targeted as the silver bullet to a changing climate. Even if all states comply with this rogue regulation, dismantling our energy structure, weakening our grid and destroying our economy, there will be just a .01 degree reduction in global temperatures.

The U.S. is already leading in reducing carbon emissions, even while domestic consumption from increasingly clean coal has risen 163 percent since 1970. During that same time period, coal-fired power plants have decreased other emissions from coal by 85 percent per electric unit – meeting and exceeding the EPA's regulated air quality emissions mandated by the National Ambient Air Quality Standards.

The statistics prove that given the appropriate amount of time and regulatory structure, technologies for burning coal cleaner have been developed and do work.

Regrettably, the CPP underestimates the role of coal in ensuring the reliability and price stability of power, and also ignores the advances made in clean coal technology over the last two decades. Under the CPP new source emission rules, it will be nearly impossible to build a new coal-fired power plant

without carbon capture and storage/utilization technologies that continue to evolve and improve, but are not yet tested on a broad commercial scale.

The extremity of not only this regulation, but others specifically targeting the coal industry, have caused uncertainty with the economic future of the industry and investment in research and development for carbon technologies has been very difficult to secure. As a result, the lack of available funding & technology makes achieving the proposed greenhouse gas regulations impossible in the timeframe mandated.

Interim and achievable goals are a vital part of any industry evolution. Carbon emissions from transportation are not far behind those emitted from the production of electricity, but the transportation sector has been granted incremental fuel economy standards to meet that are attainable and provide the industry time to develop the necessary technology. The coal industry is requesting similar treatment to allow carbon capture technologies to be further developed at the commercial level.

PCA stands ready to work with DEP and electric generators to promote the development and utilization of clean coal technologies, but realize this will take both time and a serious commitment to ensure the economics of such technology are cost competitive. Furthermore, we urge DEP to not mandate reductions beyond those available with current technologies, but rather provide for a flexible regulatory framework that is able adapt to new technology as it becomes commercially viable.

Annually, the coal industry contributes over \$4 billion to the state economy and supports over 36,000 jobs. For every direct job created by the industry, another 1.6 jobs statewide are necessary to support operations.

While the direct presence of the coal industry may not be evident here in Marcus Hook, I can assure you there will be a void left in Pennsylvania as the economic benefit from being an energy powerhouse diminishes, electric rates rise and we lose our manufacturing base. The ripple effect will be tremendous.

As one of the top coal-producing and energy-exporting states, Pennsylvania should be leading the nation and the world in developing and implementing carbon capture technologies so that we can continue to utilize this domestic resource, maintain our state and national economies and benefit from exporting a technology that will revolutionize the world coal market.

Pennsylvania needs to take its time to determine all impacts of compliance, encourage potential paths forward through the use of technology, and to let legal challenges to the rule be decided. For these reasons, PCA urges DEP to apply for, and take advantage of, the available two-year extension from the EPA before submitting a compliance plan.