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National Coal Council Approves Report for U.S. Secretary of Energy:

***“Power Reset: Optimizing the Existing U.S. Coal Fleet
to Ensure a Reliable and Resilient Power Grid”***

WASHINGTON, D.C. – Calling abundant, affordable and diverse domestic energy the underpin of economic prosperity, members of the National Coal Council (NCC) approved a new report offering four steps to optimize the existing U.S. coal fleet in the power portfolio for reliability and resilience of the electric grid.

The report, completed at the request of U.S. Secretary of Energy Rick Perry, concludes that safeguarding the stability of our energy supply should be built around four core objectives to: 1) ASSESS the value of the coal fleet; 2) SUPPORT efforts to retain continued operation of the existing coal fleet; 3) REFORM the regulatory environment; and 4) RENEW investment in coal generation.

“Coal is foundational for the stability of our energy system and is part of a diverse energy portfolio that keeps America’s power supply reliable, affordable and secure,” said NCC Chair Deck Slone, a Senior Vice President for Strategy and Public Policy at Arch Coal. “Our national and economic security are greatly enhanced by our use of domestic coal, which is abundant and can provide power whenever we need it.”

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The NCC's report, *"Power Reset: Optimizing the Existing U.S. Coal Fleet to Ensure a Reliable and Resilient Power Grid,"* examines hallmarks for maintaining reliability and resiliency for America's power supply to minimize disruptive electricity outages and to ensure the rapid restoration of power should such outages occur.

A number of regulatory and legislative opportunities exist to enable the coal fleet to operate more efficiently and effectively, according to the NCC report. Among the measures that should be considered for reform are New Source Review, the 1978 Public Utility Regulatory Policies Act, Coal Combustion Residuals Rule and Effluent Limitation Guidelines. Tax credit support and streamlined permitting opportunities for carbon capture utilization and storage also should be examined. Principle report recommendations include:

- 1) ASSESS the value of the coal fleet.** Steps must be undertaken to ensure that the reliable and resilient attributes of U.S. coal-based generation are acknowledged and that the nation's existing coal fleet is equitably compensated for the services it provides. Firm, dispatchable power must remain a sustained part of the nation's fuel mix; targeted minimum levels for key fuel sources should be strongly considered.

- 2) SUPPORT efforts to retain continued operation of the existing coal fleet.** By ensuring compensation for all the attributes of the existing coal fleet, America can put an end to the precipitous retirement of dispatchable coal. This can provide an opportunity to assess future power demand scenarios and the ability of various energy resources to realistically, reliably and resiliently meet those needs. Economic and regulatory support are needed to stem the tide of plant retirements and ensure the sustainability of a diverse energy portfolio.

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- 3) **REFORM the regulatory environment.** The efficiency, environmental performance and cost-competitiveness of the existing U.S. coal fleet can be enhanced with reforms to various regulatory mandates. Environmentally permitted investments should be afforded the opportunity to recoup value over their useful life and enable the power grid to take full advantage of existing resources. Just compensation is warranted should that opportunity be denied.

- 4) **RENEW investment in coal generation.** Optimizing existing coal fleet assets requires a targeted Research Development, Demonstration and Deployment program focused on increasing the efficiency, flexibility and competitiveness of the fleet. Public funding and support mechanisms, completed by public-private partnerships will ensure grid reliability, dispatch effectiveness and power system resilience.

The report details actionable items to achieve these four core outcomes. “*Power Reset*” was co-chaired by Glenn Kellow, President and Chief Executive Officer of Peabody; Paul Sukut, Chief Executive Officer of Basin Electric Power Cooperative; and Matt Rose, Executive Chairman for BNSF Railway. Secretary Perry asked the NCC to examine policy, market and technological aspects influencing the ability of coal plants to uniquely enable a reliable and resilient electricity system.

NCC Chief Executive Officer Janet Gellici noted that the NCC has prepared an expansive body of reports related to coal, technology and energy security, including a second report approved today entitled “*Advancing U.S. Coal Exports: An Assessment of Opportunities to Enhance Exports of U.S. Coal.*” These are among the more than 35 reports prepared at the request of the U.S. Secretary of Energy since the Council’s inception.

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The NCC was chartered in 1984 under the Federal Advisory Committee Act (FACA) to advise, inform and make recommendations to the U.S. Secretary of Energy on matters related to coal and the coal industry. Council members are appointed by the U.S. Secretary of Energy and serve in a voluntary capacity. A list of Council members is available on the NCC website at www.nationalcoalcouncil.org.

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MEDIA NOTE: The “*Power Reset*” report was approved by the NCC membership on October 1, 2018 and will be finalized with supplemental comments by October 18, 2018. Draft copies of both NCC reports released today may be accessed at <http://www.nationalcoalcouncil.org/page-NCC-Studies.html>. Please contact the NCC office for questions pertaining to citing information from the draft report that is posted.