

Implications on Coal Mining by Federal Budgeting and Rulemaking Initiatives

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The Attack

- EPA, Environmental Groups and others are looking at ways to increase the cost of generating electricity from coal
 - Make the cost of renewables comparable to the cost of coal-fired generation
- Method of Attack
 - Environmental groups are using fear and lies to get citizens to fear coal plants
 - EPA put out an aggressive agenda of rulemaking to reduce pollution from air, land and water sources – particularly from coal fired power plants (but also other methods of combustion)
 - RUS and other agencies told to deny services to existing or new coal and concentrate on renewable generation.

Three Prong Attack

- Main Attack is from the Air (Often the attack comes from more than one front...
 - Normal targets – SO₂, NO_x, Particulates
 - Newer targets – CO₂, Mercury, Acid gases, Metals of all kinds
 - Potentially Dioxin and Furans
- Secondary (but early attack) on Land
 - Coal ash rules (to keep us busy while they start bombing from the air)
 - What does corrective action look like???
- Later Assaults from the Water
 - Updated effluent guidelines (baseline water quality standards)
 - Additional attacks on nutrients, stormwater requirements, thermal and intake structures (the 316's) and others.

The Message

- Coal is dirty
 - Causes cancer, respiratory illness, mercury and lead poisoning
 - Coal mining destroys mountains and rivers and all things natural
 - Coal mining is dangerous and kills lots of miners annually
- Renewables are the answer
 - Renewable jobs will save the economy
 - Building Renewables
 - Servicing Renewables
 - Installing Renewables
 - No environmental hazards from renewables
 - Clean power whenever you need it.

Feinstein Seeks To Block Solar Power From California Desert Land



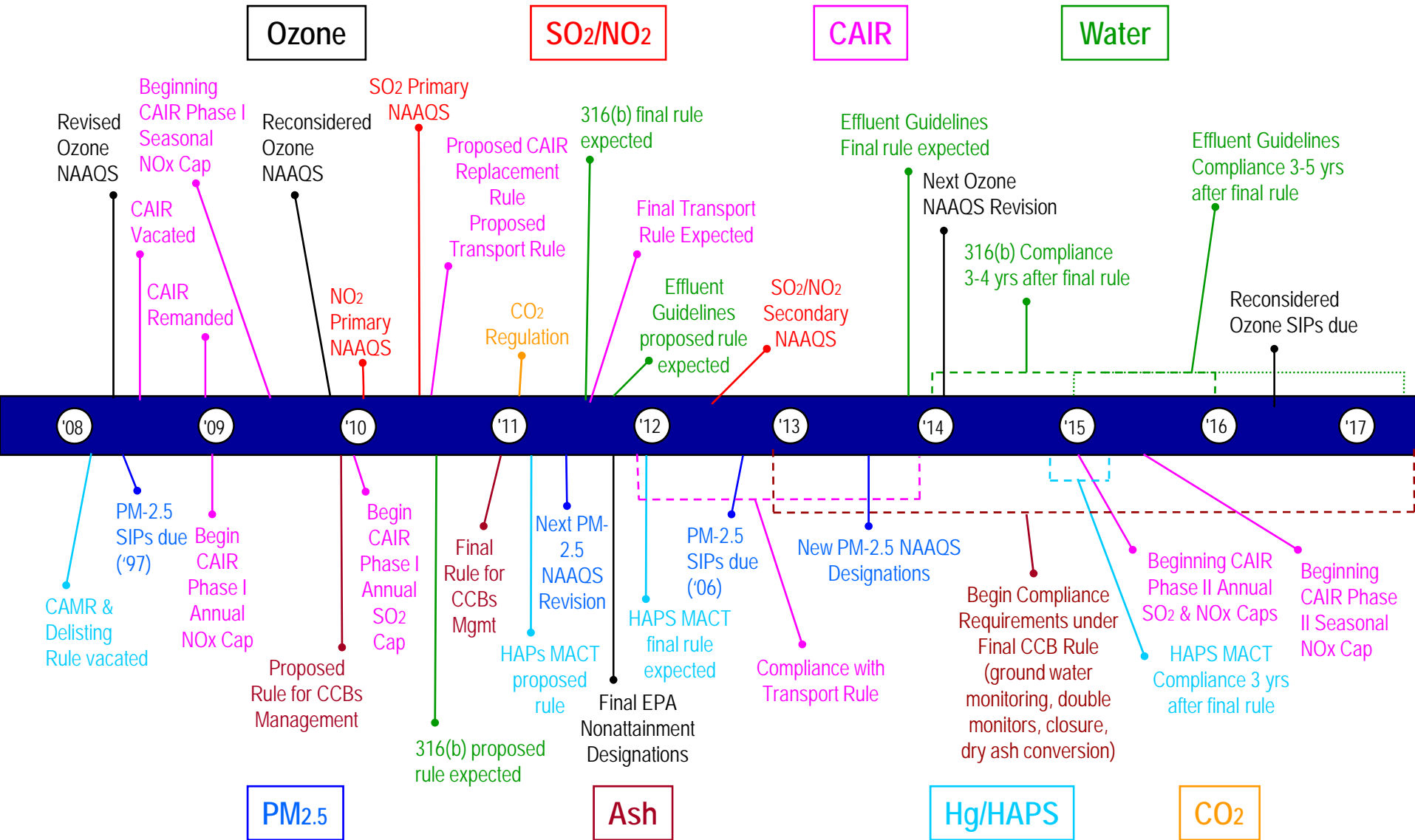
The Problem **Big Solar: Big Footprint**



Loss of wind causes Texas power grid emergency February 7, 2008

(Reuters) - A drop in wind generation late on Tuesday, coupled with colder weather, triggered an electric emergency that caused the Texas grid operator to cut service to some large customers, the grid agency said on Wednesday.

Environmental Regulatory Timeline for Coal Units



There is still demand for Coal Outside of USA

- Some areas have started to phase out coal....
 - The United Kingdom is planning to phase out their major coal power stations by 2016.
 - Within the United States, California has had a moratorium on all new coal plants since 2006.
 - In Canada, the province of Ontario committed to phase out all coal-generated power by 2014.
- Demand for coal for China continues to increase
 - Coal supplies about 80 percent of China's energy needs today, and that ratio is expected to be maintained in the future, even as overall power usage grows.
 - With a growth rate of 10 percent per year, China will soon account for half the world's production and consumption of the resource.