

Wyoming Mining Association

June 17, 2016

Fighting Back

Keeping Coal in America's Energy Mix



ENERGY POLICY NETWORK

Kelly Mader
EPN President

The Reality...

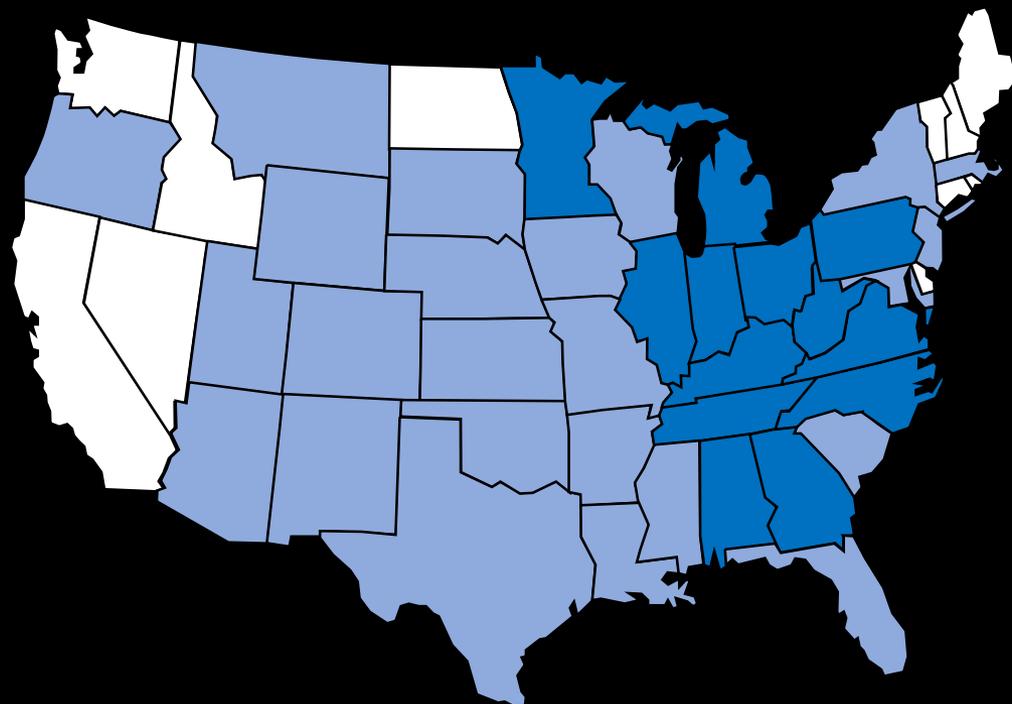
Retirements attributed to EPA policies:

- Now 431 units ... Was 410 units at the end of last year
- Now 70,300 MW ... Was 67,000 MW at the end of last year
- Equivalent to shutting down California's entire electricity supply
- Or the combined electricity supply of Ohio and Pennsylvania
- Or more than four times the entire electricity supply of Wisconsin
- 22% of U.S. coal-fired electric generating capacity

Retirements due to all causes (including EPA policies):

- Now 531 units ... Was 499 units at the end of last year
- Now 87,000 MW ... Was 81,000 MW at the end of last year
- 28% of U.S. coal-fired electric generating capacity

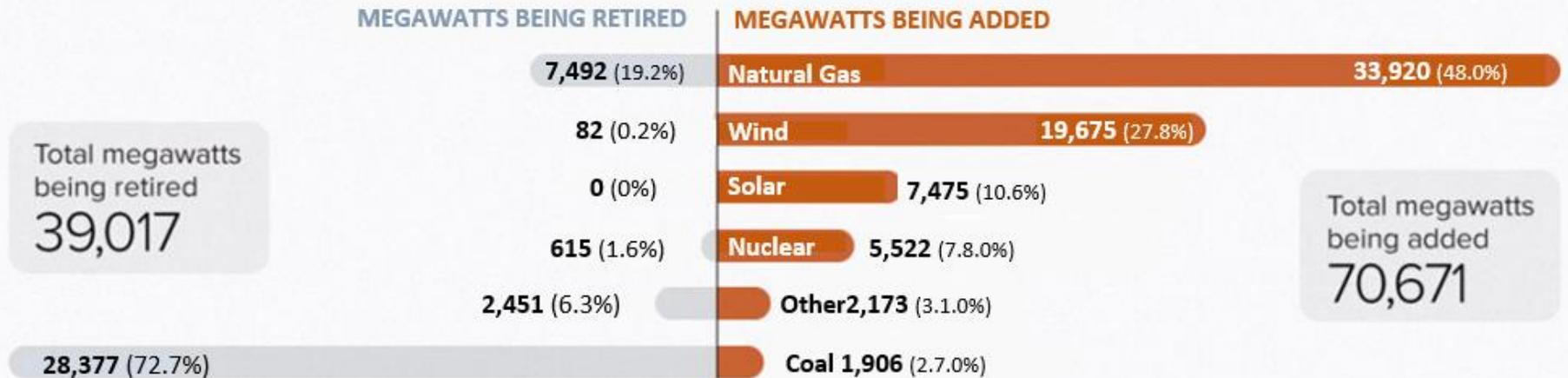
More than 70,000 MW of coal-fired electric generating capacity (431 electric generating units) in 37 states have shut down or plan to shut down over the period 2010 – 2030 because of EPA regulations. This retiring capacity is equivalent to the entire electricity supply of California or the combined electricity supplies of Michigan and Pennsylvania.



- More than 2,000 MW of retiring coal capacity
- Less than 2,000 MW
- None, including no retirements in AK or HI

The Future of Coal

MEGAWATTS BEING RETIRED AND ADDED (2015-23)



Source: POLITICO analysis of data from U.S. Energy Information Administration. Figures current as of April.

5W INFOGRAPHICS

- 39,017 MW of electrical power will be retired 2015-2030
- Coal will account for 72.7% of the loss (28,377 MW)

The War Against Coal



COAL-BURNING POWER PLANT
COUNTDOWN

319 204

204 retired, 319 to go. FIND OUT MORE

The graphic features two side-by-side illustrations of coal-burning power plants. The left illustration shows a plant with three smokestacks emitting thick black smoke, with the number '319' in large teal digits above it. The right illustration shows a similar plant with three smokestacks emitting thin white smoke, with the number '204' in large teal digits above it. A red banner with the word 'RETIRED' in white capital letters is positioned across the bottom of the right illustration. Below the illustrations, the text '204 retired, 319 to go. FIND OUT MORE' is written in white and red.

*“We’ve found the secret sauce to making progress in unlikely places ... and every time we beat the coal boys, people say ‘**Whoa. It can be done.**’”*

*Bruce Niles
Sierra Club*



- Sierra Club files a legal appeal every three days opposing coal and touts their goal of closing 319 additional power plants.

Opposition Financing

Beyond Coal – Sierra Club

- In 2011, Bloomberg gives \$50 million.
 - To staff the campaign in 45 states.
- In 2015, he announced another \$30 million.
- According to Politico, Bloomberg's initial \$50 million turned into \$100 million with donations from Tom Steyer and other organizations.
- The Beyond Coal campaign is just a single example.



Following the money

- The Hewlett Foundation:
 - ✓ In 2014 alone it gave nearly \$21.8 million to the Energy Foundation.
 - ✓ This is a single year, to a single foundation.

Opposition Organization

SUPPORT THE
CLEAN POWER
PLAN
AMERICA'S
BOLDEST
ACTION ON
CLIMATE!

Take Action



MOVING STATES
BEYOND COAL

Select Active State

Get Involved

- **A multi-faceted approach.** The opposition has artfully created a PR campaign against coal in terms of climate change, storms, health risks, and has augmented the PR strategy with a boots-on-the-ground regulatory strategy.
- **The opposition is sophisticated.** Taking the fossil fuel fight to the state and local level.
- **The opposition is organized.** Deploying teams of specialized attorneys, economists and policymakers to influence outcomes.
- **The opposition is well funded.** The collective war chest is in the hundreds of millions of dollars.



EPA Administrator McCarthy:

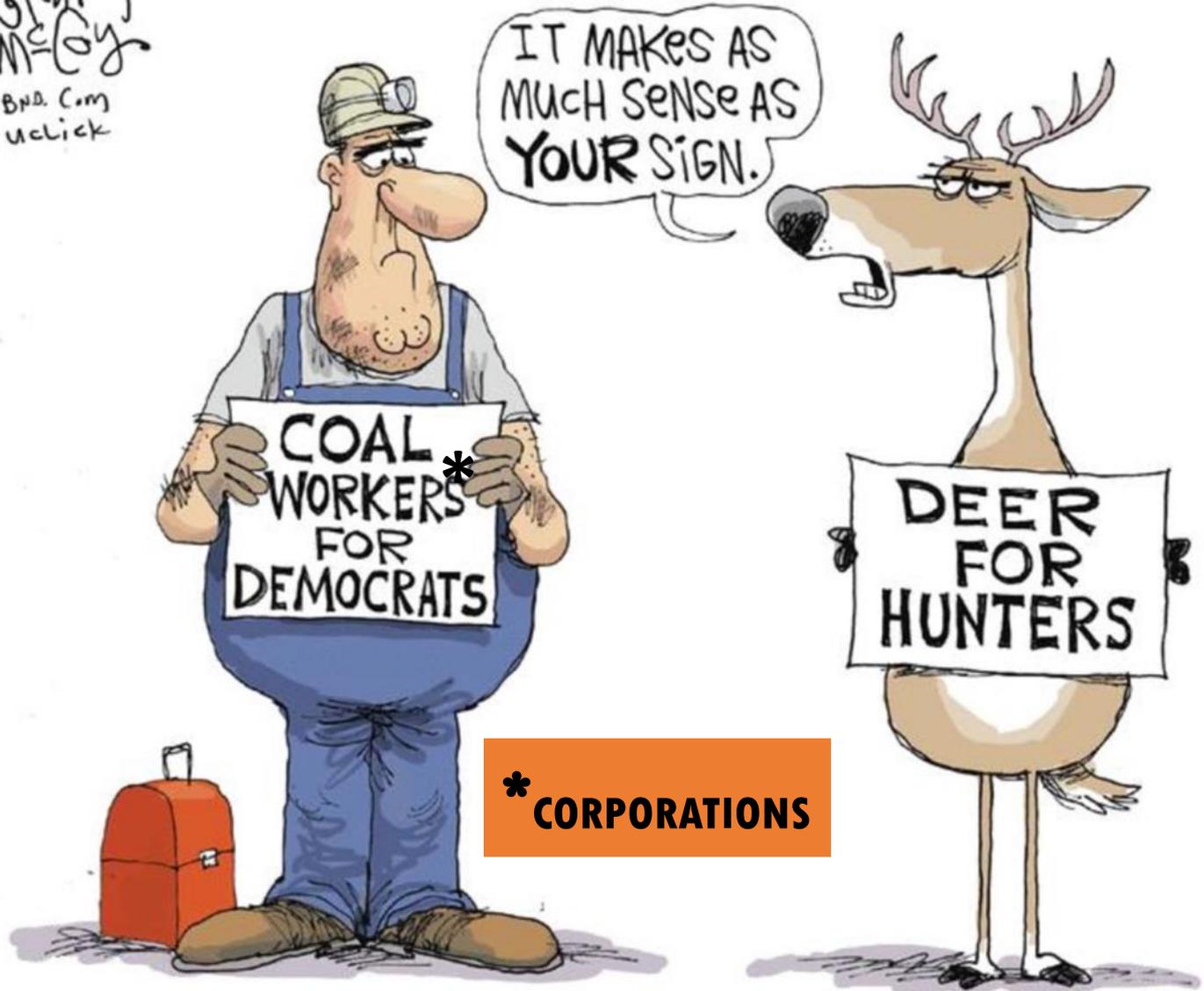
- ***“The value of this rule is not measured [by its climate impact]. It is measured by showing strong domestic action...”***
-US House Science Committee -July 9, 2015
- ***The “benefit” of the Clean Power Plan is “in showing sort of domestic leadership as well as garnering support around the country for the agreement we reached in Paris.”***
-House Energy and Commerce Committee -March 22, 2016
- ***“[The Clean Power Plan] is not about pollution control. [...] This is an investment strategy...”***
-Senate EPW Committee -July 23, 2014
- ***“[The Clean Power Plan] is about advancing our ongoing clean energy revolution [...] That’s what... reinventing a global economy looks like.”***
-Council on Foreign Relations -March 11, 2015

EPA's Viewpoint

"I can't find one single bit of evidence that we have destroyed an industry or significantly impacted jobs other than in a positive way."

**EPA Administrator Gina McCarthy,
Nashville, TN (April 13, 2016)**

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*** CORPORATIONS**

Resource Planning = State of Play



- **State Integrated Resource Plans (IRP) processes proceed**
 - ❑ **Environmental groups' advocacy continues in all local, state and federal forums**
 - ❑ **States will ratchet to carbon reduction because of lopsidedness of advocacy**
- **Utilities are neither friend nor foe, but creatures of incentives they face at the state, local and national level**

Fighting Back – Sooner Example

- The Oklahoma Corporation Commission recently issued an order approving emission controls at OG&E's Sooner Generating Station.
- Multi-disciplinary - team win
- And it was a win for the PRB and Wyoming - saving millions of tons of PRB coal.

Fighting Back – Sooner Example

“If OG&E coal units were to be retired or converted to natural gas, cost to customers would be higher and OG&E would no longer have sufficient coal-fired generating capability to protect customers from future natural gas and market price spikes and price volatility.”

– OCC Order, April 28, 2016

How we fight:

- ✓ ***Identify and prioritize policy threats*** to fossil-based energy production and consumption;
- ✓ ***Coordinate a multi-layered public affairs campaign*** that incorporates regulatory, lobbying and public outreach and education;
- ✓ ***Provide expertise, experience and material*** to native constituencies in the states to mount effective legal, legislative and grass roots campaigns on behalf of affordable energy;

How we fight...

- ✓ ***Orchestrate and execute a regulatory campaign*** putting a straightforward, fact-driven and honest case for fossil fuels as the least-cost generation resource, largely domestically-produced and plentiful, and the only resources that can meet the nation's burgeoning energy and economic needs;
- ✓ ***Devise a multi-layered strategy*** with a targeted and group-specific focus on utility and environmental regulators, attorneys general, political leaders, industrial electric customers, 'little platoon' civil society groups, rural/low-income groups, and the public at large;

How we fight...

- ✓ ***Focus on flexibility***, tailoring actions to regional and local circumstances.
 - ❑ Where there is a friendly attorney general, but a hostile administration, the focus will be on the AG describing the state agency authority limitations.
 - ❑ By contrast, where the Governor is opposed to the regulation, but the regulators are lapsing into the flow of the regional environmental groups' advocacy, the goal will be educating the regulators and encouraging the Governor to assert state primacy over state administrative law capitulation; and

How we fight...

- ✓ *Show up and advocate.* A common observation about the opposition is that it “shows up.”
- ✓ With sufficient resources, **EPN** will show up – anywhere and everywhere – just like the opposition does and has been doing for years.

Sooner Result Must Be Replicated



- Sooner is an example of supporting a utility seeking to protect affordable energy.
- There will be other instances where we will need to support these types of actions by utilities.
- There will be other instances where efforts by utilities to shut down affordable energy need to be confronted.
- We are monitoring state commission activity opportunities to deploy our proven Sooner game plan.
- Also supporting ***Balanced Energy Texas*** in Regional Haze FIP litigation.

About Energy Policy Network

Energy Policy Network (EPN) is a 501.c.4 national advocacy organization working hand in hand with local, state and national thought leaders and constituencies to develop energy and environmental policies that balance environmental values, business needs, and consumer interests.



ENERGY POLICY NETWORK

The War is Not Lost

INVEST IN THE BATTLE



We are not the only target...

“We have moved to a very clear and firm and vehement position of opposing gas. We oppose any new gas-fired power plants. We also have a policy opposing fracking.”

-- [Lena Moffit, Sierra Club](#)

“We must hang together, gentlemen...else, we shall most assuredly hang separately.”

-- [Benjamin Franklin](#)

Thank You

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Q & A...



