

Coal Isn't Dead Yet

You have heard the claim. Coal is dead. It is no longer a viable product. We have to abandon all coal use to protect the planet. Others try to scare people by saying we are going to lose hundreds of jobs in Colstrip.

Well I say it is not dead yet. Don't let alarmist convince you to overlook the facts. Fossil fuels provide 79% of the power for this country according to the independent nonpartisan U.S. Energy Information Administration (EIA). Thirty nine percent of the electricity in this country is produced with coal. Those percentages will not drop to zero overnight. In fact, the U.S. Energy Information Administration predicts that this number will only drop from 39% to 36.8% by 2040 and the use of coal will actually increase by 6.8% by 2040. That is explained by an increased use of electricity by 2040. They also predict that the price of coal will nearly double by 2040.

At the same time we must recognize that climate change is real. We must recognize that we do not yet have a solution to the carbon dioxide problem in generating electricity with fossil fuels. Renewable forms of energy are not only within reach but are rapidly becoming less expensive and more popular. We must recognize that renewable energy also provides good jobs. We must also recognize that the power plants at Colstrip are old; the depreciation schedule as reported to the IRS shows that their useful life has ended.

Even if we reduce use of fossil fuels 80% by 2050 so that we only have 20% of our electricity coming from coal – the most ambitious goal put forward so far - the remaining 20% will be more than half of what we are using for electricity now. We will still be mining coal at Colstrip and burning coal to make electricity somewhere. Coal is far from dead.

At the present time renewable energy sources provides a mere 7% of our electricity. The EIA predicts that by 2040 they will increase by 53% , to a whopping 18% of the total electricity production. With American determination, I think it will increase much more rapidly. But even if renewables increase by 500% by 2040 - not very likely - they still will not produce as much electricity as coal. Coal now provides 68% of all electricity produced in Montana whereas renewable energy provides slightly more than 1%. (2013 estimates of EIA.) No, coal is not dead and will not be for many years to come.

Montana has 25% of the nation's recoverable coal reserves, 10% of the world's recoverable coal reserves, and 52% of the nation's low sulphur coal. This is too valuable a resource to ignore. Some day converting carbon dioxide to fertilizer may solve the carbon problem, or we will come up with some other way to use coal and not damage the environment. Until then Montana and Wyoming coal will probably out compete other States. Let's make sure that last 20% is Montana coal.

Don't let alarmist talk you into foolish action. There are laws already in place to take care of any reduction in mining or burning of coal. The Coal Board was establish to take care of tail end impacts as well as front end impacts from coal. The Montana Legislature recognized that coal tends to go in a

boom and bust cycle. Funded by the coal tax, the Coal Board has authority and money to deal with tail end impacts including impacts on local communities. There is no reason why it cannot assist in retraining workers as well if necessary. If people are concerned, perhaps a comprehensive study of what to look for as mining contracts are not renewed and the old plants close would be appropriate. That too can be handled by the Coal Board, so long as the Legislature appropriates enough money to them. Let them do their job. A special session of the legislature is unnecessary.

One other suggestion, perhaps some research and development money could be made available from the coal tax to find other ways to use our coal. It is too valuable a resource to ignore or let go to waste. But neither coal tax money nor Trust money should be used for purchase of Colstrip power plants 1 and 2 by the State of Montana. Northwest Energy was probably right when they said that the coal plants were more of a liability than an asset; their initial bid was \$740 million for the hydro facilities or \$400 million if they had to take the power plants too. They ended up paying \$900 million for only the hydro facilities. In other words, the power plants are a liability and not worth good money at this point.

Further, I agree with those Republicans who say politics will interfere with sound business decisions when employment is scheduled to decrease because of the age of the plants. Government should not own a business under these circumstances. Instead, let the government help retrain the workers and help them find new jobs as the plants come to the end of their useful life. If there are 100 employees whose jobs are in jeopardy at Colstrip 1 and 2, let's help these employees find good jobs elsewhere. There will be new high paying jobs in the renewable energy sector. The owners of the plants can't say they did not know this was coming; just look at the depreciation schedule in their tax returns. The scare tactics of some alarmists is nothing but a political ploy. It should be ignored.

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