

***"Powder River Basin Coal:  
Domestic Challenges and International Opportunities"***

***A Round Table Discussion  
December 13, 2012 - Gillette, Wyoming***

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Center for Energy Economics and Public Policy  
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The U.S. coal industry is facing significant environmental constraints and economic challenges. The U.S. Environmental Protection Agency is enacting an unprecedented series of rules and regulations. The high costs of meeting emission limits on sulfur dioxide, nitrous oxides, and mercury are forcing many utilities to close scores of coal-fired power plants across the United States. Moreover, E.P.A. rulemaking on carbon dioxide emissions amounts to de facto controls on greenhouse gas emissions from coal-fired power plants but not for plants consuming natural gas.

At the same time these regulations go into effect, many states are implementing renewable portfolio standards that encourage production of electricity from wind and solar energy often at the expense of coal-fired generation. Perhaps most importantly, historically low natural gas prices are encouraging many utilities to shift from coal to natural gas for electric power generation.

The end-result of this perfect storm of regulatory and market forces is sharply lower coal shipments even for low-cost producers, such as those from the Powder River Basin in Wyoming. One bright spot for the coal industry is sharply higher coal exports. Environmental opposition to expanding coal export capacity, however, hampers even these efforts.

Coal remains America's most abundant low cost source of energy. Taxes and fees paid by coal companies are an important source of revenue to the State of Wyoming. From a national economic perspective, maintaining a viable coal industry is important for ensuring stable, low-cost, and reliable electric power generation. The goal of this round table is to convene experts on the coal industry to articulate these strategic considerations and to identify regulatory policy options to ensure their attainment.

The round table will be open to the public. Based upon this discussion, the Director of the Center for Energy Economics and Public Policy from the School of Energy Resources will prepare a white paper summarizing the issues and recommendations of the group. This document will be circulated among participants for comments and suggestions. After that comment period, the final draft will be made available to state and federal policy makers to aid future regulatory decisions affecting the coal industry.