



Southern States Energy Board

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“The Nation’s Coal Fleet”

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ACCCE —

ACCCE is the only national trade association whose sole mission is to advocate for the coal fleet.

Our members include IOUs, co-ops, coal producers, railroads, and equipment manufacturer/suppliers.

Why We Need a Coal Fleet —

Baseload (24/7) power

Fuel security

Fuel diversity

Affordable electricity

Coal Fleet Today —

U.S. has 262,000 MW of coal-fired generating capacity.

One-third of the fleet has retired or announced plans to retire.

The fleet supplied 30% of electricity through the first half of this year.

Average capacity factor of the fleet is 53% (was 68% in 2010) and the average age is 41 years.

Roughly two-thirds of the fleet is located in RTO/ISOs

Coal Fleet — (cont.)

Since 1970, emissions of traditional air pollutants have been reduced by 92% per kilowatt-hour. Coal fleet will have invested \$127 billion for emission controls by the end of 2020.

Challenges: Unfavorable policies, low natural gas prices, low electricity load growth

Opportunity: Coal fleet attributes, especially on-site fuel, important for reliability and resilience

Coal Retirements in SSEB States —

197 coal-fired electric generating units in 16 SSEB states have retired or announced plans to retire.

These represent 37,500 MW of electric generating capacity.

Retiring coal units exceed the electricity supply of most of the SSEB states.

EPA Policies —

Clean Power Plan

Effluent Limitations Guidelines

Coal Combustion Residuals

New Source Review

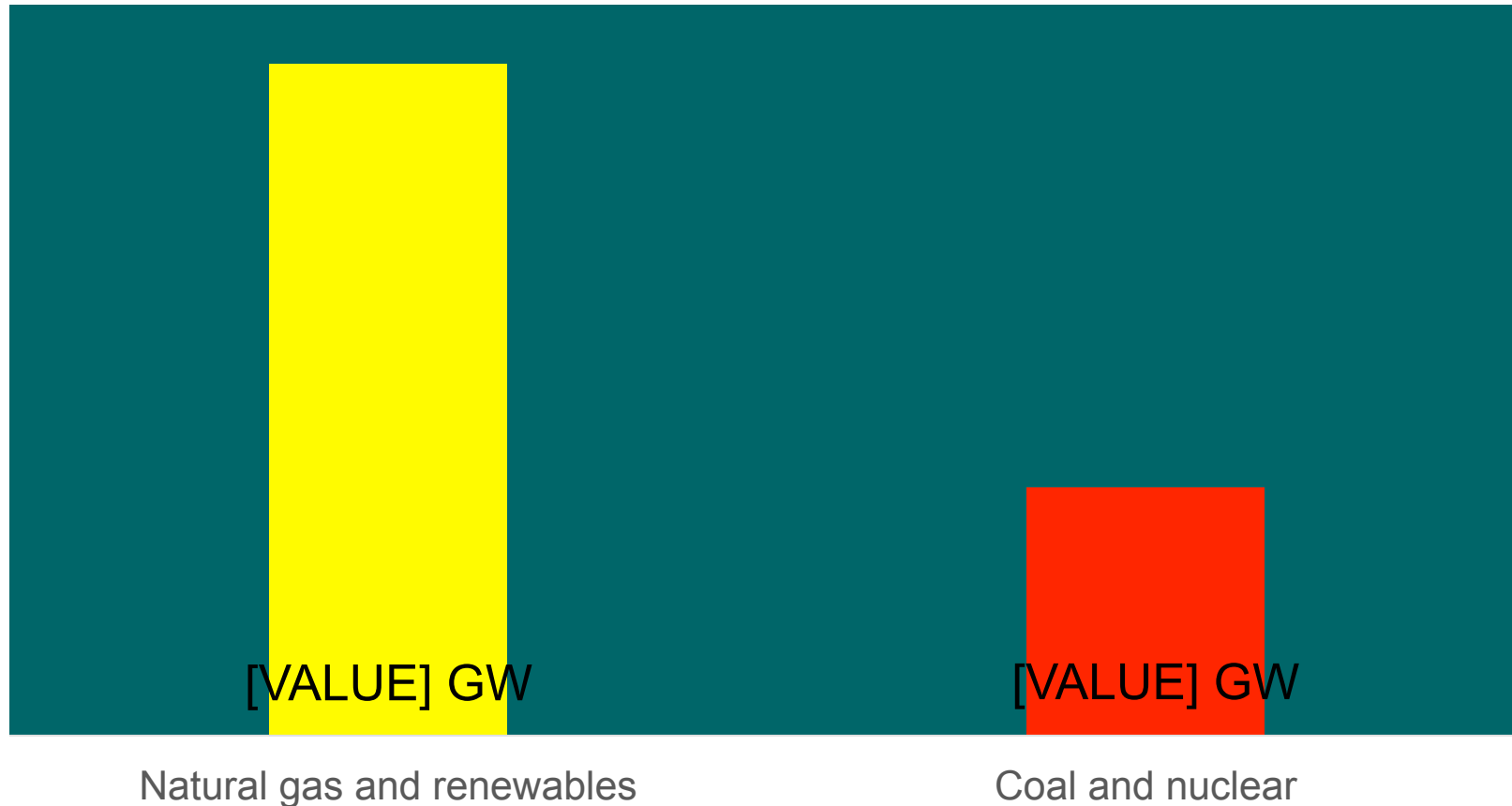
New Source Performance Standards

Regional Haze

CSAPR



Gas and Renewables Comprise Almost Three-Fourths of U.S. Electric Generating Capacity by 2040



Source: EIA

Resilience —

“Preparing for, operating through and recovering from a high impact, low frequency event. Resilience is remaining reliable even during these events.” (PJM 2017)

Resilience criteria are not well defined. (NAS 2017)

The coal fleet is being undervalued in wholesale electricity markets. The fleet provides fuel assurance and supports reliability and resilience.

Coal Fleet Provides Fuel Security —

Average coal stockpile during February 2017 —

- 100 days for bituminous
- 104 days for subbituminous

Over the past nine years —

- Smallest coal stockpile was 43 days in July 2014
- Largest coal stockpile was 105 days in February 2016

DOE Reliability Report —

FERC should work with ISO/RTOs and states to improve price formation in wholesale electricity markets

FERC should require valuation of essential reliability services

RTOs/ISOs should define resilience criteria, identify how to include resilience in business practices, and examine resilience-related impacts of their resource mix

Public Opinion Supports the Coal Fleet —

The majority of people are focused on electricity price (first) and reliability (second), but “clean energy” is also important.

On the whole, the country prefers a balanced mix of energy sources which includes coal.

The majority of voters support the continued production of electricity from coal.

A large majority of Americans agree that coal is a necessary part of the fuel mix.

Questions?