



The Importance of the Coal Fleet

**Virginia Coal and Energy Alliance 40th
Annual Conference**

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May 20, 2019

AMERICA'S POWER

ACCCE | Reliable • Secure • Resilient • Affordable

About ACCCE

ACCCE is the only national trade organization whose sole mission is to advocate at the federal and state levels on behalf of coal-fueled electricity and the coal fleet. Our membership is comprised of major industries — electricity generators, coal producers, railroads, barge operators, and equipment manufacturers.

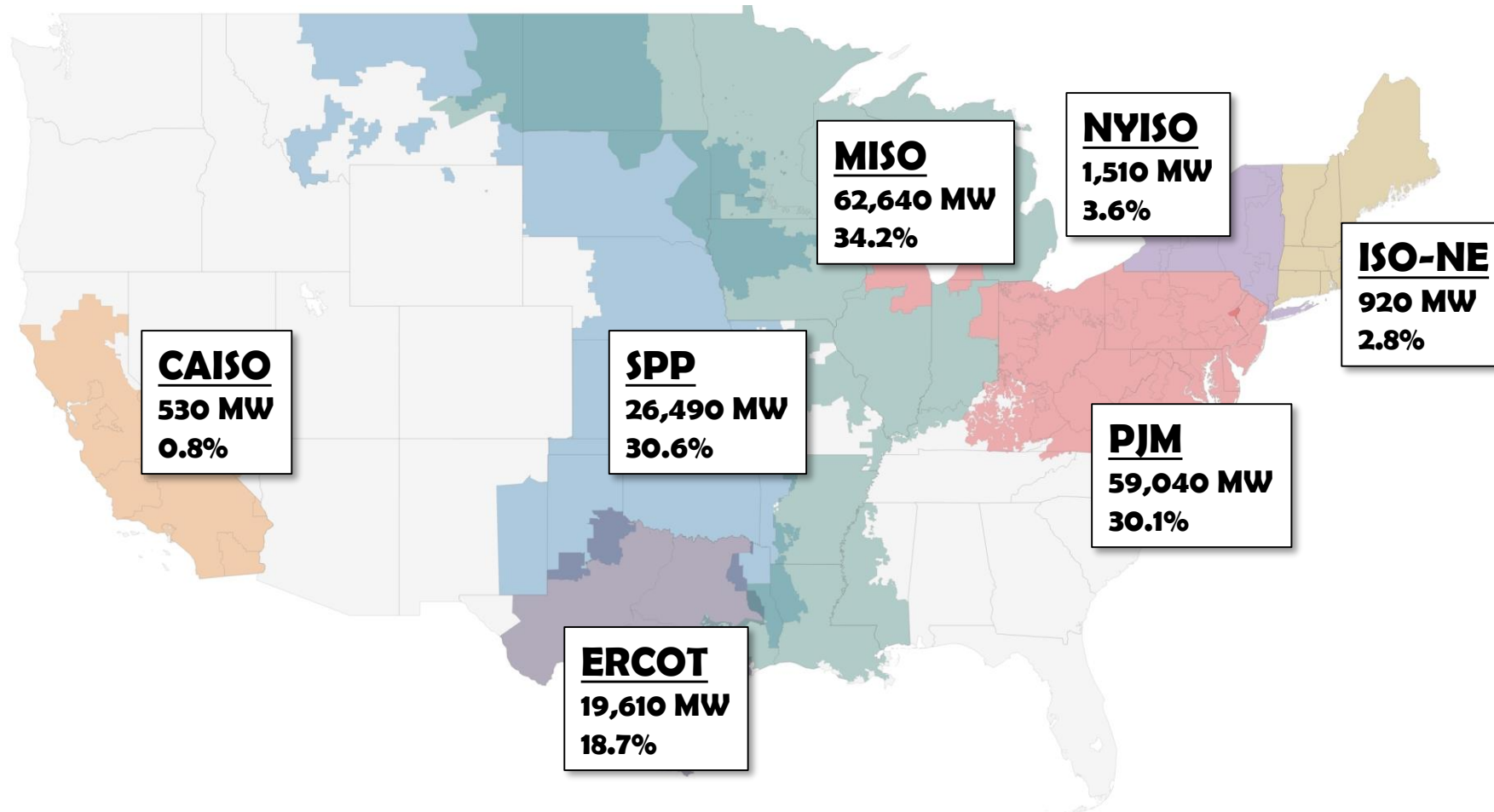
Why the Nation Needs a Coal Fleet

- **Fuel diversity**
- **Reliability**
- **Resilience**
- **Fuel security**
- **Insurance policy**
- **Affordability**
- **National security**

U.S. Coal Fleet

- **Currently 249,000 MW**
- **Invested \$100 billion in emission controls 2000-2020**
- **Reduced air pollutant emissions by 93% (emissions/kWh)**
- **Two-thirds of the fleet is located in ISO/RTO regions**
- **At least 40% of the fleet (121,000 MW) has retired or is expected to retire**

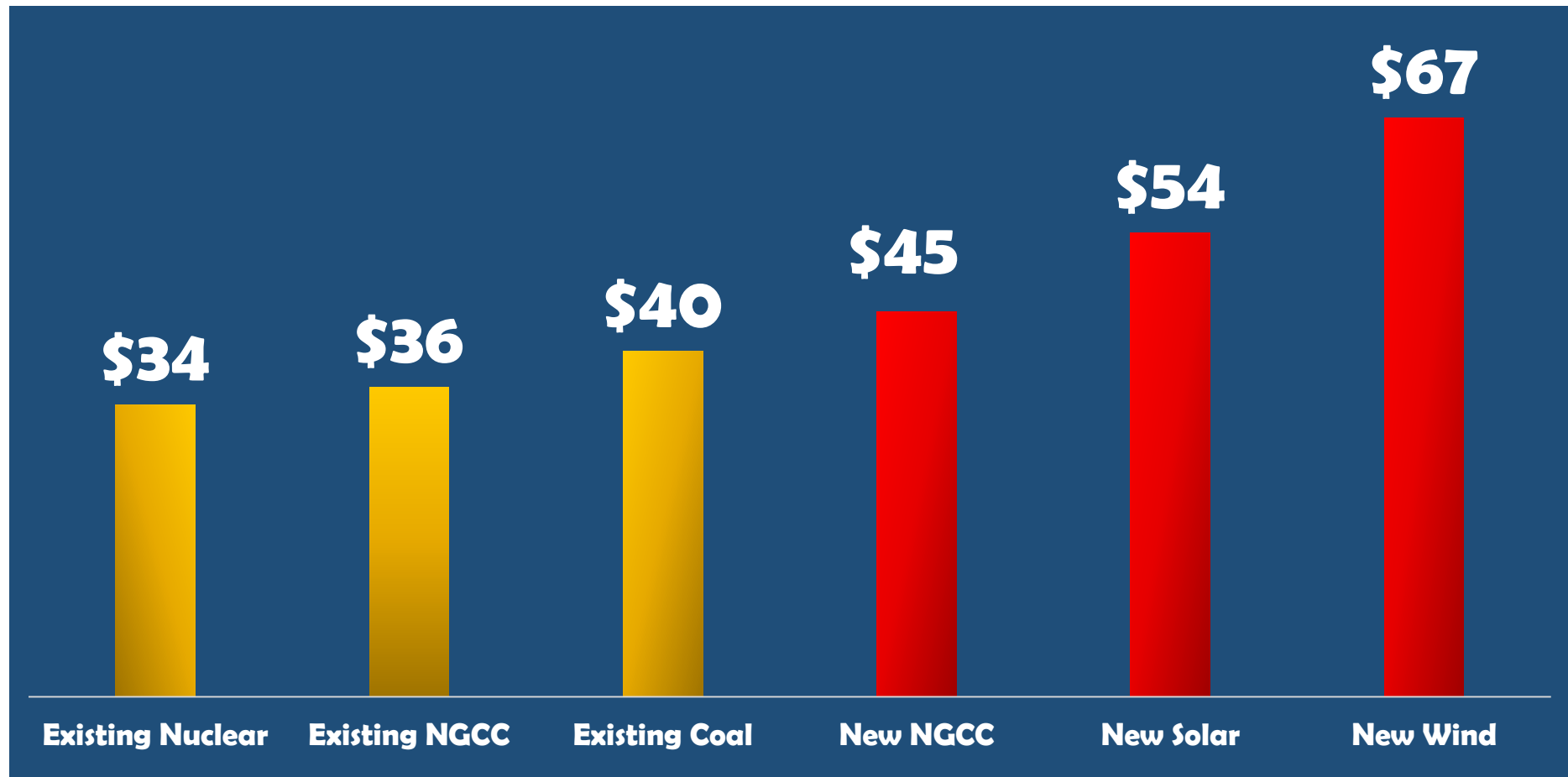
2018 Coal Capacity by ISO



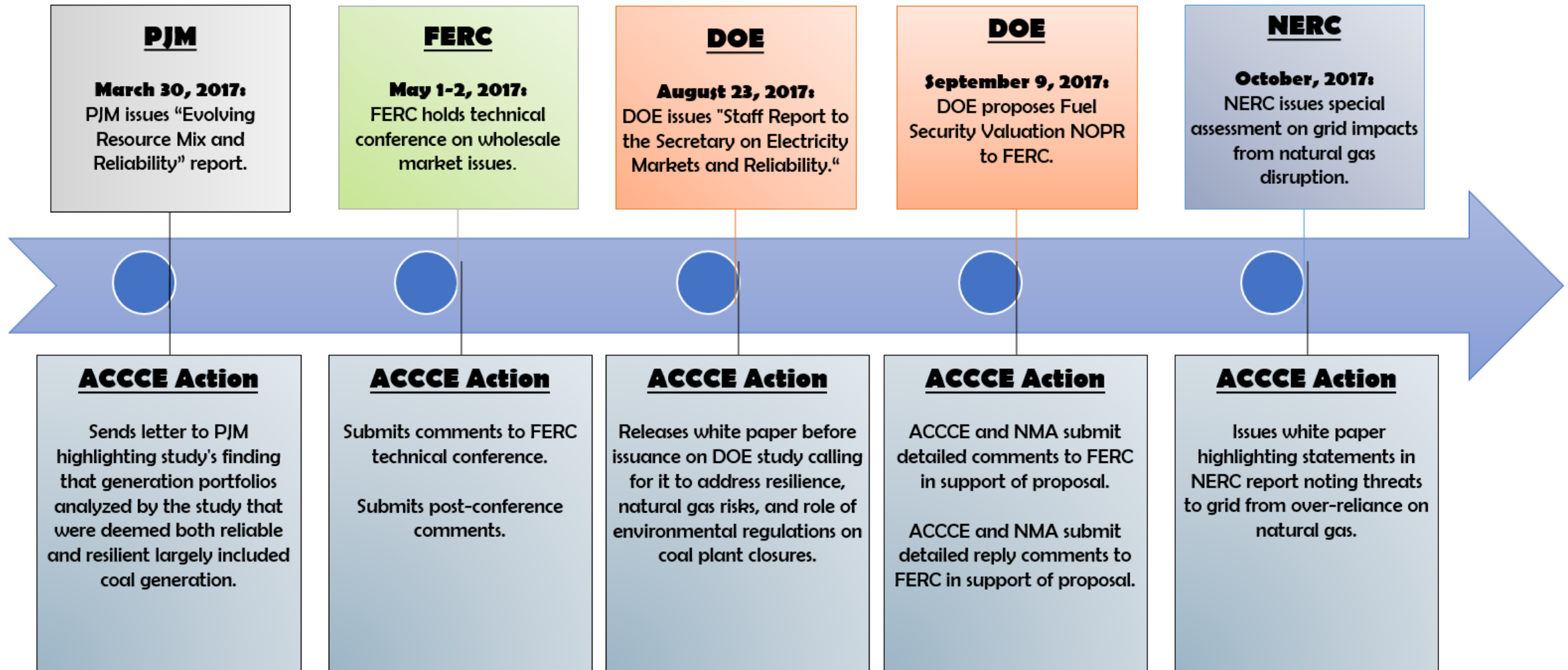
Priorities for the Coal Fleet

- **Change wholesale market rules**
- **Establish sensible EPA policies, esp. ACE and CCR**
- **Value resilience attributes, including fuel security**
- **Build the case for “why we need a coal fleet”**

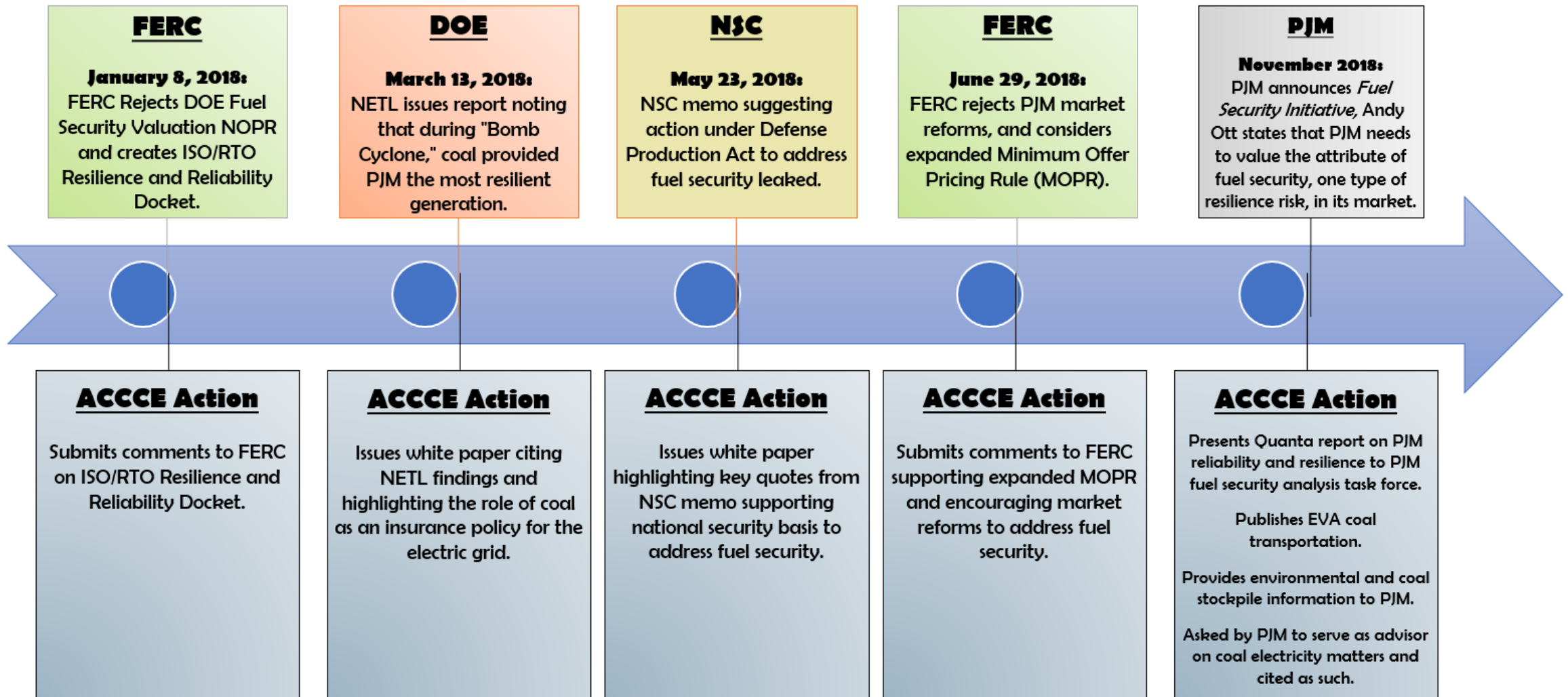
LCOE (\$/MWh) (Costs are being updated)



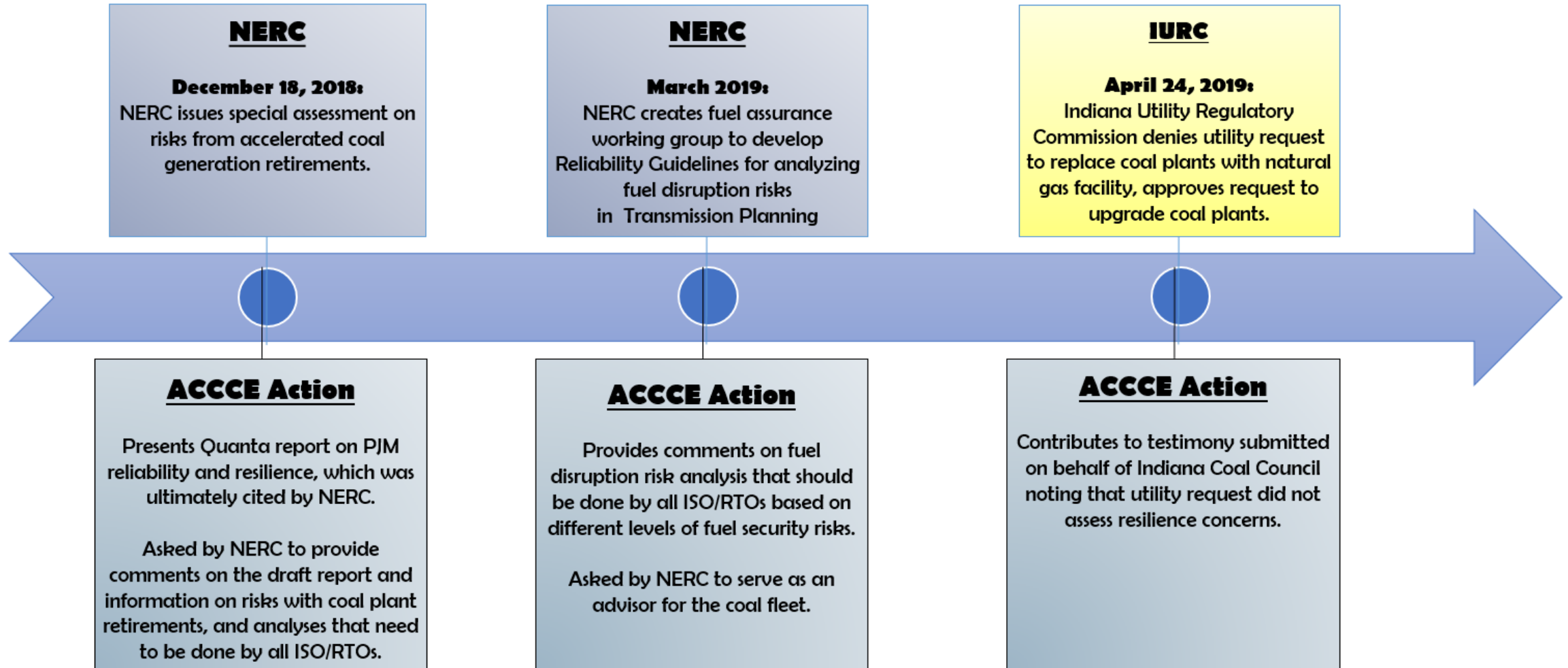
Action on Wholesale Market Reform 2017



Action on Wholesale Market Reform 2018



Action on Wholesale Market Reform 2019



Cost of Blackouts

“a large-scale blackout could result in **billions of dollars in economic impact, and risk injury or death.**”

National Academy of Sciences

A less resilient portfolio could result in
\$75 Billion
per Outage
Hour
IHS

\$79 Billion
per Year

Lawrence Berkeley National Laboratory

\$59 - \$209
Billion per Year

Obama Administration

ACCCE Supports ACE

Compared to the CPP, the proposed ACE rule:

- **Avoids the premature retirement of more coal-fired power plants**
- **Respects the role of states**
- **Bases standards on inside-the-fence measures**
- **Considers the unique characteristics of each coal-fired generating unit**
- **Makes long overdue changes to the new source review (NSR) program**

Implementation Could Span Three Administrations

- **ACE finalized and litigation begins** **2019**
Next administration **2021**
- **Submittal of state plans (3 years)** **2022**
- **EPA approval or disapproval (1 year)** **2023**
Next administration **2025**
- **Implementation begins** **2025**

CCR and ELG Rules

- **Court decisions have created problems**
- **Upcoming compliance deadlines —**
 - **CCR rule: October 31, 2020 but could change - mandatory closure of unlined and clay-lined impoundments**
 - **ELG rule: November 1, 2020 – earliest compliance deadline for two non-legacy waste streams**

Recommendations

- **Make sure all ISOs analyze the resilience of their grids**
- **Incorporate resilience and fuel security risks into generator retirement decisions and IRPs**
- **Support the need for RTO's to value resilience and make market adjustments to value fuel security**
- **Help assure that ACE is implemented properly**
- **Advocate for a level playing for all generation resources**

How can we be helpful?

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