

Myths And Facts About Coal

RESEARCH SEPTEMBER 20, 2012 6:46 PM EDT >>> JILL FITZSIMMONS & MAX GREENBERG

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Conservative media have claimed that the Obama administration is waging a "war" on "cheap," "clean" coal that will cause blackouts and massive layoffs. In fact, the Obama administration has simply implemented long overdue and legally required clean air regulations to protect public health without hurting electric reliability or employment, and much of the transition away from coal is due to the rise of cheaper, cleaner natural gas.

- Why Are Clean Air And Water Regulations Being Implemented?
- What Are The Impacts Of EPA Regulations On Employment?
- How Does Coal Impact Human Health?
- Is Coal Cheap?
- Why Has Coal-Fired Generation Declined?
- Will Regulations On Coal Affect Electric Reliability?
- How Will Greenhouse Gas Regulations Impact Electricity Prices?

FACT: Regulations Were Legally Required And Long Overdue

MYTH: The Obama Administration Has Waged a "War On Coal"

- On Fox News, Deneen Borelli said that Obama "has a war on coal, a war on fossil fuels. It's hurting hard-working Americans. It is harming businesses. Our energy prices are going up." [Fox News, Hannity, 5/28/12. via Nexis]
- A Washington Times editorial stated "There's no doubt the Obama administration is waging an all-out war on affordable energy," citing the EPA's Cross-State Air Pollution Rule. It added: "Ending the war on coal is the first step to reviving the U.S. economy." [Washington Times, 8/21/12]
- The Weekly Standard's Henry Payne recently wrote that "Obama's EPA has done an end run around the legislative process" to wage a "War on Coal" that has been "devastating to businesses and communities across the eastern coal belt." [The Weekly Standard, 9/24/12]

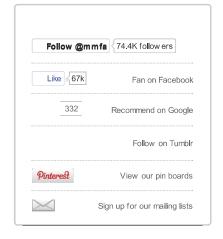
CRS: Most Major Clean Air Act Rules Began Under The Bush Administration. A Congressional Research Service report explained that many Obama-era pollution rules proposed to enforce the Clean Air Act and other statutes "began development under the Bush Administration":

Not all of these rules are Obama Administration initiatives. Many began development under the Bush Administration, including several that were promulgated under that Administration and subsequently were vacated or remanded to EPA by the courts. Within the Clean Air Act group, for example, most of the major rules, including the agency's boiler rules and two of the major rules affecting electric power plants (the Cross-State Air Pollution Rule and the MACT rule [Mercury and Air Toxics Standards rule that will require that utilities limit hazardous air emissions using the Maximum Available Control Technology (MACT)]) fit that description. Other EPA actions, such as reconsideration of the ozone air quality standard, have actually delayed for several years implementation of Bush Administration rules that would have strengthened existing standards. [Congressional Research Service, 8/8/12]

Bush Sr.'s EPA Chief: Previous Administrations Handed Regulatory "Grenades" To Obama. Greenwire reported in December 2010 that George H.W. Bush's EPA Administrator acknowledged that "the Obama administration has far less leeway than the agency's critics in Congress suggest":



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Fox Conspiracy Theory: Obama Admin. Is Engaged In "Cover-Up" Of Libya Consulate Attacks

Fox News hosts accused President Obama and his administration of perpetuating a "coverup" of the attack on the U.S. consulate in Benghazi. But the Obama administration is At a time of unprecedented rancor over the costs and benefits of U.S. EPA rules, the Obama administration has far less leeway than the agency's critics in Congress suggest, according to the man who led the agency under George H.W. Bush. Many of the most costly new regulations were left behind by the George W. Bush administration, William Reilly told an audience at the National Press Club yesterday. Some of the rules were ordered by Congress but were never put in place, forcing EPA to settle with environmental groups. Others have court deadlines from when the last administration's policies were rejected in court. "They're like little hand grenades that have been rolled out there by previous administrators, and now they're ticking," Reilly said. "They're very difficult, and some of them quite expensive, rules." [Greenwire, 12/17/10]

National Journal: Coal Industry Privately Acknowledges That Obama Administration "Inherited A Stack Of Obligations." A National Journal article noted that "a stack of court-ordered environmental regulations, some dating back 20 years" met EPA Administrator Lisa Jackson when she took office. The article also said: "Privately, coal chiefs and Republicans say they understand that Jackson inherited a stack of obligations and had to act." [National Journal, 9/22/11]

Energy Industry Executives: EPA Clean Air Rules Are "Long Overdue." In response to a 2010 *Wall Street Journal* editorial that characterized EPA air pollution rules as an "assault" on business, energy industry executives noted that these rules "are required under the Clean Air Act," and that "the electric sector has known that these rules were coming." They added:

For over a decade, companies have recognized that the industry would need to install controls to comply with the act's air toxicity requirements, and the technology exists to cost effectively control such emissions, including mercury and acid gases. The EPA is now under a court deadline to finalize that rule before the end of 2011 because of the previous delays.

To suggest that plants are retiring because of the EPA's regulations fails to recognize that lower power prices and depressed demand are the primary retirement drivers. The units retiring are generally small, old and inefficient. These retirements are long overdue. [Wall Street Journal, 11/22/10] [Wall Street Journal, 12/8/10]

CRS: Coal Retirements "Caused By Cheap, Abundant Natural Gas As Much As By EPA Regulations."

An August 8 Congressional Research Service report explained that older coal plants are being replaced with cleaner, cheaper natural gas "almost regardless of EPA rules":

The primary impacts of many of the rules will largely be on coal-fired plants more than 40 years old that have not, until now, installed state-of-the-art pollution controls. Many of these plants are inefficient and are being replaced by more efficient combined cycle natural gas plants, a development likely to be encouraged in the price of competing fuel—natural gas—continues to be low, almost regardless of EPA rules.

[...]

EPA's modeling confirmed that the plants likely to be retired are older, smaller, and less frequently used: the agency concludes, for example, that under the MACT rule [Mercury and Air Toxics Standards rule that will require that utilities limit hazardous air emissions using the Maximum Available Control Technology (MACT)] the average unit to be retired will be 51 years old, with an average capacity of 109 Mw (versus 278 Mw for units that will continue operation), and has operated only 56% of the time. Some of these units will be replaced by new capacity, of which some will be coal-fired, but most replacements are likely to be natural gas combined cycle units. Even before the advent of the "train-wreck" rules, very few coal-fired plants were being built. As shown in Figure 6, since 1990, more than 80% of new capacity has been natural gas-fired. These plants are highly efficient; they are cost-competitive with coal; and they emit no SO2, no mercury, and no other hazardous air pollutants. Without scrubber sludge to manage, they also do not need to meet effluent guidelines. Natural gas-fired power plants also have an advantage with regard to greenhouse gas (GHG) emissions: for the same amount of electric generation, they emit only half the GHGs of coal-fired units.

[...]

In short, the "train wreck" facing the coal-fired electric generating industry, to the extent that it exists, is being caused by cheap, abundant natural gas as much as by EPA regulations. As John Rowe, Chairman and CEO of Exelon Corporation, recently stated: "These regulations will

conducting an investigation into the attack, the State Department is setting up an independent panel to investigate it, and the director of the National Counterterrorism Center has testified about the attacks to a congressional committee.

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Blog

not kill coal.... In fact, modeling done on the impacts of these rules shows that up to 50% of retirements are due to the current economics of the plant due to natural gas and coal prices." [Congressional Research Service, 8/8/11]

FACT: Coal Jobs Have Been Steady Under Obama

MYTH: EPA Regulations Are Causing Large Job Losses

- On Fox News, Michelle Fields of the Daily Caller said: "Obama and the EPA, they are basically saying look, we don't care that your way of life is threatened because if they did they would be implementing policies that don't destroy jobs and industries." [Fox News, Hannity, 8/3/12, via Nexis]
- Fox Business' Melissa Francis reported "The casualties for the embattled coal industry piling up even higher," before attributing the job losses to EPA regulations and the Obama administration's "war on coal."
 [Fox Business, MONEY with Melissa Francis, 9/18/12]
- In a Weekly Standard column, Henry Payne wrote "perhaps no industry can count job losses the White House is causing like the coal industry." [The Weekly Standard, 9/24/12]
- In a Forbes op-ed, the Competitive Enterprise Institute's Marlo Lewis cited an industry-funded study which claimed that the Mercury and Air Toxics Standards and three other EPA regulations "could reduce net employment by an average of 183,000 jobs per year." [Forbes, 6/12/12]

WV Center On Budget And Policy: "U.S. Coal Mining Employment Is Much Higher Today Than It Was Over The Last Decade." An analysis of data from the Bureau of Labor Statistics by the nonpartisan West Virginia Center on Budget and Policy found that U.S. coal mining employment is much higher today than it was over the last decade":

While U.S. coal mining employment rose substantially during the first half of the economic recession it lost over 10,000 jobs in 2009 before bouncing back in 2010 and 2011. In May 2012, the industry employed 85,600 compared to 77,200 in December of 2007. However, since the beginning of 2012 the coal mining industry has shed about 1,000 jobs. In spite of these recent jobs losses, U.S. coal mining employment is much higher today than it was over the last decade. In fact, coal mining employment today is higher than at any time between 1999 and 2008.



[West Virginia Center on Budget and Policy, 6/19/12]

Consultant: Industry Jobs Estimates Overestimate Compliance Costs. Forbes and others cited a study funded by the American Coalition for Clean Coal Electricity and conducted by the National Economic Research Associates. But an expert from Andover Technology, a consulting company for the air pollution control industry, criticized the industry-funded study for making "several assumptions that are inconsistent with actual practice":

NERA makes several assumptions that are inconsistent with actual practice. These assumptions, when used in the NEMS model, will result in a significantly higher forecasted need for equipment retrofits and a resulting higher cost for utilities to comply with the Air Toxics Rule than will actually result from the rule. The implications of this overestimation of compliance cost are that any forecasts for power plant retirements, the cost of energy and any adverse impacts for the US economy will be overstated. [Andover Technology, 10/31/11]

2011 Underground Mining Jobs At Highest Level Since 1996. According to National Mining Association statistics, total underground and surface coal mining jobs increased by nearly 22% from 2001 to 2011 (67,254 to 81,974), and by nearly 19% if processing plants, independent shops and yards and office jobs are included. In 2011, underground coal mining jobs were at their highest level since 1996. [National Mining Association, August 2012]

UMass Study: EPA Rules Would Result In Net Creation Of Jobs. A study from the University of Massachusetts' Political Economy Research Institute and Ceres projected that between 2010 and 2015, the power sector would invest almost \$200 billion in capital investments on pollution controls and new generation capacity to comply with the new Clean Air Act rules, creating an estimated 1.46 million job-years, which are defined as one year of full-time employment. The study further found that job reductions from projected coal plant closures will be "more than" offset by the number of new jobs created. [University of Massachusetts, February 2011]

EPI: Toxics Rule Would Have Positive Net Job Impact. An Economic Policy Institute briefing paper on the EPA's Mercury and Air Toxics Standards projected "job growth spurred by new investments in pollution abatement and control." The report concluded the job impact of the rule "will be modest, but it will be positive." The study specifically found that it would "likely" lead to "the creation of 28,000 to 158,000 jobs between now and 2015." [Economic Policy Institute, 6/14/11]

BLS: Less Than One Percent Of Layoffs Are Attributed To Regulation. In 2011, layoffs caused by governmental regulations and intervention, as measured by initial claimants for unemployment insurance, comprised just over 0.2% of total layoffs, according to the Bureau of Labor Statistics. [Bureau of Labor Statistics, 5/16/12]

Study: Recovery Act And Other Stimulus Measures Saved Around 56,000 Jobs In West Virginia. A study by the West Virginia Center on Budget and Policy found that without the Recovery Act, TARP and "other federal stimulus measures" West Virginia, a state with many coal miners, would have 20,000 additional residents in poverty and 80,000 lost jobs:

In the fall of 2008, with bipartisan support, Congress passed the Troubled Asset Relief Program (TARP), popularly known as the "Wall Street bailout," to stabilize the banking system. In the spring of 2009, Congress enacted the American Recovery and Reinvestment Act (Recovery Act) in an effort to stimulate the economy and end the recession. This third edition of the State of Working West Virginia assesses the impacts of these and other federal stimulus measures on West Virginia employment and wages. In short, the massive infusion of federal dollars into the floundering economy kept the nation's poverty level from worsening. In a landmark study, economists Mark Zandi and Alan Blinder found that this series of federal policy initiatives succeeded in bringing the economy back from the brink and setting it on a course of recovery.

We find that its [the stimulus's] effects on real GDP, jobs, and inflation are huge, and probably averted what could have been called Great Depression 2.0. For example, we estimate that, without the government's response, GDP in 2010 would be about 11.5% lower, payroll employment would be less by some 8 ½ million jobs, and the nation would now be experiencing deflation. (emphasis added).

Applying these calculations to West Virginia, we find that absent this federal action the state's unemployment rate would have been over 14 percent in 2010 and close to 20,000 additional West Virginians would have slipped into poverty. The Recovery Act not only provided short-term stimulus but also made investments in public infrastructure and energy efficiency that will improve the quality of life for residents far into the future.

[...]

Based on the Zandi-Blinder study, absent these federal interventions, West Virginia's unemployment rate would have reached 14 percent and the state would have lost 80,000 jobs. In short, the combined federal interventions saved the state around 56,000 jobs. [West Virginia Center on Budget and Policy, **2010**]

FACT: Health Experts Agree Coal Emissions Are Dangerous

MYTH: Pollution From Coal Does Not Affect Public Health

- In a Washington Times op-ed, JunkScience.com's Steve Milloy wrote that while the EPA "asserts that all its rules are necessary to protect the public health, the reality is that the environment is not and never has been a public health problem in the United States." [Washington Times, 9/18/12]
- In a U.S. News & World Report op-ed, Daniel Simmons claimed that the health benefits of the Mercury and Air Toxics Standards have been "wildly overestimated," calling the actual benefits "incredibly small." [U.S. News & World Report, 6/22/12]
- In a Forbes op-ed, CEI's Marlo Lewis called the EPA's determination that mercury poses a serious public health threat "sheer exaggeration." He added that "in the 22 years since Congress tasked the EPA to study the health risks of mercury, the agency has not identified a single child whose learning or other disabilities can be traced to prenatal mercury exposure." [Forbes, 6/12/12]

Physicians' Report: Health Consequences Of Reliance On Coal Have "Widespread And Damaging Impact." A November 2009 report by Physicians for Social Responsibility said the health consequences of coal "are multiple and have widespread and damaging impact." It added:

Coal combustion contributes to diseases already affecting large portions of the U.S. population, including asthma, heart disease, and stroke, thus compounding the major public health challenges of our time. Coal also releases significant amounts of carbon dioxide into the atmosphere. Unless we address coal, the U.S. will be unable to achieve the reductions in carbon emissions necessary to stave off the worst health impacts of global warming. [Physicians for Social Responsibility, **November 2009**]

Report: Coal Emissions Cause "A Wide Range of Adverse Health Effects." In a 2011 summary report commissioned by the American Lung Association, scientists concluded that "hazardous air pollutants emitted to the atmosphere by coal-fired power plants cause a wide range of adverse health effects including damage to eyes, skin, and breathing passages; negative effects on the kidneys, lungs, and nervous system; increasing the risk of cancer; impairment of neurological function and ability to learn; and pulmonary and cardiovascular disease." [American Lung Association, 3/7/11]

American Academy of Pediatrics Testimony Noted Children 'Disproportionately Impacted by Air Pollution.' In testimony delivered on behalf of the American Academy of Pediatrics at a Senate Environment and Public Works Committee hearing on the Clean Air Act and public health, Dr. Jerome Paulson stated " [t]here is overwhelming evidence linking air pollution with a variety of adverse health outcomes." Paulson went on to note that air pollution "disproportionately" impacts children:

Because the lung is in direct contact with the air, children with underlying or chronic respiratory diseases are even more susceptible to the adverse effects of air pollution. In individuals with cystic fibrosis, elevated levels of particulate matter and ozone are associated with an increased risk of exacerbations and decline in lung function. For children with asthma, the most common chronic disease in childhood, ozone levels—even those below current EPA standards—are associated with increased respiratory symptoms and the need for rescue medication. School absences, emergency room visits, and hospital admissions are all directly associated with ambient air pollution. In a prospective cohort of children living in southern California, children with asthma living in communities with increased levels of air pollution (especially particulates, nitrogen dioxide, and acid vapor) were more likely to have bronchitis symptoms. The same mix of air pollutants was also associated with deficits in lung growth (as measured by lung function tests). [Senate Environment and Public Works Committee, 6/15/11]

Harvard Study: Emissions From 9 Coal Plants Cause Extra Risk Of "14,000 Asthma Attacks" Per Year. A 2001 study by environmental scientists at the Harvard School of Public Health evaluated the impact of air pollution from nine coal-burning power plants in Illinois and found that "current emissions contribute an annual extra risk of 300 premature deaths, 14,000 asthma attacks, and over 400,000 daily incidents of upper respiratory symptoms among the 33 million people living within 250 miles of the geographic center of the plants." The study also found that "applying existing emission control technology to the older plants could reduce the annual mortality risk by approximately 200 premature deaths per year, along with 2,000 fewer

emergency room visits, 10,000 fewer asthma attacks and 300,000 fewer daily incidents of upper respiratory problems." [Harvard School of Public Health, 1/3/01]

Evidence Suggests Neurological Harm To Children From Mercury. The *Washington Post*'s Brad Plumer reported at the WonkBlog that the Mercury and Air Toxics Standards will have health benefits from reducing mercury but that these benefits are difficult to quantify:

Plenty of evidence suggests that mercury – a neurotoxin – inflicts quite a bit of harm on the public. A 2005 **study** in Environmental Health Perspectives, for instance, looked at the effects of mercury poisoning on the brains of fetuses. It found that 637,000 babies were born each year with significant amounts of mercury in their bloodstream, with about two-thirds of those kids suffering IQ loss. The authors estimated that the lost economic productivity due to decreased intelligence came to about \$8.7 billion per year, with \$1.3 billion of that attributable to power plants.

Oddly enough, though, when the EPA calculated benefits from its new pollution rule, mercury only played a minuscule role, mainly for technical reasons (more on that below). The vast majority of that estimated \$37 billion to \$90 billion in benefits comes from a reduction in premature deaths -- about 11,000 per year by 2016 – caused by *particulate matter*, not mercury.

[...]

Now, that doesn't mean the EPA isn't cleaning up mercury, or that the mercury benefits are illusory, although they account for a mere \$4 million of estimated benefits for the final rule. What it means is that the EPA had trouble calculating the full value of preventing cognitive damage to young children. Scientists are still struggling to quantify the harm wreaked by mercury. And, as Michael Livermore writes, the EPA only looked at a small subset of the population, namely kids of people who catch freshwater fish for their own consumption, and left out the hard-to-quantify impacts of a mercury-reduction in store-bought fish. What's more, the EPA only calculated "lost wages" as a benefit, even though there are a lot of reasons beyond lost wages that we'd like to avoid neurological harm to young children. [Washington Post, 12/122/11, emphasis added]

FACT: The Costs Of Coal Use Outweigh Its Benefits

MYTH: Coal Is Our Most Affordable Energy Source

- A Washington Times editorial called coal a "cheap, abundant, affordable and sensible" source of energy.
 [Washington Times, 7/27/12]
- In a National Review column on EPA greenhouse gas regulations, Phil Kerpen claimed that "EPA fully intends to shut all coal plants down" and in doing so, "kill affordable energy." [National Review, 7/16/12]
- In a Washington Times op-ed, the Competitive Enterprise Institute's Iain Murray called coal "America's most abundant and affordable fuel source." [Washington Times, 3/30/12]

Study: Coal Plant Pollution Damages Greater Than Value Added To Economy. A study published in the August 2011 edition of American Economic Review concluded that "coal-fired power plants have air pollution damages larger than their value added" to the economy and coal-fired electric generation is "the largest industrial contributor to external costs." The study, which was conducted by two economists that are considered centrists (including one who spoke at the right-wing Heartland Institute's conference in 2011), found that coal-fired electric power generation's "gross external damages" (GED) dwarfed those of other industries measured, amounting to \$53.4 billion per year (2000 prices):

Coal-fired electric power generators produce the largest GED of \$53 billion annually. Coal plants are responsible for more than one-fourth of GED from the entire US economy. The damages attributed to this industry are larger than the combined GED due to the three next most polluting industries: crop production, \$15 billion/year, livestock production, \$15 billion/year, and construction of roadways and bridges, \$13 billion/ year. [American Economic Review, August 2011] [Media Matters, 10/12/11]

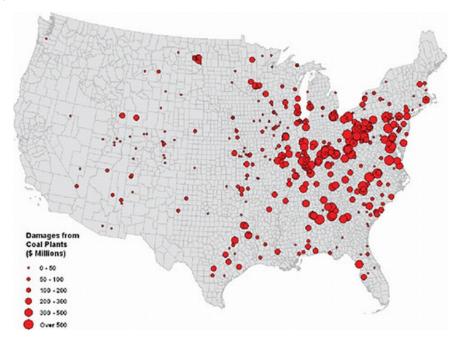
Study: Mortality Cost Outweighs Coal Mining Benefits. A 2009 study on mortality in Appalachian coal mining regions found that the human cost of mining outweighed economic benefits:

The heaviest coal mining areas of Appalachia had the poorest socioeconomic conditions. Before adjusting for covariates, the number of excess annual age-adjusted deaths in coal mining areas ranged from 3,975 to 10,923, depending on years studied and comparison group. Corresponding VSL [Value of Statistical Life] estimates ranged from \$18.563 billion to \$84.544 billion, with a point estimate of \$50.010 billion, greater than the \$8.088 billion economic contribution of coal mining. After adjusting for covariates, the number of excess annual deaths in mining areas ranged from 1,736 to 2,889, and VSL costs continued to exceed the benefits of mining. Discounting VSL costs into the future resulted in excess costs relative to benefits in seven of eight conditions, with a point estimate of \$41.846 billion. [Public Health Reports, July-August 2009]

Report: Coal Costs Us One-Third To One-Half Of A Trillion Dollars Annually In External Costs. Authors of a 2011 report published in the Annals of the New York Academy of Sciences "estimate[d] that the life cycle effects of coal and the waste stream generated are costing the U.S. public a third to over one-half of a trillion dollars annually" in external costs related to health and environmental effects. The report continued:

Accounting for the damages conservatively doubles to triples the price of electricity from coal per kWh generated, making wind, solar, and other forms of nonfossil fuel power generation, along with investments in efficiency and electricity conservation methods, economically competitive. [New York Academy of Sciences, **February 2011**]

NAS: Tens Of Billions In Coal Emissions Damages In 2005. A 2009 report from the National Academy of Sciences examined external effects associated with emissions from 406 U.S. coal-fired plants in 2005 and found tens of billions of dollars in damages aside from climate change effects. The report authors examined "monetized effects on human health, visibility of outdoor vistas, agriculture, forestry, and damages to building materials" and found that aggregate damages "were approximately \$62 billion, or \$156 million on average per plant." According to the report, more than 90% of monetized damages were associated with premature human mortality, and approximately 85% of damages came from SO₂ emissions. This map was included showing air-pollution damages from coal-fired generation surveyed in the study, excluding projected climate change impacts:



[National Academy of Sciences, 2010]

Report: Health Impacts From Coal Plants Total More Than \$100 Billion Annually. In a 2010 report, the non-profit Clean Air Task Force used an analysis of the fleet of U.S. coal plants and its effect on ambient air quality to "estimate expected changes in the incidence of several adverse health outcomes, such as hospital admissions, asthma attacks, and premature deaths." It found that:

The total monetized value of these adverse health impacts adds up to more than \$100 billion

per year. This burden is not distributed evenly across the population. Adverse impacts are especially severe for the elderly, children, and those with respiratory disease. In addition, the poor, minority groups, and people who live in areas downwind of multiple power plants are likely to be disproportionately exposed to the health risks and costs of fine particle pollution. [Clean Air Task Force, **September 2010**]

Nearly 400 Coal Mine Deaths From 2000-2011. According to Mine Safety and Health Administration [MSHA] statistics, there were 386 coal mine fatalities between 2000 and 2011. [Mine Safety and Health Administration, Accessed 9/20/12]

Black Lung Disease In Miners Has Cost Billions. A 2012 investigation by NPR and the Center for Public Integrity found that black lung disease, which is caused by breathing in excessive amounts of coal mine dust, poses both a tremendous health risk to miners and a multi-billion dollar burden:

Since 1970, when mine dust controls began, black lung contributed to the deaths of more than 70,000 miners. The federal government and the industry spent \$45 billion compensating the victims. [NPR, 7/9/12]

FACT: Competition From Natural Gas Is Driving Down Coal Use

MYTH: Decline In Coal Generation Is Due To Obama Regulations

- On Fox's Hannity, Eric Bolling said: "Coal used to account for 50 to 60 percent of our electricity use even
 recently as four, five years ago. It's down to 38 percent... Why? Because of the EPA. Because of the
 threat from Obama." [Fox News, Hannity, 7/26/12, via Nexis]
- Breitbart's Michael Patrick Leahy wrote: "President Obama's "War on Coal" has made it so difficult for electricity producers to use that the percentage of our nation's electricity coming from coal has plunged from 44% last year to 36% this year." [Breitbart, 7/13/12]
- In a post for FoxNews.com, American Commitment President Phil Kerpen claimed "Obama's war on coal" was part of an "unprecedented regulatory assault on coal" and implied regulations were to blame for "a shocking drop in power sector coal consumption." [FoxNews.com, 5/22/12]

Survey: No Coal Plants Primarily Blame Regulations For Closures. In a survey of coal-fired power plants by the Associated Press, no respondents said federal air pollution regulations, specifically the Mercury and Air Toxics Standards and Cross-State Air Pollution Rule, were primarily to blame for plant closures. The AP analysis found that "[m]any of those studies [by anti-regulatory groups] inflate the number of plants retiring by counting those shutting down for reasons other than the two EPA rules." [Associated Press, 12/19/11]

EIA: Cheap Natural Gas Is One Of The Primary Reasons For Retirement Of Aging Coal-Fired Power Plants. The Energy Information Administration wrote that the relatively low price of natural gas and modest electricity demand growth were among the factors contributing to planned coal unit retirements:

Around the country, several factors are likely contributing to the increase in planned coal unit retirements:

- Modest demand growth. Slowing electricity demand growth has led to declining use of some of the smaller, older, less efficient coal plants.
- Relative fuel prices. Relative prices of natural gas and coal as sources of energy, which have moved in favor of natural gas with the boom in shale gas production. The variable costs of operating natural gas-fired capacity have fallen relative to those of coal-fired plants.
- Availability of the combined-cycle plant fleet. The availability of highly efficient natural gas combined-cycle power plants that are currently not fully utilized.
- Aging coal-fired generators. Most of the country's older coal capacity is concentrated in the Mid-Atlantic, Ohio River Valley, and Southeastern U.S (see map above) due to proximity to the primary U.S. coal supply regions at the time of their construction.
- Environmental compliance costs. The cost of compliance with anticipated and
 existing Federal environmental regulations such as the Mercury and Air Toxics
 Standards (MATS) is a factor. Particularly in the case of older, smaller units that are not

- used heavily, owners may conclude it is more cost efficient to retire plants rather than make additional investments.
- Other compliance costs. The cost of compliance with anticipated and existing state laws and regulations including renewable portfolio standards. [Energy Information Administration, 7/27/12]

EEI: Coal Plant Closures Spurred By Many Factors. According to a Wall Street briefing of the Edison Electric Institute, of 34 GW of projected coal fleet retirement announcements by electric utilities between 2010 and 2022, some will be dictated by fuel costs and aging facilities. [Edison Electric Institute, 8/10/11]

CRS: Coal Retirements "Caused By Cheap, Abundant Natural Gas As Much As By EPA Regulations." An August 8 Congressional Research Service report explained that older coal plants are being replaced with cleaner, cheaper natural gas "almost regardless of EPA rules":

The primary impacts of many of the rules will largely be on coal-fired plants more than 40 years old that have not, until now, installed state-of-the-art pollution controls. Many of these plants are inefficient and are being replaced by more efficient combined cycle natural gas plants, a development likely to be encouraged in the price of competing fuel—natural gas—continues to be low, almost regardless of EPA rules.

[...]

In short, the "train wreck" facing the coal-fired electric generating industry, to the extent that it exists, is being caused by cheap, abundant natural gas as much as by EPA regulations. As John Rowe, Chairman and CEO of Exelon Corporation, recently stated: "These regulations will not kill coal... In fact, modeling done on the impacts of these rules shows that up to 50% of retirements are due to the current economics of the plant due to natural gas and coal prices." [Congressional Research Service, 8/8/11]

Equity Research Firm: "Critical Factor" For Coal Plants Is Price Of Natural Gas. An August Bloomberg article on the DC Court of Appeals striking down the EPA's Cross-State Air Pollution Rule reported that some power companies welcomed the decision but that the coal-fired power generation sector was still under pressure due to the low price of natural gas. James Lucier, managing director at equity research firm Capital Alpha Partners LLC, said the decision was a "black eye for the EPA," but told Bloomberg: "[F]or the industry, the critical factor overall has been the low price of natural gas." [Bloomberg, 8/22/12]

FACT: Electric Reliability Is Expected To Be Maintained Under New Coal Regulations

MYTH: Coal Regulations Threaten Electric Reliability

- In a Washington Times op-ed, Bernard Weinstein wrote: "The Obama administration's war against fossil fuels and infatuation with renewable energy have exacerbated the shortage of generating capacity." He predicts that the Mercury and Air Toxics Standards and greenhouse gas regulations will lead to many coal plant closures. [Washington Times, 7/12/12]
- In a Forbes op-ed, Marlo Lewis claimed that the Mercury and Air Toxics Standards rule will lead to "a
 greater risk of blackouts." [Forbes, 6/12/12]
- A Heritage Foundation blog claimed that the Mercury and Air Toxics Standards could "produce energy shortages." [The Foundry, 6/15/12]
- A Wall Street Journal editorial claimed that the EPA's Mercury and Air Toxics Standards are a "looming threat to electric reliability." [Wall Street Journal, 12/6/11]

InsideEPA: Power Companies Now Say They Will Be Able To Maintain Reliability While Complying With New Rules. In an article titled "Power Companies Retreat From 'Train Wreck' Claim In Fighting EPA Rules," InsideEPA reported that power companies are now saying that many previous industry reports about "train wreck" scenarios are no longer accurate due to less stringent EPA rules than predicted and the low price of natural gas:

Power companies are retreating from using the once-widespread "train wreck" scenario to explain the threat of EPA rules causing widespread power plant closures and electric grid

instability, saying the term has lost force as it no longer reflects reality given EPA outreach to industry on the rules and a sectoral shift toward natural gas.

[...]

The lobbyist says there is a direct parallel between low natural gas prices and diminished use of the train wreck arguments to urge EPA rule delays. The source says utilities have settled with the cost estimates for complying with many of the rules, and in many cases are finding it is not as expensive to retrofit or switch to natural gas as earlier scenarios predicted it would be to comply.

The former utility regulator source says Southern Company – one of the nation's largest coal-fired utilities – will burn more natural gas than any utility this year because of the low cost. The source says that many power companies no longer believe EPA's rules will cause the rolling black outs predicted under the train wreck.

The source adds that investing in natural gas resources will enable some power companies to maintain reliability while complying with the stricter emission standards at a lower cost for the companies and the consumer. "I didn't buy the train wreck issues with all the switching to natural gas," the source says. [InsideEPA, 8/6/12, subscription required]

GAO: Rules Not Expected To Pose Widespread Reliability Concerns. A 2012 report from the independent Government Accountability Office (GAO) determined that four recently proposed or finalized regulations affecting coal-fired plants, including the Mercury and Air Toxics Standards and Cross-State Air-Pollution Rule, may cause "2 to 12 percent of coal-fired capacity" to be retired, though some stakeholders pointed to low natural gas prices as integral to that trend regardless of regulation. The report found that the rules "may contribute to reliability challenges in some regions" but "are not expected to pose widespread concerns." Furthermore, "EPA and some stakeholders GAO interviewed indicated that these actions should not affect reliability given existing tools." [Government Accountability Office, July 2012]

Report: Broad Reliability Issues "Unlikely" And "Manageable." According to a Bipartisan Policy Center report on environmental regulations and electric system reliability concluded that "scenarios in which electric system reliability is broadly affected are unlikely to occur" and that "impacts on the reliability of the electric system due to EPA regulations are manageable." [Bipartisan Policy Center, 6/13/11]

Study Cited By Critics Based On "Worst-Case Assumptions Which Have Not Materialized." In a peer review of an Edison Electric Institute (EEI) report that claimed reliability problems would arise from EPA regulations, the Analysis Group found it was "based upon worst-case assumptions which have not materialized" and "does not adequately distinguish between the non-environmental drivers of changes in the electricity industry and the various EPA rulemakings." [Analysis Group, May 2011]

Report: Mercury And Air Toxics Rule "Will Not Harm The Nation's Electric Reliability." The Analysis Group, a consulting firm, concluded that "recent, positive developments make it clear that timely MATS [Mercury And Air Toxics Standards] compliance will not harm the Nation's electric reliability." [Analysis Group, June 2012]

CRA Report: "Electric System Reliability Can Be Maintained" With Clean Air Transport Rule And Mercury Rule. From a 2010 report by Charles River Associates assessing EPA's Clean Air Transport Rule and Mercury and Air Toxics Standards:

[W]e conclude that electric system reliability can be maintained while the industry complies with EPA's air regulations. The number of projected coal plant retirements nationwide is relatively small compared to historical US net additions of generation capacity, and the electric sector has demonstrated repeatedly the ability to expand the generation fleet at a rate well in excess of projected capacity needs. Although we predict that a handful of areas will have de minimis or modest shortfalls due to predicted retirements, adequate reserve margins can be maintained by better utilizing existing supply capacity, installing new generation, and increasing load management. Additionally, existing federal statutory, state regulatory, and regional transmission organization (RTO) market safeguards can be utilized to maintain a reliable electric system. [Charles River Associates, 12/16/10]

Report: "Electric System Reliability Will Not Be Compromised If The Industry And Regulators Proactively Manage The Transition." In a report conducted for the Clean Energy Group on new rules for fossil fuel-fired power plants, M.J. Bradley & Associates concluded that the electric utility industry "is well-positioned to respond to EPA's proposed road map" for emissions reduction:

We conclude that, without threatening electric reliability, the industry is well-positioned to respond to EPA's proposed road map to "help millions of Americans breathe easier, live healthier," provided that EPA, the industry and other agencies take practical steps to plan for the implementation of these regulations and adopt appropriate regulatory approaches. [M.J. Bradley & Associates, August 2010]

FACT: Experts Agree That The Greenhouse Gas Rule Will Have Little To No Price Impact

MYTH: Greenhouse Gas Rule Will Cause Electricity Prices To Skyrocket

- On Fox Business, Tom Borelli claimed that EPA greenhouse gas regulations will cause energy prices to "skyrocket." [Media Matters, 4/2/12]
- Fox News uncritically aired video of Craig Jennings, the Preston County Commission President, stating:
 "They're telling us that you're going to see at least a 30 percent increase in your electric bill" as a result of EPA greenhouse gas regulations. [Media Matters, 5/10/12]
- An Investor's Business Daily editorial called the EPA's greenhouse gas rule "draconian" because of its
 effect on coal, adding that it will "make energy a lot more expensive for everyone." [Investor's Business
 Daily, 3/27/12]

Economist: "EPA Rule Will Have No Significant Effect On Electricity Prices." In an email exchange with Media Matters, Brookings Institute Senior Fellow Peter Wilcoxen explained that because the greenhouse gas rule applies only to new coal plants, which are already facing competition from natural gas, "[t]he idea that the new regulations will shut down the coal industry is nonsense." He added that "because it only rules out an expensive option that wouldn't have been used anyway, the EPA rule will have no significant effect on electricity prices." [Media Matters, 4/2/12]

Bipartisan Policy Center: CO2 Rule Will Have "Very Little, If Any, Impact" On Electricity Rates. Jennifer Macedonia of the Bipartisan Policy Center wrote that EPA greenhouse gas regulations "will have very little, if any, impact on actual power plants, jobs, electricity rates, or pollution." [Bipartisan Policy Center, 3/30/12]

Harvard Academic: CO2 Regulations Will Have "Absolutely No Effect Whatsoever" On Electricity Prices. Professor Robert Stavins, Director of Harvard's Environmental Economics Program, told *Media Matters* in April that low natural gas prices — not EPA regulations — are dissuading energy companies from building new coal plants. Therefore, EPA regulations on new plants will have "absolutely no effect whatsoever" on the price of electricity. [*Media Matters*, 4/2/12]



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And you know what happens to all that CO2....which Michelle Bachmann has informed us has never

Sinistra_Gnosis Yesterday 11:22 PM in reply to Lstrut

been proven harmful so apprently no worry at all right.....well there are these things called trees

what is a coal mining affects again.....you see when you strip mine which is how they mine for coal you tend to negatively affect that stuff and the water supply as well can even be damaged

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kenneth close Yesterday 08:04 PM

Got a lot of facts there, so what is the answer?

Like Reply



Nihilist Yesterday 08:14 PM

how bout the coal lobby, using a coal exec in a coal miners suit, acting like hes the coal miner, doing political ads? saw it in the south this week. or add that photo-op rMONEY did last month in front of all those poor coal schlub workers, and then we find out the coal mine owner MADE them do that, and without pay....

cng is now is now stored in massive amounts, is cheaper than ever, and way cleaner than coal.... sorry ky, but coal is 19th century energy.... add that if exxon would get off the auto industries ass, and you could get any car that is CNG, not only would your costs go down, but we would be off crude... in calif, that commie socialist playground, there are bus, cab, truck, and other fleets that are cng.... but i cant go down to my shell/exxon/ arco station for cng.... i need to find a special filling station..... and it only takes a few minutes, unlike battery's [also making battery's nicad or I-ion, are really bad for the environment, with all those rare earth metals from china] which take all nite to charge.... but exxon wont sell cng, like a crack dealer, why should they make you better?

obama2012 rMONEY 1040!





Ray Mehan Yesterday 10:02 PM

Liberals are waging a war on coal, just ask the residents of West Virginia.

(Edited by author 11 hours ago)





congero Today 10:56 AM in reply to Ray Mehan

One in Five Streams Damaged by Mine Pollution in Southern West Virginia http://www.sciencedaily.com/re...

West Virginia Selenium Pollution: Lawsuit Filed Against Alpha Natural Resources http://www.huffingtonpost.com/...

Mountaintop-removal mining is devastating Appalachia, but residents are fighting backhttp://grist.org/article/r...

and despite this we find this:

Coal: We're mining it more, burning it less

Released: Sept. 21, 2012 http://facethefactsusa.org/fac...

> 1 person liked this. Like Reply



Gray Porcella Today 01:56 AM

No one ever mentions the reason there will never be such a thing as "clean coal".

Coal Ash.

That's as simple as it gets. It wouldn't matter if you figured out a way to burn coal with zero emissions. You would still be left with environmentally toxic coal ash. Coal fired plants use tons and tons and tons of coal, and they leave behind a tremendous amount of coal ash that pollutes groundwater, the soil, and the environment wherever you try to dispose of it.

Natural Gas burns cleaner than coal, and it has no leftover ash to pollute the environment.

johaely and 1 more liked this Like Reply



ConnieHinesDorothyProvine Today 02:00 AM

The right wing loves coal so much. They oughta just eat it.

🔊 1949vet and 2 more liked this Like Reply



Diane T Today 06:52 AM

Whatever the truth on Coal, in today's economy shutting down any plant is a disaster. 1200 new unemployment claims is only going to make matters worse. What is wrong with putting the new rules off until our economy straightens out and we are in a better economic place to deal with more unemployed?

Reply



futbolsono Today 07:57 AM in reply to Diane T

I empathize with a major loss of jobs, but the problem in your statement, in my view, is that you are directly associating plant closures with the 'new rules'. The research in the article makes the argument(and a good one) that plant closures are more impacted by competitive market conditions in natural gas than by any EPA rules. The coal lobby, supported by FOX and other media outlets are dishonestly advancing the notion that the EPA, Obama and liberals are the cause for job losses. Its foolish, and further made ludicrous by what the right proposes as a long term plan for America's energy policy....more 19th century energy! A reasoned and rational approach would be to mix up support for emerging energy while minimizing the effect of the transition on workers. Consider also the negative effects on the environment and country's healthcare costs: We tip the delicate balance in our environment, the Koch brothers reap billions while plant workers go into cancer treatment. This hardly seems like a 21st century approach to energy, jobs and the environment.

(Edited by author 8 hours ago)

DemonicVulture and 1 more liked this Like Reply



JediNight Today 01:18 PM in reply to futbolsono

You should slow down, Diane is not used to reading the facts.......

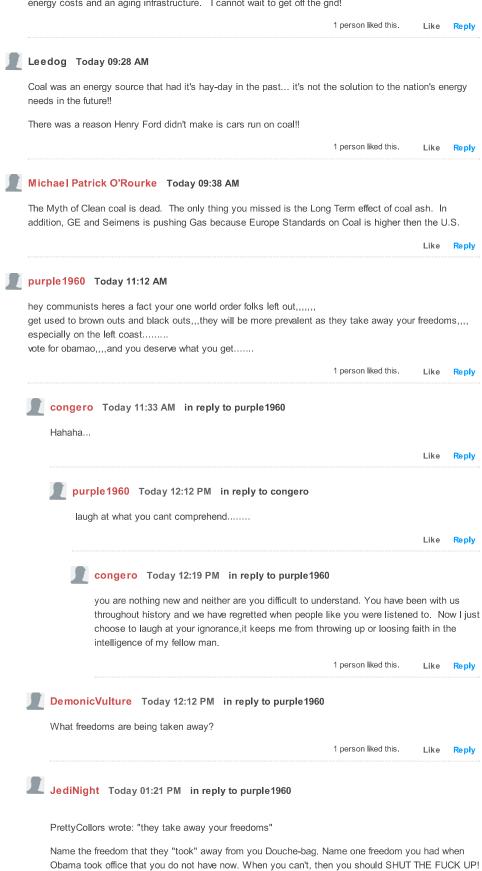
Like Reply



topbanana779 Today 07:04 AM

My response to coal - GOING SOLAR! The permits have been submitted, the contractor has ordered the parts and soon 60% of my electric will be from clean, renewable energy. We have been working towards reducing our consumption over the past two years and have already saved oursleves 20% in electricity costs. The next phase will be to add enough panels to provide home heating and hot water and ditch the oil burner. The environment is a big chunk of our decision but its also because of ever rising

energy costs and an aging infrastructure. I cannot wait to get off the grid!



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