ESTABLISHING THE ILLINOIS BASIN COAL ALLIANCE

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CCTR Advisory Panel Meeting
March 5, 2009
AVERAGE WEEKLY COAL COMMODITY SPOT PRICES

Historical Average Weekly Coal Commodity Spot Prices (dollars per short ton)
Business Week Ended February 27, 2009

Key to Coal Commodities by Region:
- **Central Appalachia**: Big Sandy/Kanawha (12,500 Btu, 1.2 lb SO2/mmBtu)
- **Northern Appalachian**: Pittsburgh Seam (13,000 Btu, 2.0 lb SO2/mmBtu)
- **Illinois Basin**: 11,500 Btu, 5.0 lb SO2/mmBtu
- **Powder River Basin**: 8,000 Btu, 0.8 lb SO2/mmBtu
- **Uinta Basin in Utah**: 11,700 Btu, 0.8 lb SO2/mmBtu
OBJECTIVES

- Promote environmentally sound use of Illinois Basin coal through a coalition of producers and consumers of IB coal and state agencies concerned with coal
- Do this by an integrated three state program of Research, Promotion, and legislative agendas that focus on problems and opportunities common to IB coals
- Establish IB area as a leader in promoting clean coal technology
EXAMPLES

- Develop infrastructure for export of IB coals – now, only one port can load coal

- Common strategy for reclamation of IB sites

- Integrated R&D program for IGCC/CO2 sequester – example: revive FutureGen?

- Joint development of CO2 pipeline
Q: WHAT’S THE NEED? AREN’T EXISTING ORGANIZATIONS DOING WHAT’S NECESSARY?

A: Yes to some extent:

Indiana Coal Council, Illinois Coal Association, Western Kentucky Coal Association individually foster, promote, and defend the interests of the coal industry in their states.
Q: AREN’T WE DOING THIS NOW, WITH CCTR/ICCI/CAER?

- A: To some extent for R&D, but not for legislative action to counter common challenges

- A: Need for a broader coalition of regional producers, users, regulators to address common challenges facing region
Q: ARE OTHERS DOING IT?

A: You bet:

- Eastern Coal States Coalition (Producers)
- Eastern Coal Council (Producers & Consumers)
- Western Coal Council (Now ACC-producers and consumers)
- Lignite Energy Council (Producers and consumers)
- PRB Coal users group (Producers and Consumers)
Q: WHY NEEDED NOW?

• A: Opportunities opening up (and closing) at federal level would be enhanced by a regional integrated approach to DC

• A: Inevitability of some form of CO2 legislation will change the ground rules

• The Coal Fuel Alliance showed our three states coal R&D resources complement each other
SO WHAT DO WE DO?

- Form an organizing committee consisting of:
  - CCTR/ICCI/CAER directors
  - ICC/ICA/WKCA directors
  - Indiana EA/Illinois EA (Jim Monk) / KY
  - Initial meeting in Indy March 25?