# Coal, Natural Gas, Renewables, and Jobs: Some Information for Letters and Calls to Members of Congress

#### Tom Turino and Shannon Arnold, Indivisible Bluegrass, May 10, 2017

Mitch McConnell, Donald Trump, and other Republicans have frequently blamed President Obama for the declining coal industry affecting Kentucky. This is phrased as the previous administration's "war on coal" (*Reuters/Environment*, 4/5/17), especially in relation to the Clean Power Plan, but also involving other regulations such as the one restricting plants from polluting streams.

On March 28, Trump ordered an immediate re-evaluation of the Clean Power Plan, a re-evaluation that Scott Pruitt vowed to carry out. On February 16, House Joint Resolution 38 and the corresponding Senate Resolution 10 (sponsored by McConnell) were signed into law revoking a rule that prevented coal mining companies from dumping debris into local streams (*Congress.gov*.; *NYT* 5/17:A17).

The Trump administration's attack on environmental regulations and the E.P.A., to benefit industry, takes a variety of forms including dramatic budget reductions for the E.P.A., and Pruitt's replacing five academic scientists with "representatives of industry" on a major agency board that reviews E.P.A. scientific research (*NYT* 5/8/17:A1).

Publicly Trump, McConnell, Andy Barr (as stated in the Town Meeting, Lexington, KY, 4/24/17) and other Republicans cite job creation as a rationale for opposing environmental regulations.

"When President Donald Trump signed an executive order last week to sweep away Obama-era climate change regulations, he said it would end America's 'war on coal,' usher in a new era of energy production and put miners back to work" (Valeri Volcovici, Nichola Groom and Scott DiSavino, *Reuters/Environment*, 4/5/17).

In fact, the Clean Power Plan is not scheduled to take effect until 2022 and will not be fully implemented until 2030; moreover, the Plan has been stayed by the Supreme Court pending ongoing litigation (U.S. Energy Information Administration website; EPA.gov/cleanpowerplan/fact-sheet). Thus the concrete effects of the CPP are largely in terms of energy companies' long-term planning, not anything that has happened yet.

Reuters surveyed 32 utilities in 26 states that sued the Obama administration to block the Clean Power Plan, but "the bulk of them have no plans to alter their multi-billion dollar, years-long shift away from coal, suggesting demand for the fuel will keep falling despite Trump's efforts." The reasons given by the companies surveyed were mainly economic: natural gas is cheaper and abundant, the price of solar-and wind-generated energy is falling, state's environmental laws remain in place, and Trump's roll back of environmental regulations might not survive legal challenges. "Utility planning typically takes place over much longer periods than presidential terms in office," Berkshire-Hathaway Inc-owned Pacificorp spokesman Tom Gauntt said (Valeri Volcovici, Nichola Groom and Scott DiSavino, *Reuters/Environment*, 4/5/17).

In a 2016 projection from the U.S. Energy Information Administration (EIA), the decline in coal and the rise of natural gas and nonhydro renewable energy sources will largely be due to market forces. "Environmental regulations affecting power plants have played a secondary role in driving coal's declining generation share over the past decade, although plant owners in some states have made investments to shift generation toward natural gas and nonhydro renewables at least partially for

environmental reasons" (EIA website). As an example, speaking on FOX Business Network's Mornings, Lynn Good, CEO of Duke Energy spoke of her company's increased investment in natural gas. She explained that natural gas is both economically advantageous, but she also expressed her company's concern with lowering carbon emissions. She proudly stated that Duke Energy had a 28% reduction in carbon emissions over the last decade.

Ms. Good is not alone among business leaders. Ben Fowke, CEO of Xcel Energy, which operates in eight states and currently uses coal for 36% of its electricity production stated: "I'm not going to build more coal plants in today's environment . . . and if I'm not going to build new ones, eventually there won't be any" (Valeri Volcovici, Nichola Groom and Scott DiSavino, *Reuters/Environment*, 4/5/17). The CEOs of other major corporations including BP, Dupont, Shell, Wallmart, Apple, Microsoft, Google, Unilever, Intell, National Grid, Novartis, PG&E, Schneider Electric, General Mills, Rio Tinto, and BHP Billiton have sent a letter to President Trump advocating continuing support by the United States for the Paris Accords. The letter to the president, dated April 26, 2017 states: "We believe that as other countries invest in advanced technologies and move forward with the Paris Agreement, the United States can best excersize global leadership and advance U.S. interests by remaining a full partner in this vital global effort" (Center for Climate and Energy Solutions, website: c2es.org). Some of these CEOs have pledged to reduce the carbon emissions of their corporations.

The EIA's March 2016 "Short Term Energy Outlook" expects that the combination of market forces and governmental policies will continue to stimulate the use of natural gas and nonhydro renewables for power generation. In the EIA's assessment, natural gas will provide 33% of electricity generation in 2016 while coal's share will fall to 32% (down from over 50% in 2000, and the first time natural gas exceeds coal). The share of nohydro renewables (wind and solar) increases to 8% in 2016, with hydropower's share at 6% (EIA website).

### Jobs in the Energy Sector

The Department of Energy, Bureau of Labor Statistics, estimated that, nationally, jobs in the energy sector in 2016 were 1.9 million as follows (*NYT* 4/26/17:B4):

 Oil:
 515,518

 Natural gas:
 398,235

 Solar:
 373,807

 Coal:
 160,119

 Bioenergy:
 130,677

 Wind:
 101,738

 Nuclear
 76,711

 Hydroelectric:
 65,554

As of October 1, 2016, only 6,254 Kentuckians were still employed in the coal industry (3,653 in Eastern Kentucky, 2,601 in Western Kentucky), less than half from 2011 (*Lexington Herald Leader* 11/11/16, story by Daniel Desrochers).

Based on experts interviewed, Desrochers reports that most of the inexpensive-to-reach coal in Eastern Kentucky has already been mined, and that "We are not going to recover the coal jobs we've seen in the state lost in the last decade" (*Lexington Herald Leader* 11/11/16).

Speaking at the University of Louisville in November 2016, Mitch McConnell is quoted as saying: "We are going to be presenting a variety of options that could end this assault [on coal]. Whether that

immediately brings business back is hard to tell because it's a private sector activity."

McConnell went on to say "A government spending program is not likely to solve the fundamental problem of growth. I support the effort to help these coal counties wherever we can, but that isn't going to replace whatever was there when we had a vibrant coal industry" (*Lexington Herald Leader* 11/11/16, story by Daniel Desrochers).

## Questions for Mr. McConnell, and Members of Congress

Given (1) the economic reality and McConnell's own recognition of coal's decline, (2) the relatively few Kentuckians, and Americans generally, employed in the coal industry currently, and (3) the dramatic rise of jobs in renewables (solar industry jobs are #3), would it not be prudent to look forward rather than backwards and create stimulus packages for renewable energy companies, say producing solar panels and equipment, in the coal regions of our state? Why couldn't the right "government spending program" solve the fundamental problems of jobs and economic growth?

Given your faith in the free market and business leaders, and your concern with the health and future of the American people, is it not time for you, Mr. McConnell as a leader in Congress, and your colleagues to take a leadership and partnership role in supporting innovative energy CEOs with regulations that: (1) level the economic playing field in relation to carbon emission reduction and air and water pollution more generally; (2) create a more predictable environment for energy and auto business planning; and (3) put long-term health priorities over short-term economic priorities which will benefit everyone economically in the long run?

#### Sources

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