

BLACK IS THE NEW GREEN

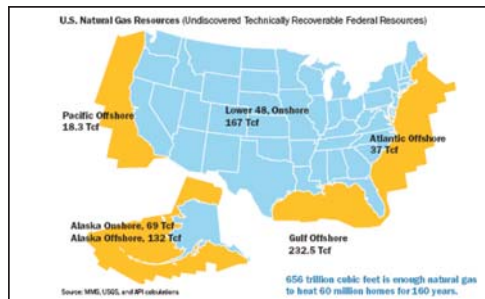
COAL INDUSTRY (FINALLY) WAKES UP!

If you watch CNN Headline news or any of the other variations on the theme, you will have noticed some competing energy themes. The GE ads are actually quite good. They have helped position the former Enron Wind as an important and viable renewable energy contributor to the energy mix. I even like their locomotive ads, but then I have always liked big engines.

Then, there is the recent oil & gas industry effort, dressed up as "The Truth about Oil & Gas" by an industry surrogate operating under the banner "Energy Tomorrow." When you lift the veil, the sponsor of this effort is the American Petroleum Institute (API).

API is attempting to blunt the criticism of the industry's recent record profitability through the use of various financial metrics that no one has time to understand, and then claim that they will invest much of their gain on increased capital spending.

There not a single mention of CO₂.

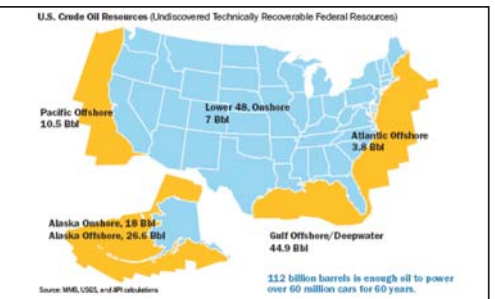


old days, we used to have "clean burning natural gas." Now it is just "clean natural gas" . . . the immaculate conversion, if you will.

The industry is now sponsoring its own communication platform offering among other things, "The Truth about Coal" under their surrogate "America's Power," now part of "America's Coalition for Clean Coal Electricity" organization.

The good news is that the U.S. Coal Industry now appears to be fully engaged in the debate. Boyce did not comment on the recent spate of plant permitting delays and postponements, but did offer on a number of occasions and in the strongest of terms, his support for Carbon Capture & Sequestration efforts, both on the technology developments as well as the needed permitting and regulatory framework.

This is an important commitment, and further backed the National Mining Associations support of the "Carbon Capture & Storage



The oil and gas industry claims that the U.S. has 'plenty' of domestic reserves, but the figures are deceptive

Where is the truth serum when you need it!

The report concludes that there is enough U.S. crude oil to power over 60 million cars for 60 years. The only problem is that we have 247,421,120 cars on the road, according to a 2005 DOT study. That would be less than 15 years by my calculation. I might have been born in the night, but it was not last night!

Their truth about oil & gas is that we have plenty of it. All we have to do is drill on all the coasts. Why does that song "Don't worry. . . be happy" come to mind?

Then there is the Coal Industry.

I was wandering through the airport the other day and happened to catch an interview with Peabody Energy Chairman & CEO Gregory H. Boyce. The interview was the typical stock analyst overview of the industry and that fact that their collective share prices had experienced a 50% growth in the last six months.

Boyce offered that the industry had experienced substantial sales growth driven by export demand along with continued and steady domestic growth. The numbers he cited ranged from hard coking metallurgical coal at a three-fold increase down to Powder River Basin coal at just over two-fold.

I have to believe that the coal industry has now realized that they are being "swift-boated" by "clean natural gas" interests. In the



The coal industry has entered the debate over the use of fuels

(CC&S) Early Deployment Fund," an attempt to provide \$1 billion per year in support of CCS.

In the big picture, the strength and influence of the coal industry will help level the playing field on the energy debate, and the arrival on the scene is not a moment too soon.

It's still the fuel, stupid! **T**

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