EIA's Coal Outlook Through 2030

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September 17, 2008
Washington, DC

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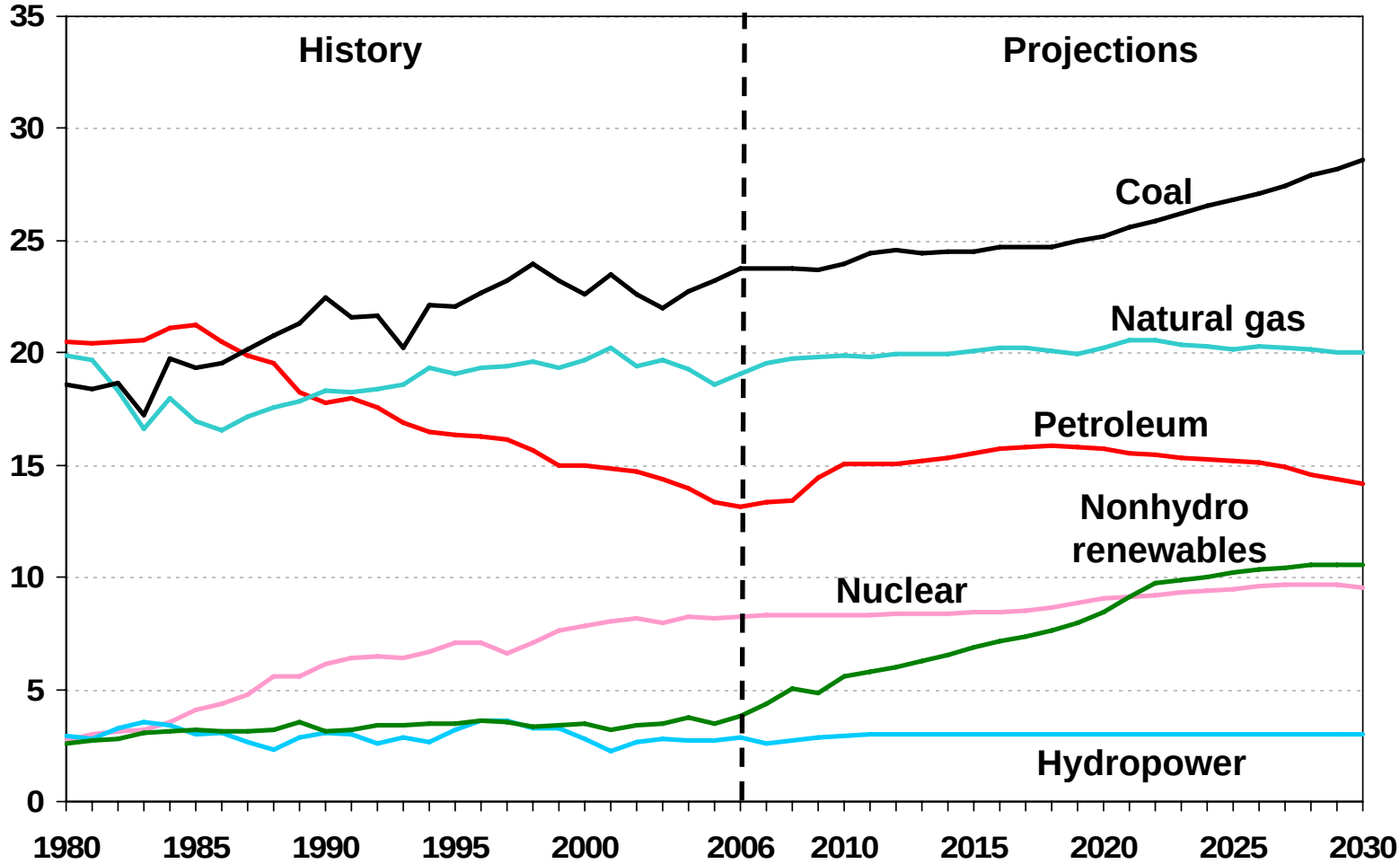
- Independent statistical agency within the Department of Energy
  - www.eia.doe.gov
- Produce monthly short-term and annual long-term forecasts of U.S. and world energy markets
- Short Term Energy Outlook
  - http://www.eia.doe.gov/emeu/steo/pub/contents.html
- Annual Energy Outlook, 2008
  - http://www.eia.doe.gov/oiaf/aeo/index.html
- International Energy Outlook, 2008
  - http://www.eia.doe.gov/oiaf/ieo/index.html
- Produce special analyses of emerging issues and the impacts of regulatory/legislative changes
  - http://www.eia.doe.gov/oiaf/service_rpts.htm
  - http://www.eia.doe.gov/oiaf/analysis.htm
- EIA's analyses and projections should not be seen as advocating or reflecting any position of the Department of Energy, the Administration, or any other organization.

Topics

- AEO2008 Overview
- Coal distribution and transportation prices

AEO2008 Overview

Energy Production by Fuel, 1980-2030
(quadrillion Btu)



Source: Annual Energy Outlook 2008, Reference Case (June 2008)

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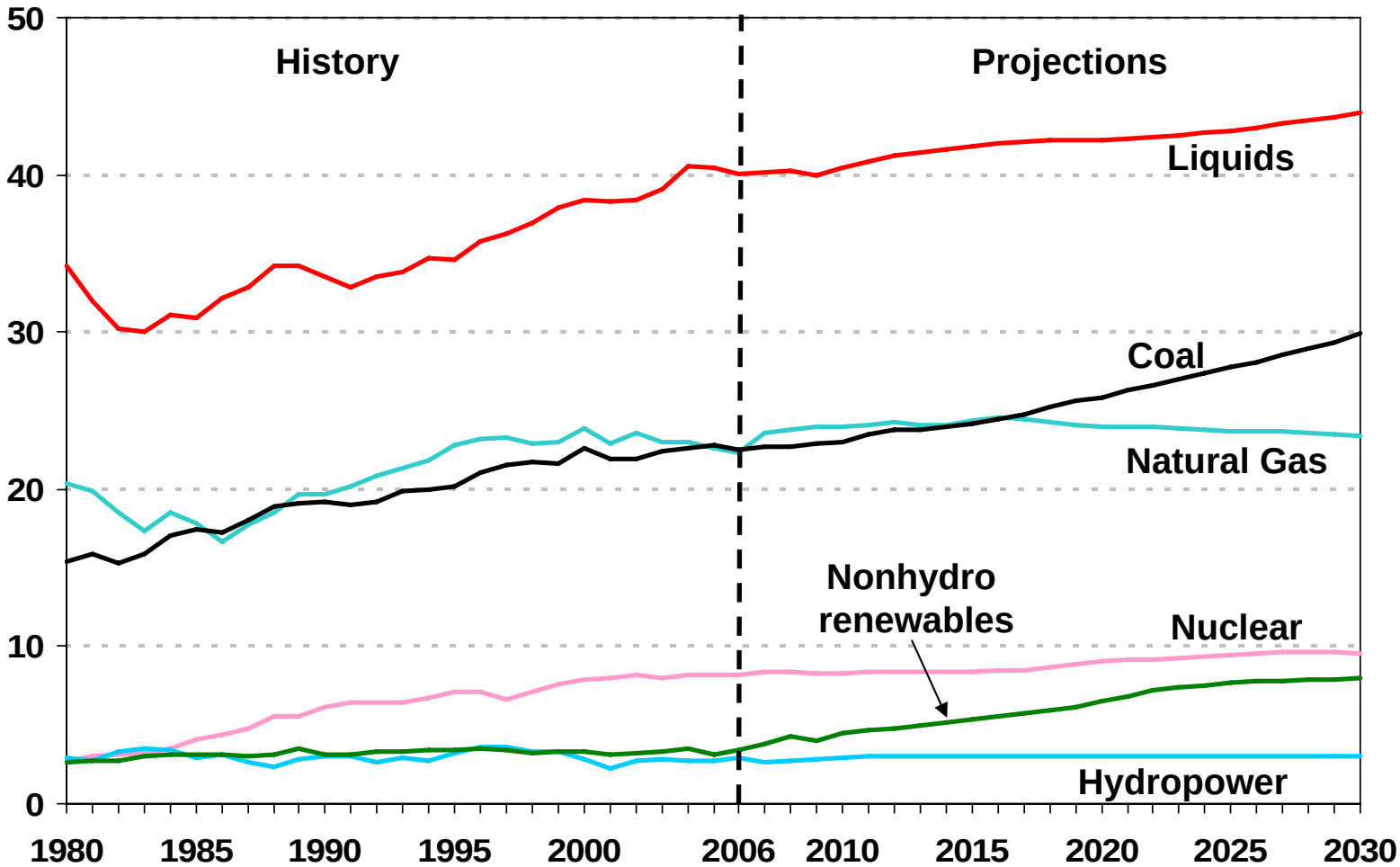
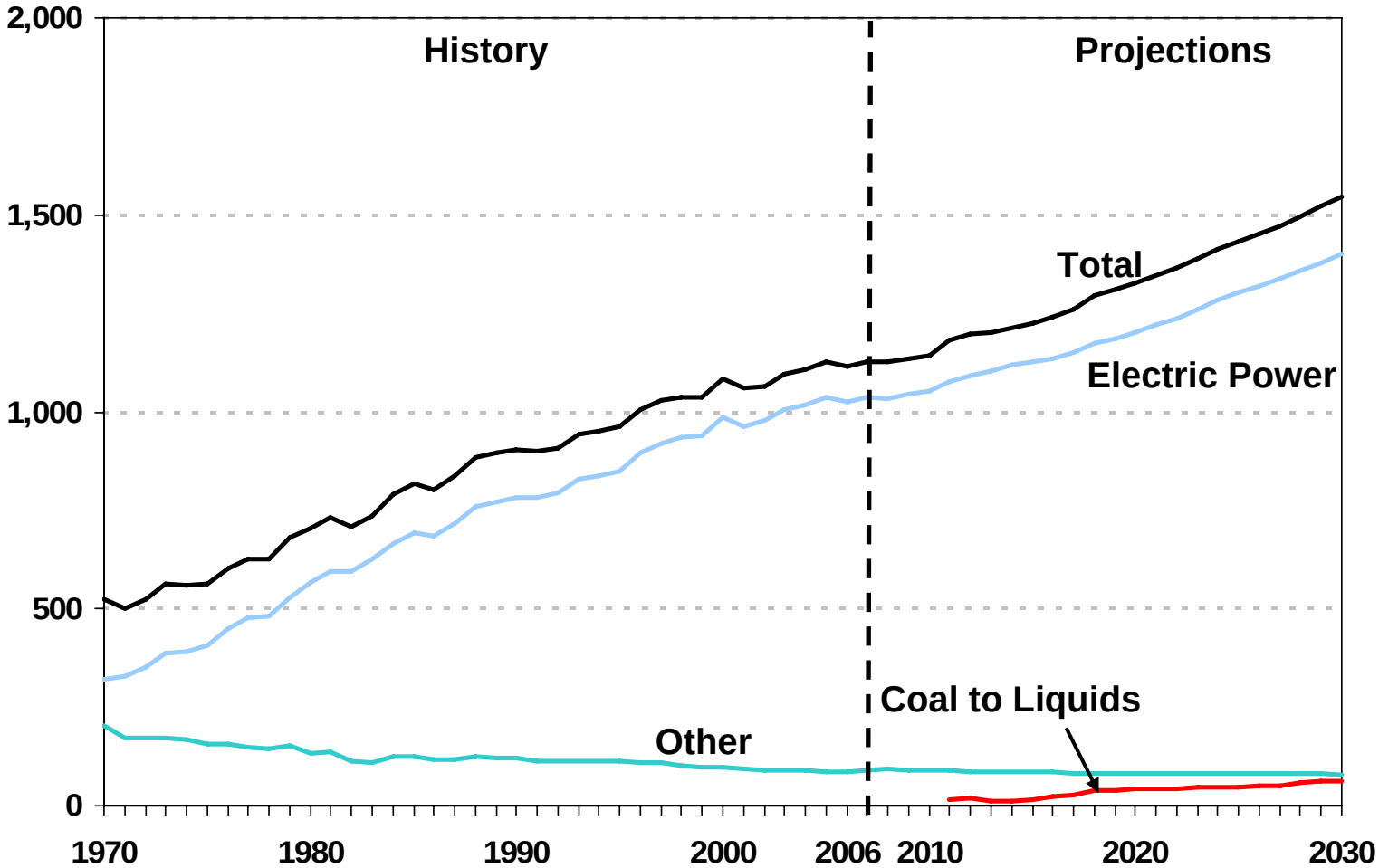
Energy Consumption by Fuel, 1980-2030
(quadrillion Btu)



Source: Annual Energy Outlook 2008, Reference Case (June 2008)

Coal Consumption by Sector, 1970-2030
(million short tons)



Source: Annual Energy Outlook 2008, Reference Case (June 2008)

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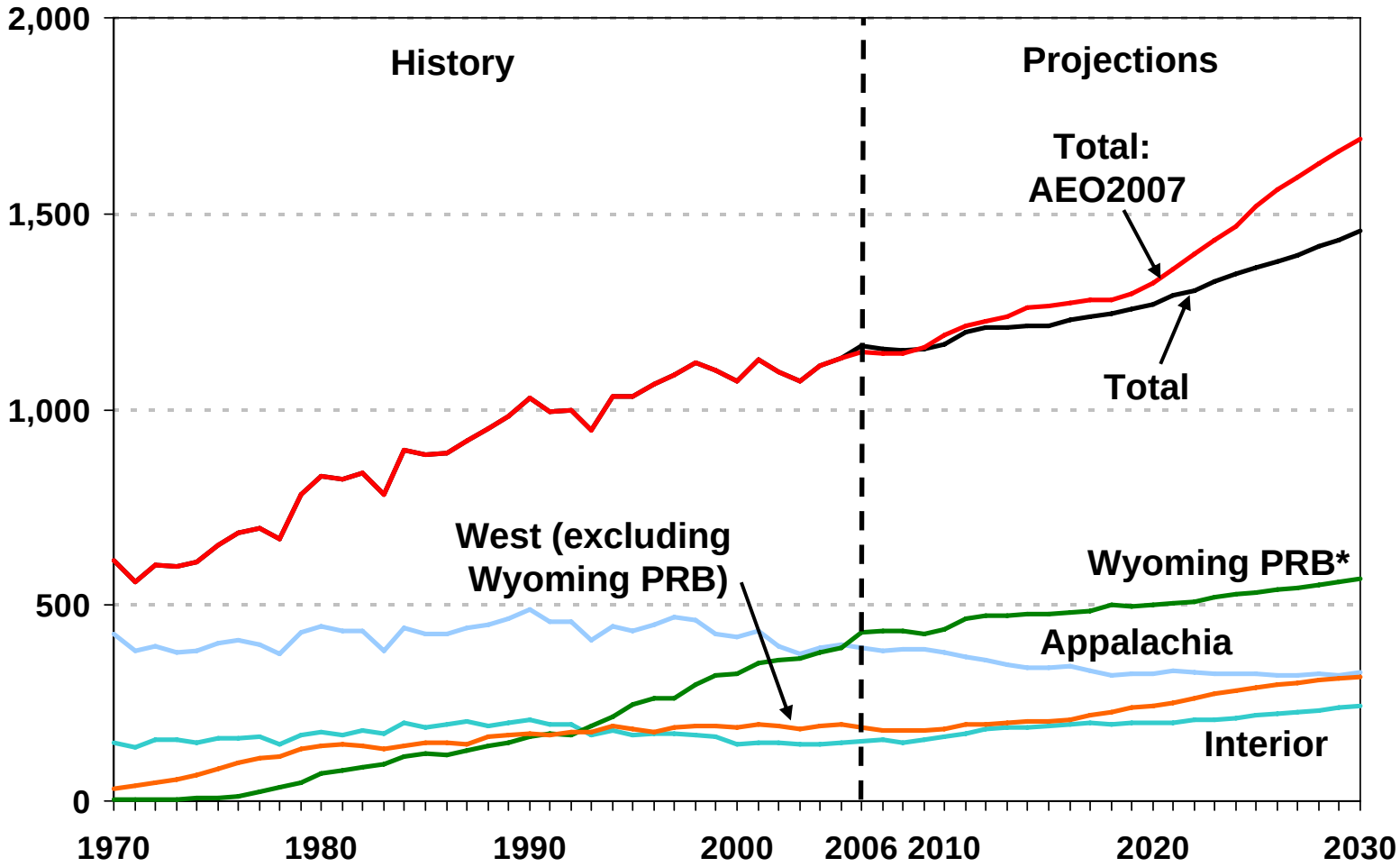
AEO2008 Reference Case
Top 4 Growth Demand Regions, Growth in Select Years Compared to 2006 (million short tons)

	2015	2030
Mountain AZ,NM,CO,UT,NV,MT, WY,ID	+12	+88
West South Central TX,LA,OK,AR	+14	+66
West North Central MN,IA,ND,SD,NE,MO,KS	+5	+53
East South Central AL,MS,KY,TN	+12	+45

AEO2008: Coal Production by Region, 1970-2030 (million short tons)



* Wyoming PRB data for 1970 through 1976 are based on data reported by the U.S. Bureau of Mines and the U.S. Mine Safety and Health Administration.

Source: Annual Energy Outlook 2008, Reference Case (June 2008); and Annual Energy Outlook 2007 (February 2007)

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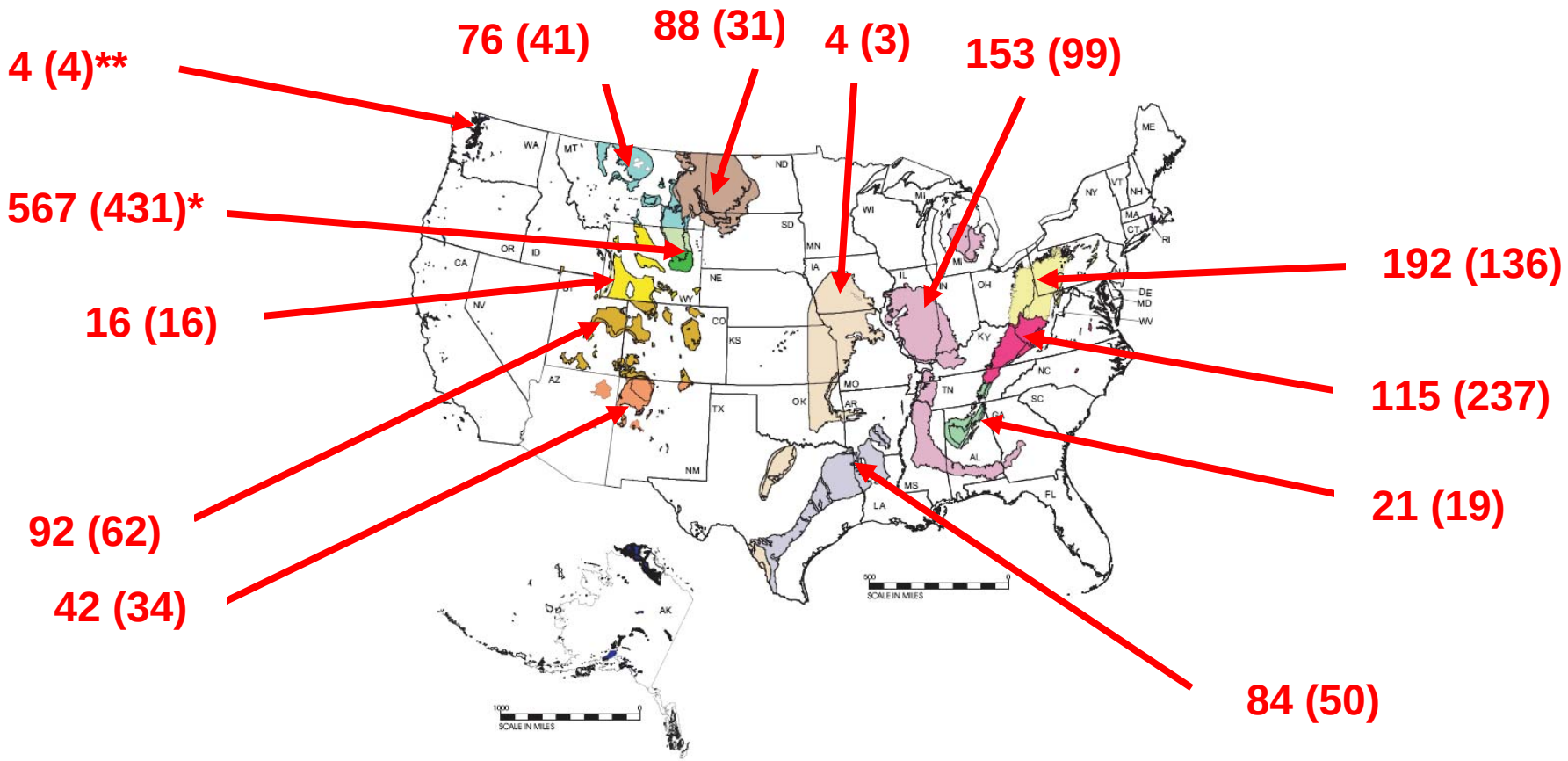
Coal Production, 2030 (and 2006)

(million short tons)



U.S. Total:
1,455 (1,163) million short tons

Source: Energy Information Administration, Office of Integrated Analysis and Forecasting

*** Includes production from all mines in Wyoming's Powder River Basin.**
**** Includes production from mines in both Alaska and Washington.**
Source: Annual Energy Outlook 2008, Reference Case (June 2008)

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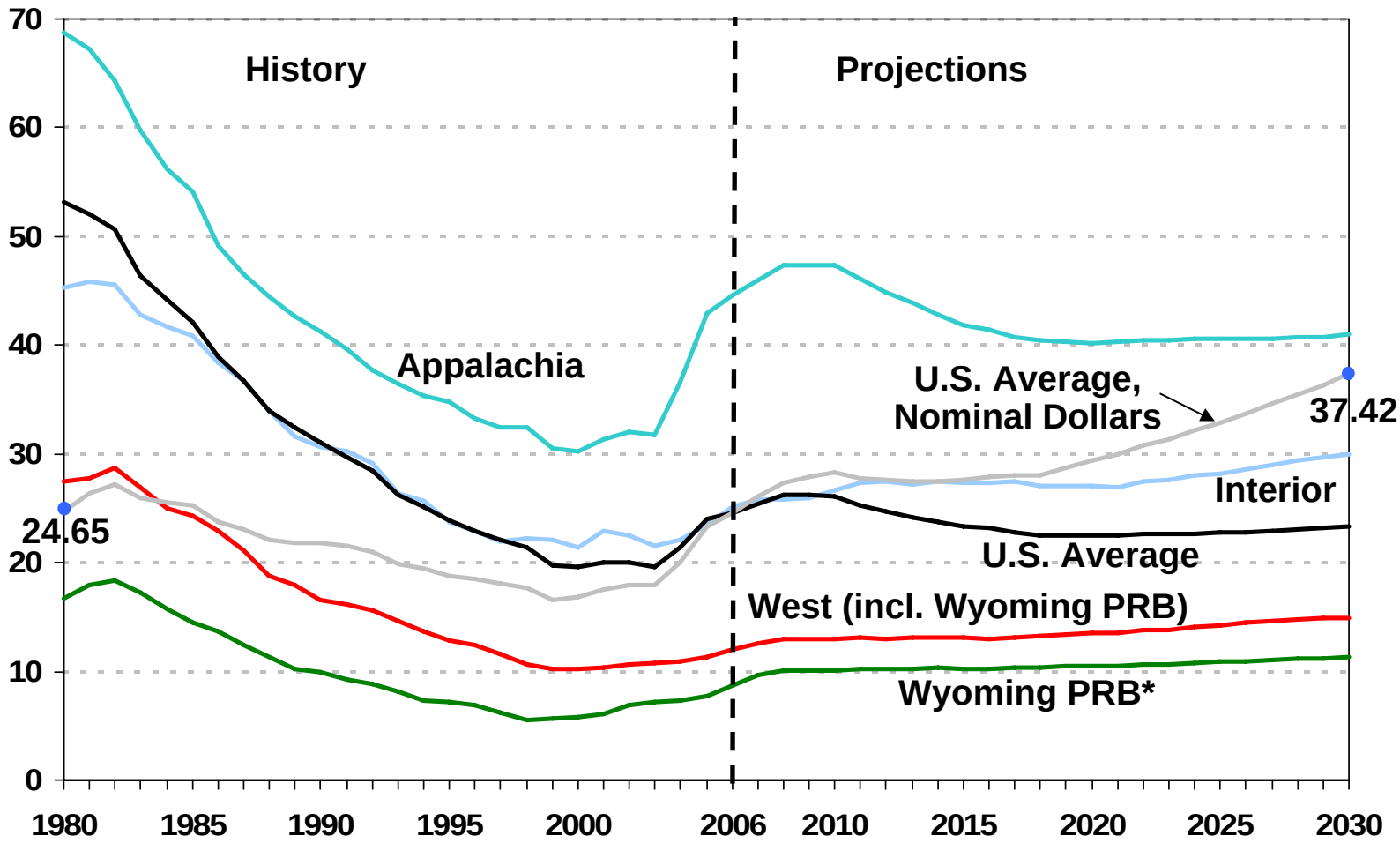
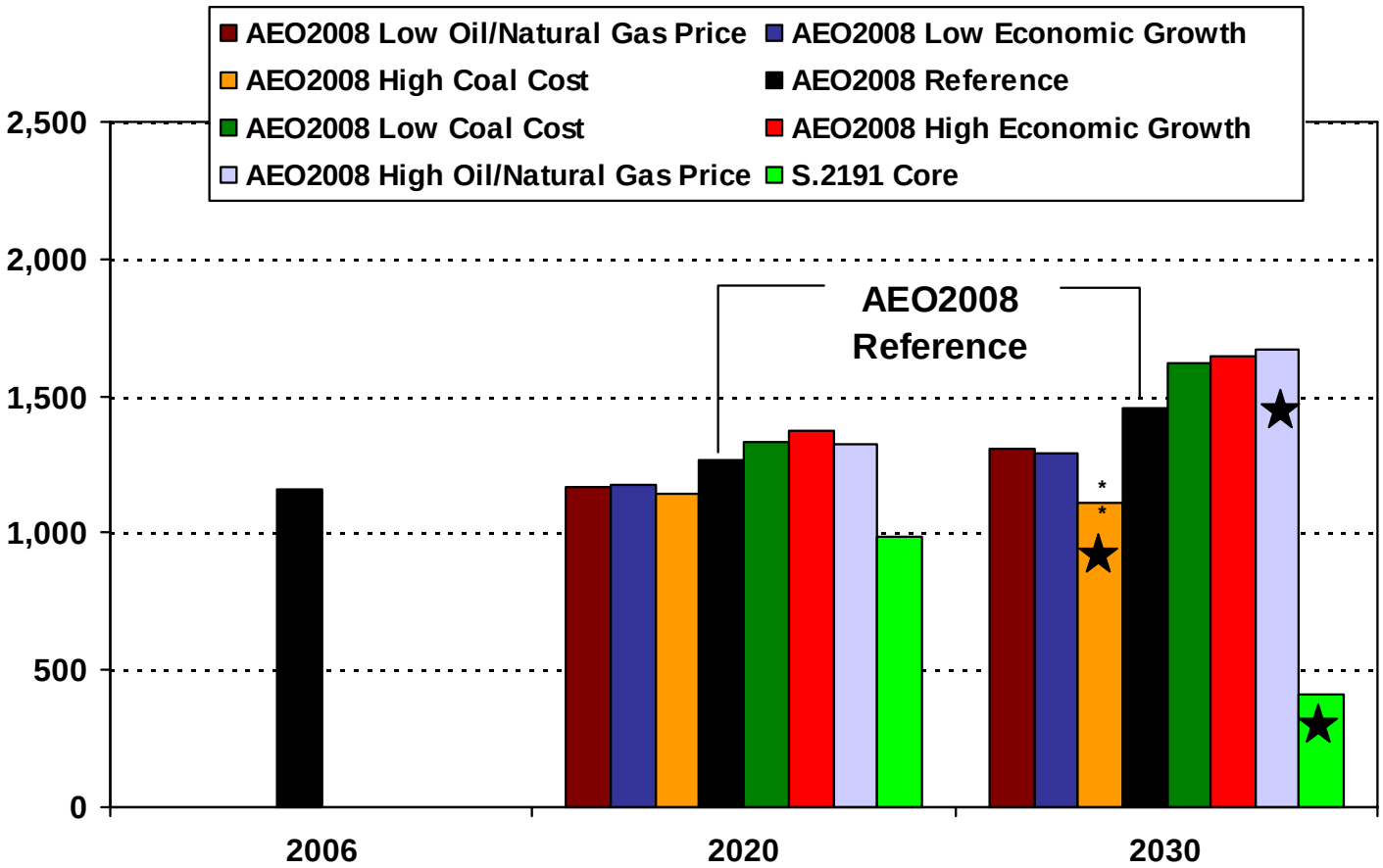
Average Minemouth Price of Coal by Region, 1980-2030
(2006 dollars per short ton)



* Wyoming PRB price data for 1980 through 2006 represent shipments from mines in Campbell county Wyoming.

Source: Annual Energy Outlook 2008, Reference Case (June 2008)

U.S. Coal Production, 2006, 2020 and 2030 (million short tons)



Source: Annual Energy Outlook 2008 (June 2008); and Energy Market and Economic Impacts of S.2191, the Lieberman-Warner Climate Security Act of 2007 (April 2008).

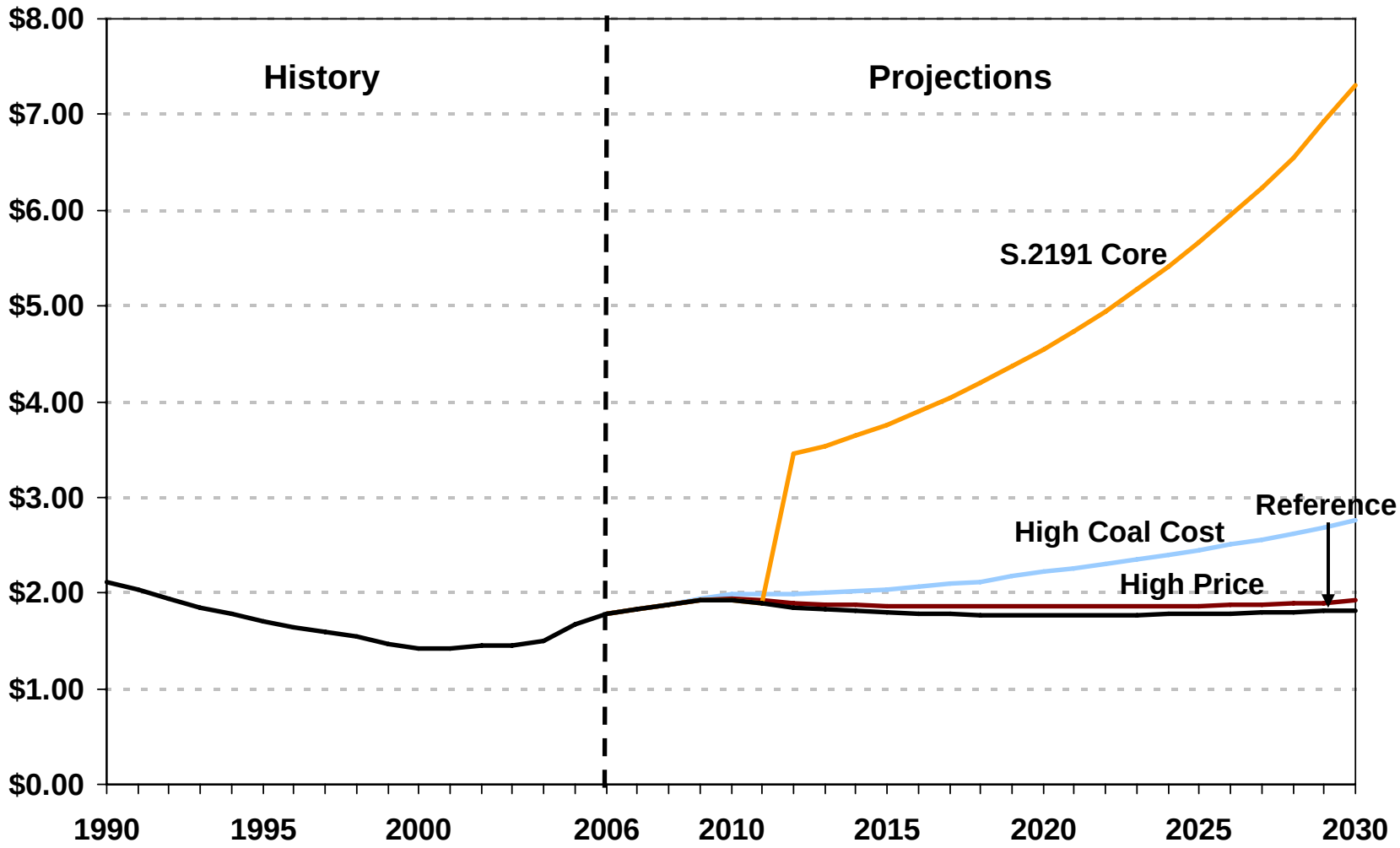
Key Differences between Alternative Cases

	GDP Growth (avg. annual change from 2006)	**World Oil Price, 2030** (2006 dollars per barrel)	**Wellhead natural gas price, 2030** (2006 dollars per Mcf)	**Eastern Coal Rail Rates*, 2030** (percent change from 2006)	**Western Coal Rail Rates*, 2030** (percent change from 2006)	**Mining Productivity** (avg. annual change from 2006)	**Green-house Gas Cap**
Reference	2.4%	$70	$6.63	1%	2%	0.6%	
High Oil/Gas Price		$119	$7.77				
Coal High Cost				8%	8%	-3%	
S. 2191 Lieberman-Warner							39% below 2006 levels in 2030

All cases include representation of the Clean Air Interstate Rule and Clean Air Mercury Rule.

***Constant dollars.**

Average Delivered Coal Prices, 1990-2030
(2006 dollars per million Btu)



Source: Annual Energy Outlook 2008 (June 2008); and
Energy Market and Economic Impacts of S.2191, the Lieberman-Warner Climate Security Act of 2007 (April 2008).

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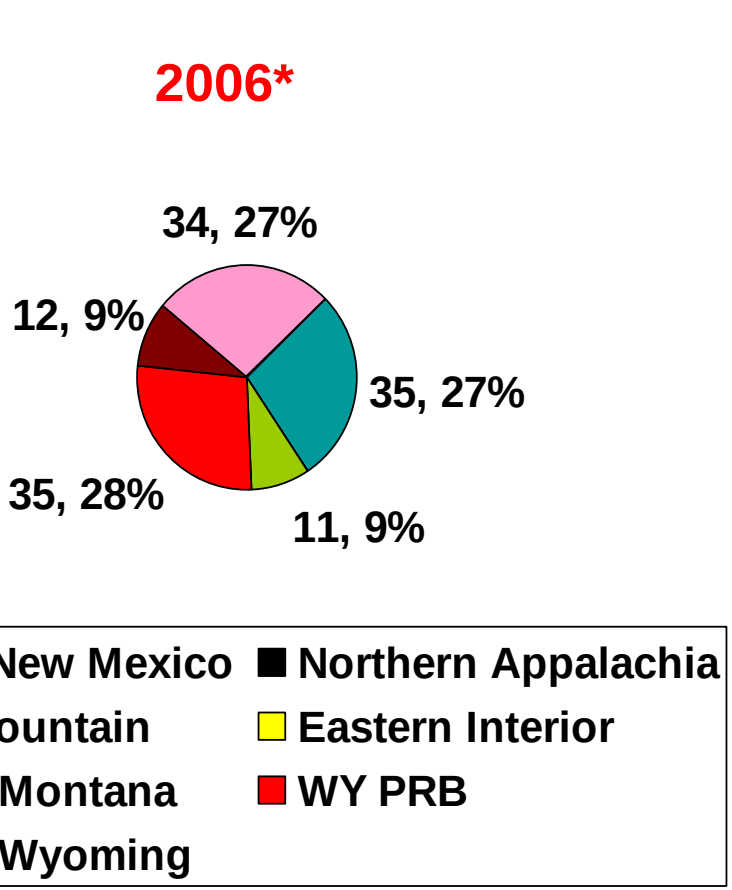
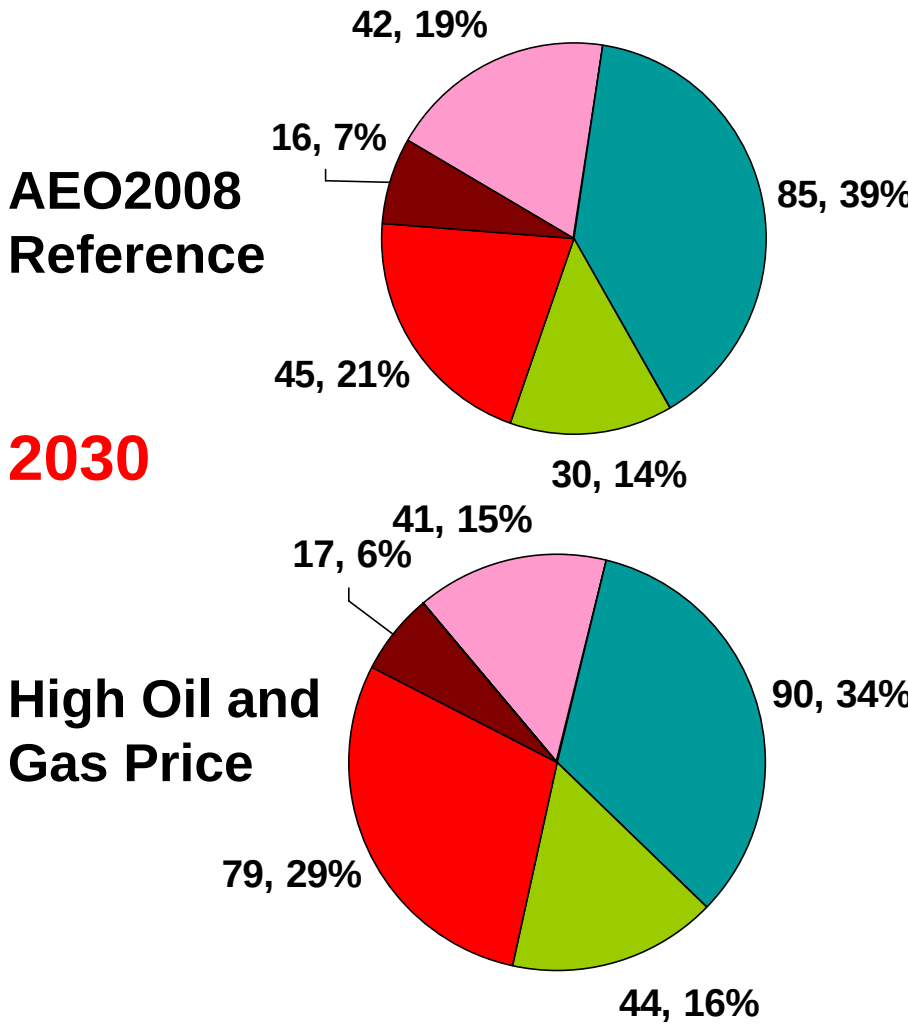
Coal Distribution and Transportation Prices

General Assumptions

- Base transportation rates are derived from the difference between delivered prices and minemouth prices
- Transportation rates are modeled for origin region to destination region pairs
- Base year transportation rates are modified over time with an econometrically derived escalator (in 2030, 1% higher for East and 2% higher for West compared to 2006)
- Representation of fuel surcharge program
- The model satisfies coal demand by choosing the least cost solution

Distribution of coal to the Mountain Census Division, 2006* and 2030 (million short tons, percentage)





*Volumes with unknown destinations or origins are excluded. Source: EIA-6 "Coal Distribution Data". For 2006, 12 million tons is estimated to be sourced from Western Wyoming. Waste coal is excluded.

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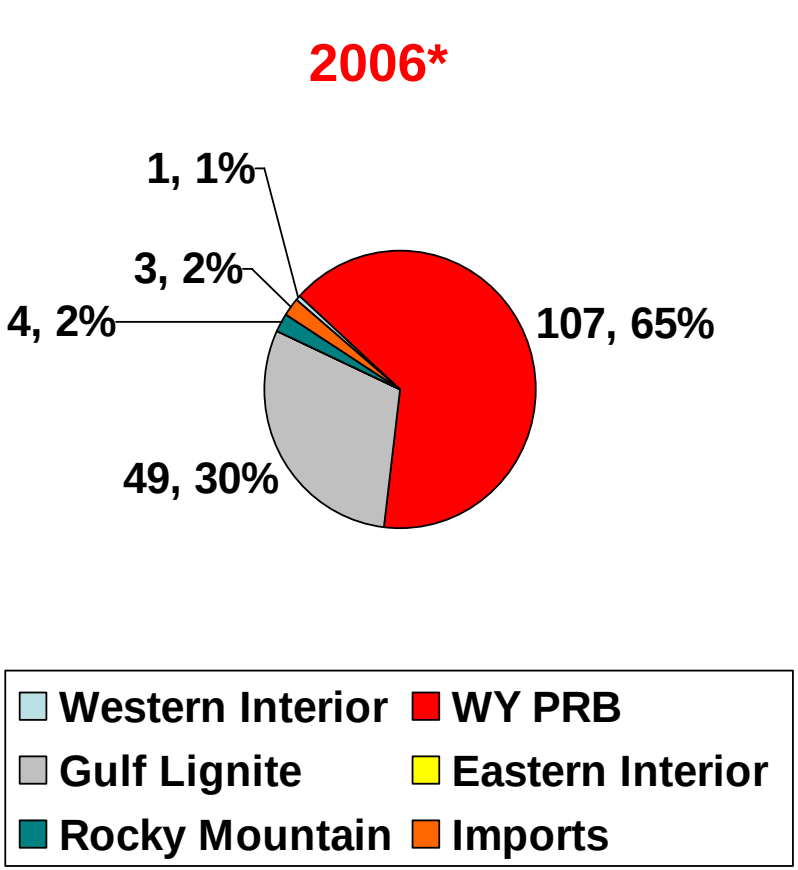
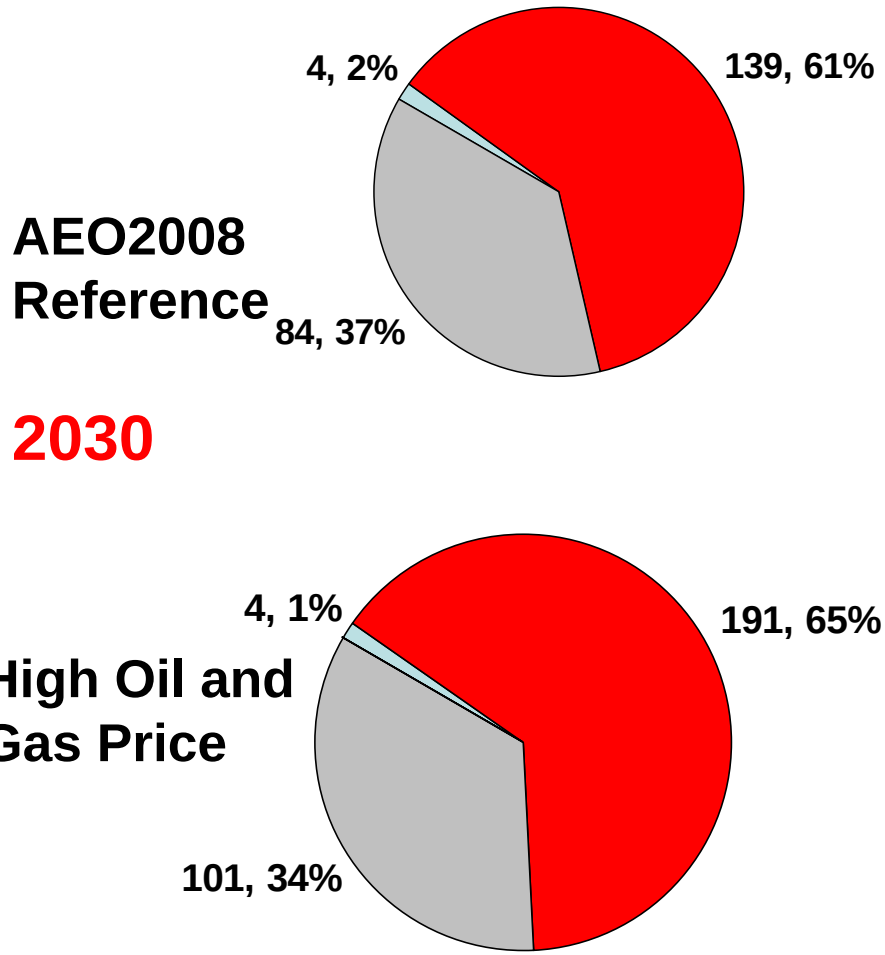
Distribution of coal to the West South Central Census Division, 2006* and 2030 (million short tons, percentage)





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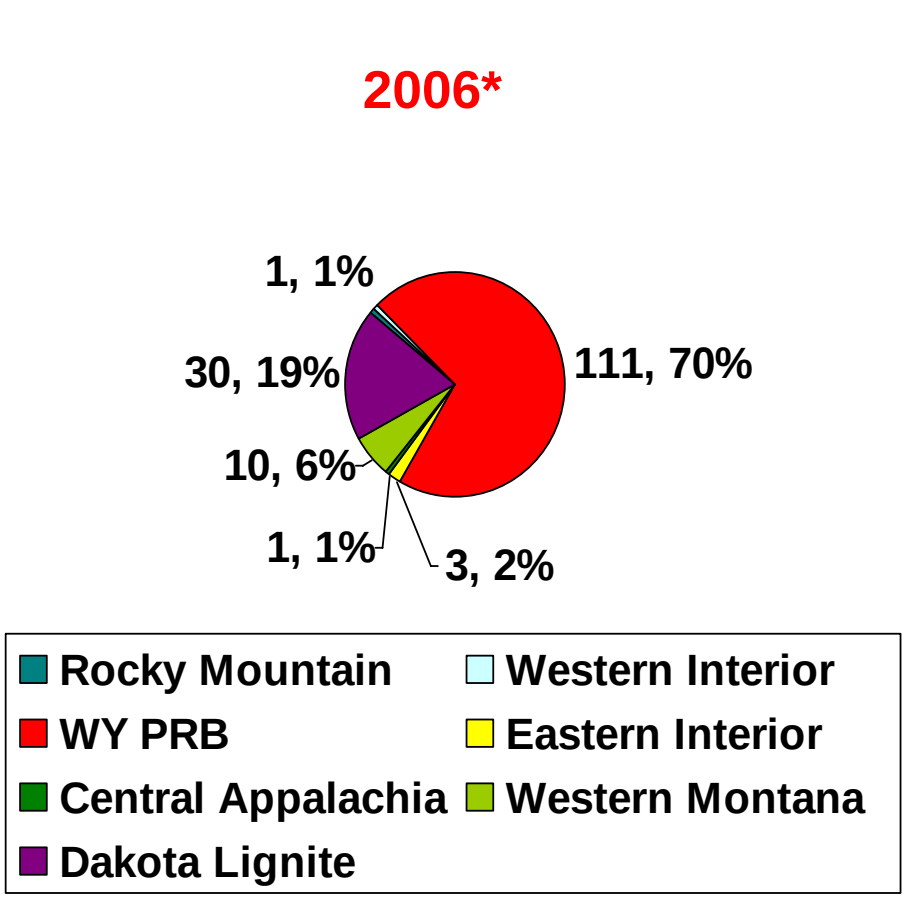
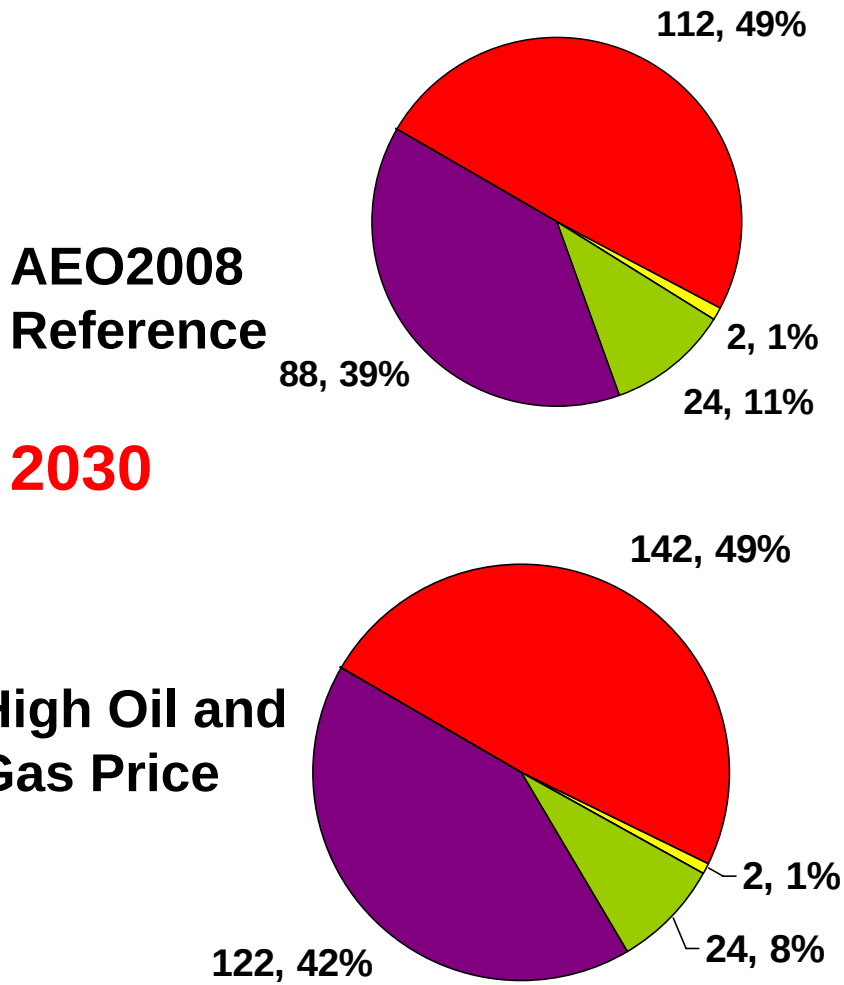
Distribution of coal to the West North Central Census Division, 2006* and 2030 (million short tons, percentage)

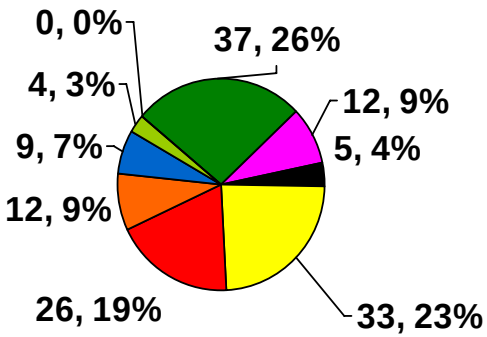




*Volumes with unknown destinations or origins are excluded. Source: EIA-6 "Coal Distribution Data". Waste coal is excluded.

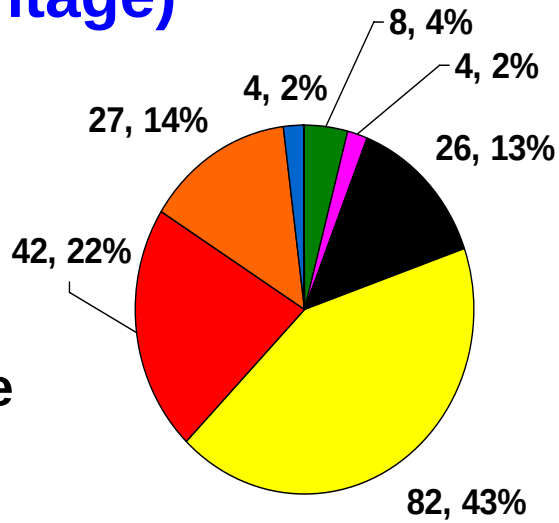
Distribution of coal to the East South Central Census Division, 2006* and 2030 (million short tons, percentage)

2006*

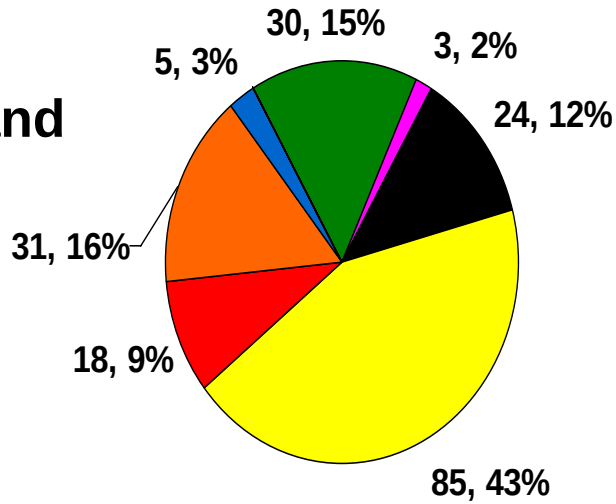


AEO2008 Reference

2030



High Oil and Gas Price



- Central Appalachia
- Southern Appalachia
- Northern Appalachia
- Eastern Interior
- WY PRB
- Imports
- Rocky Mountain
- Western Montana
- Western Interior

*Volumes with unknown destinations or origins are excluded. Source: EIA-6 "Coal Distribution Data". Waste coal is excluded.

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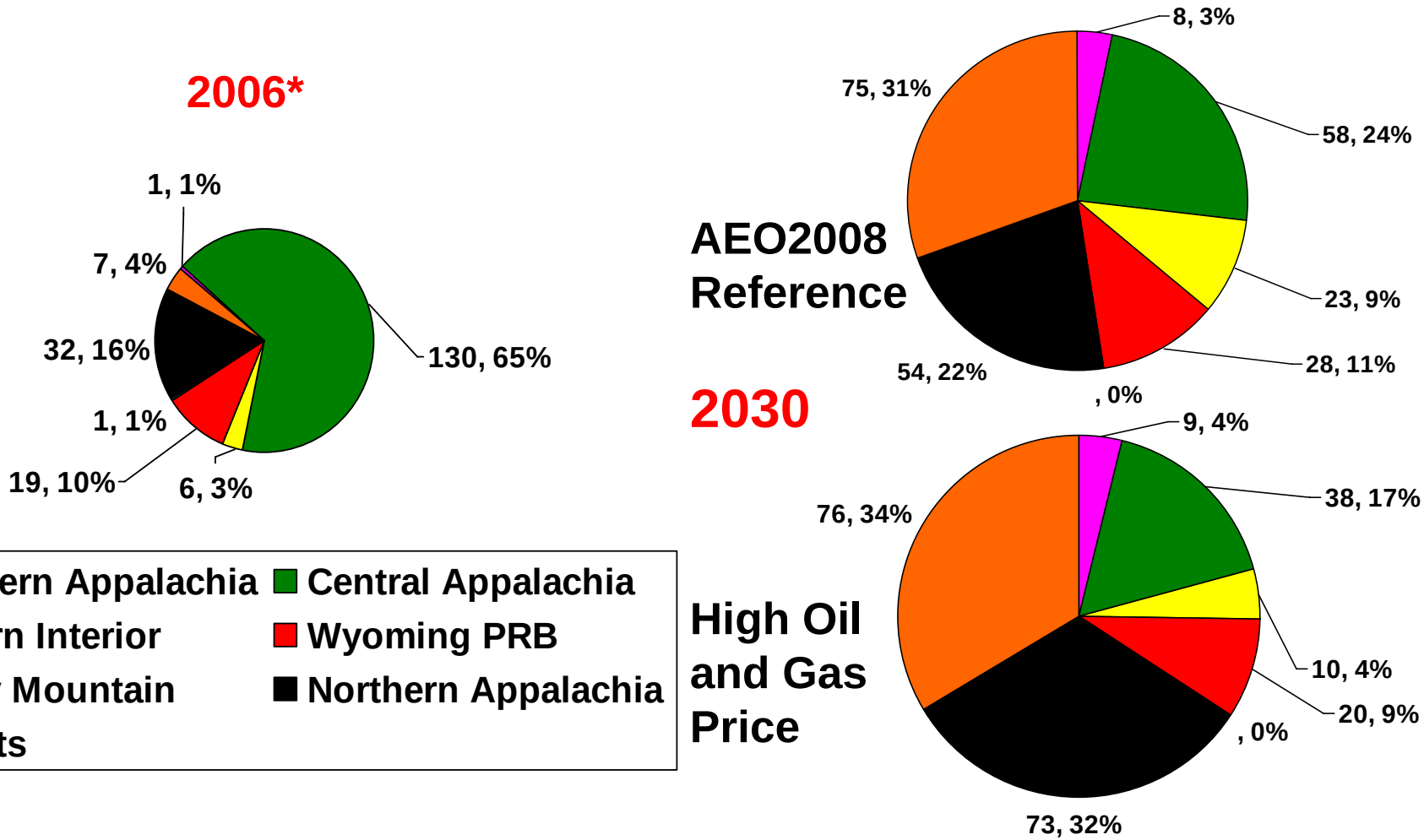
Distribution of coal to the South Atlantic Census Division, 2006* and 2030 (million short tons, percentage)



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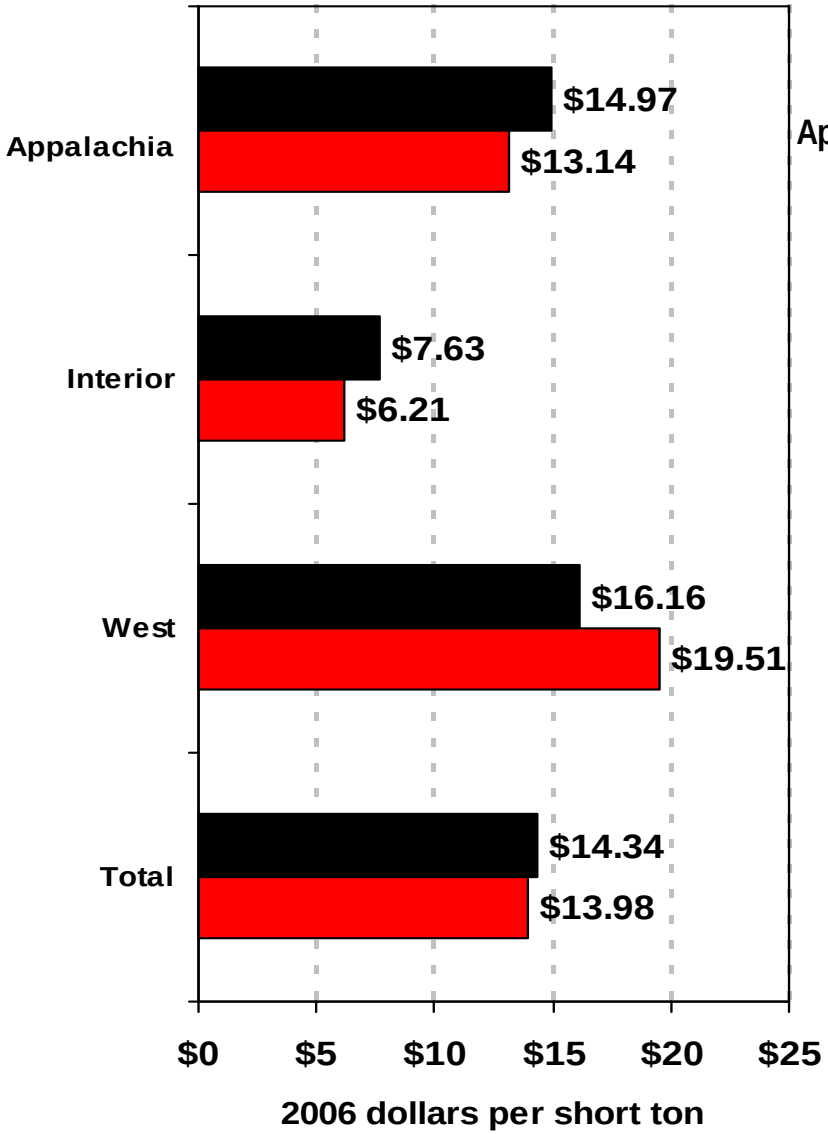
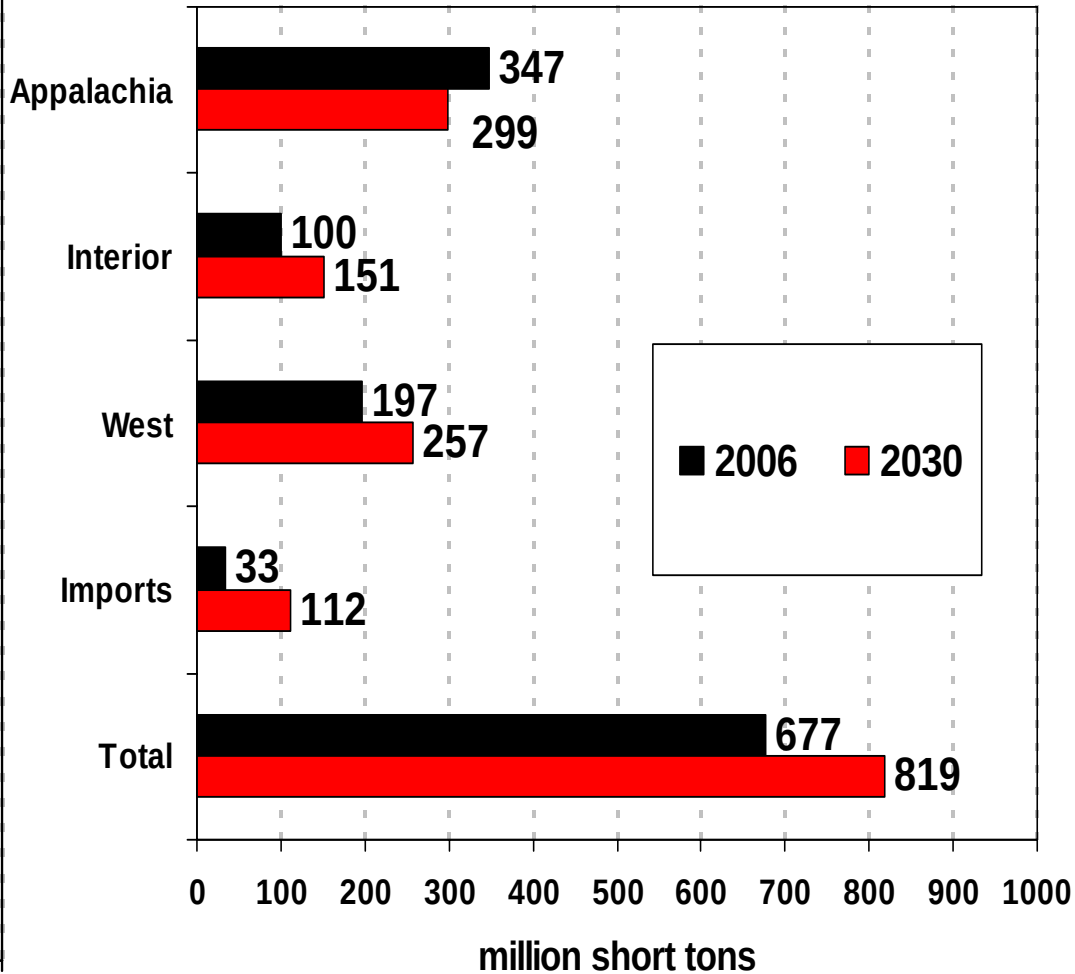
Demand located East of the Mississippi

Transportation Rates and Volumes by Supply Region





*Rates exclude exports. National Energy Modeling System run: AEO2008.d030208f.

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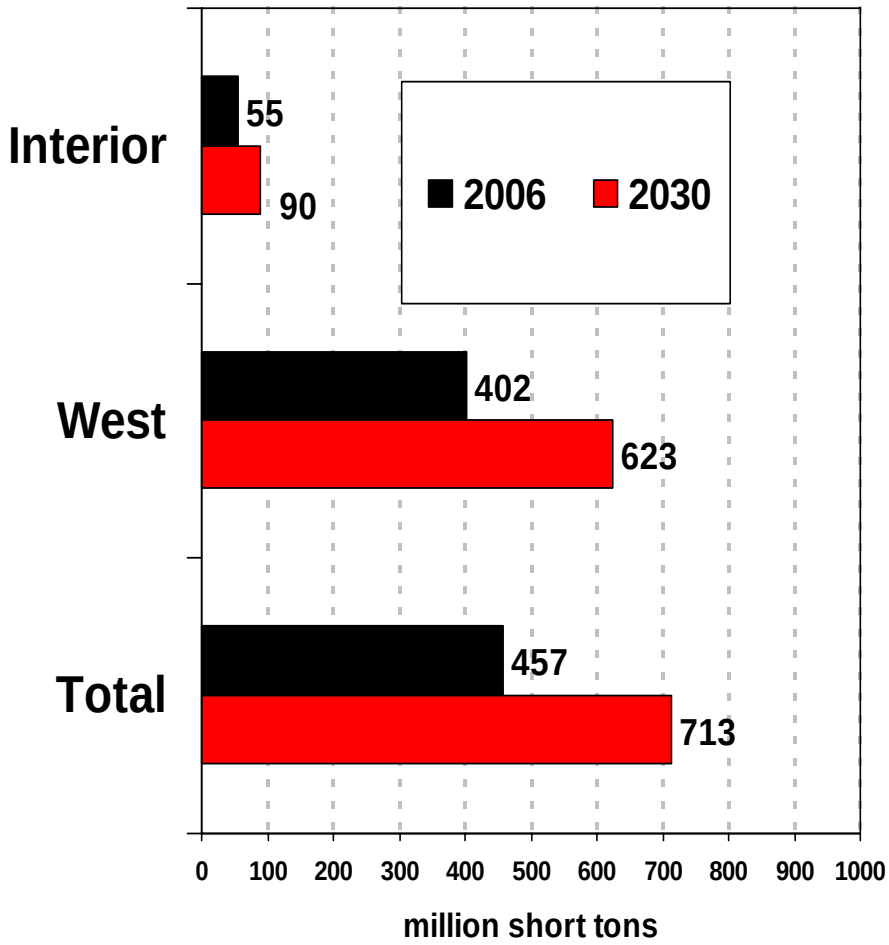
Demand located West of the Mississippi

Transportation Rates and Volumes by Supply Region



*Rates exclude exports. National Energy Modeling System run: AEO2008.d030208f.

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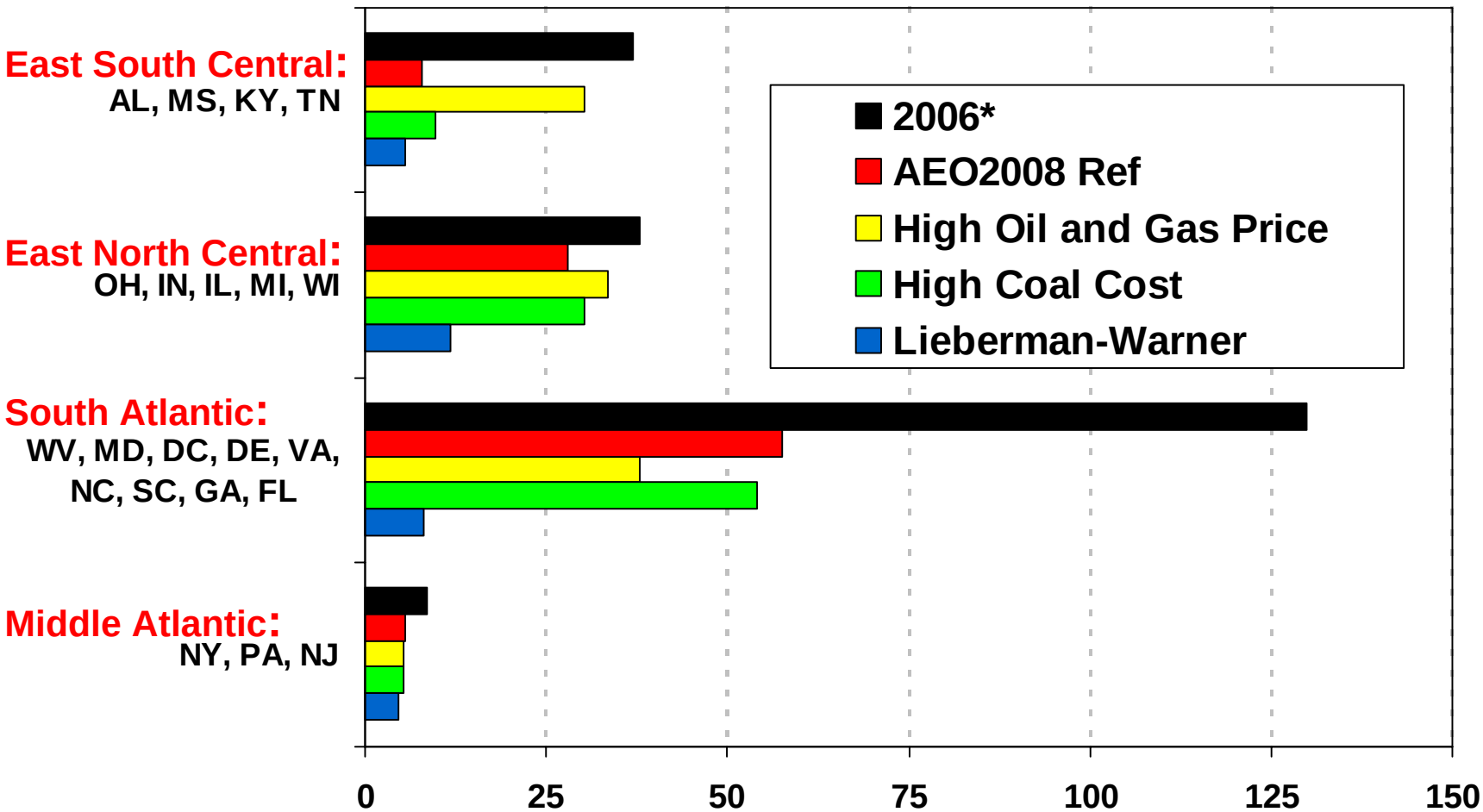
Distribution of coal from Central Appalachia, 2006 and 2030 (million short tons)



*Volumes with unknown origin, or unknown destination are not shown. Source: EIA-6 "Coal Distribution Data". Projected volumes of less than 1 million tons are not included.

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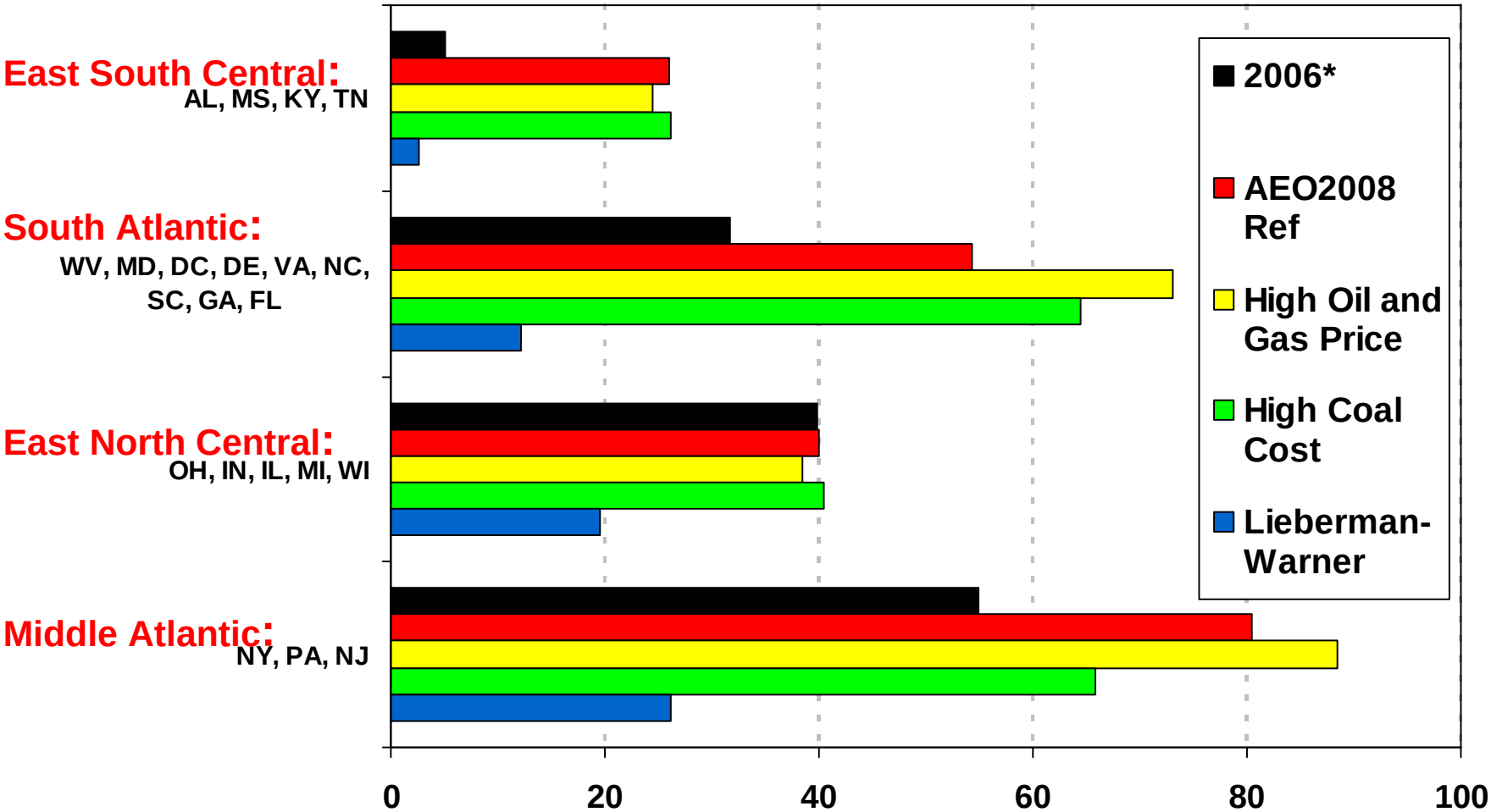
Distribution of coal from Northern Appalachia, 2006* and 2030
(million short tons)



*Volumes with unknown origin, or unknown destination are not shown. Source: EIA-6 "Coal Distribution Data". Projected volumes of less than 1 million tons are not included.

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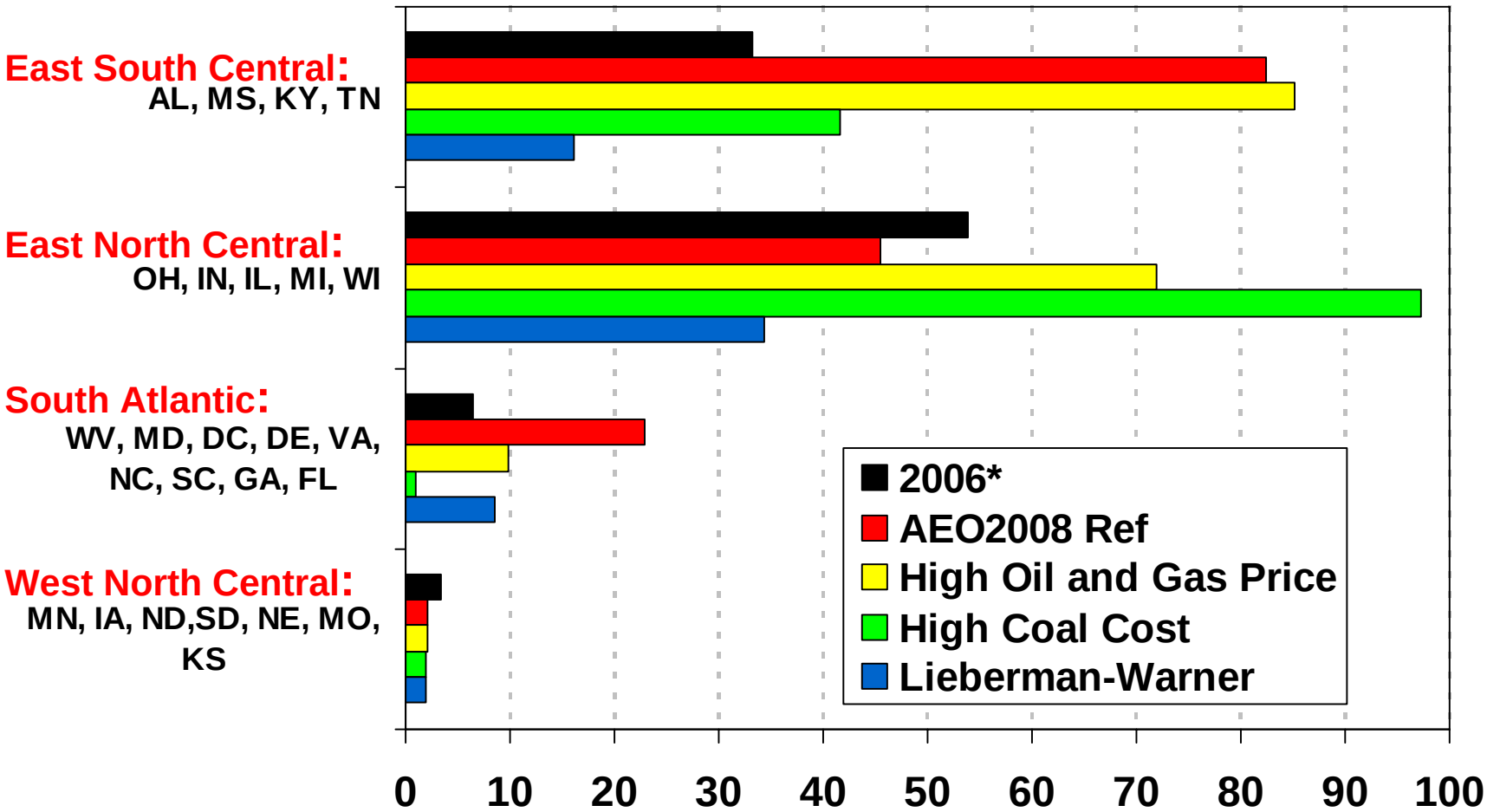
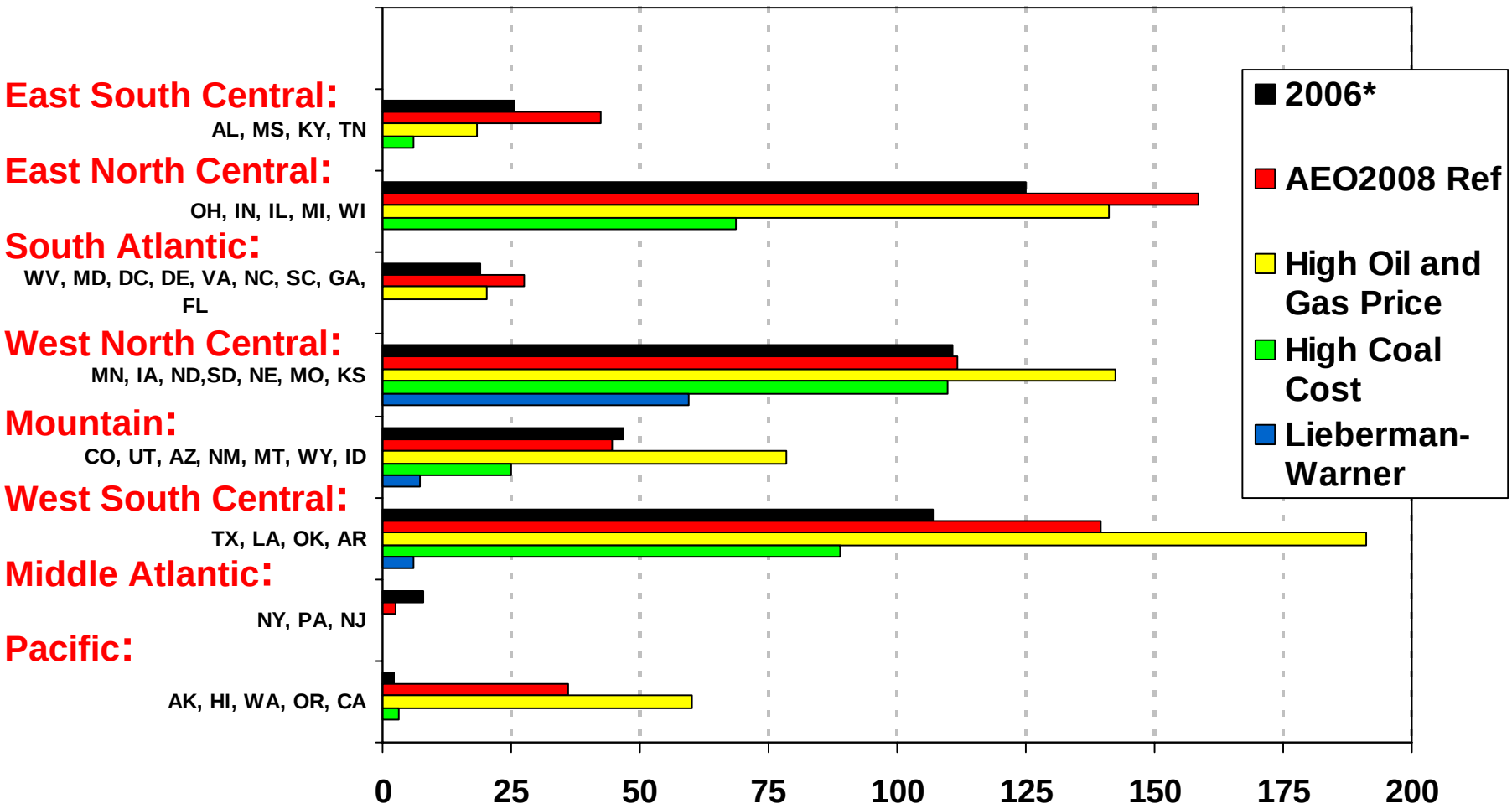
Distribution of coal from Eastern Interior, 2006* and 2030 (million short tons)



•Volumes with unknown origin or unknown destination are not shown. Source: EIA-6 "Coal Distribution Data". Projected volumes of less than 1 million tons are not included.

Distribution of coal from WY PRB, 2006* and 2030 (million short tons)



*Volumes with unknown origin, or unknown destination are not shown. Source: EIA-6 "Coal Distribution Data". Projected volumes of less than 1 million tons are not included.

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Contact Information

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