

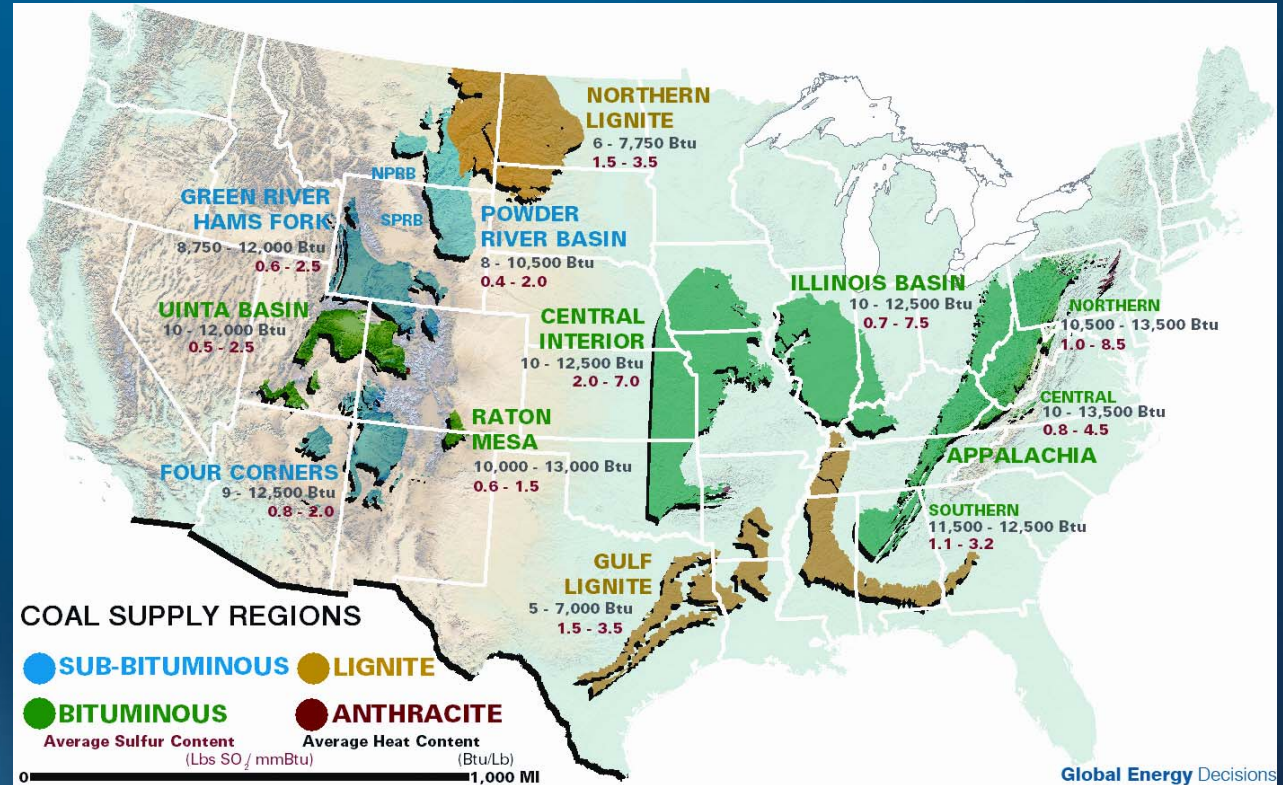
# NATIONAL COAL COUNCIL REPORT ON COAL AND BTU CONVERSION

- Private, nonprofit advisory body chartered under the Federal Advisory Committee Act
- Members appointed by Secretary of Energy
- Membership includes broad spectrum of interests and experience
  - **Coal producers**
  - **Coal users**
  - **Transportation providers**
  - **Academia**
  - **Equipment manufacturers**
  - **State governments**
  - **Consumer groups**
  - **Consultants**
  - **Native American tribes**



# COAL SUPPLY REGIONS

*The Resource: 27% of the World's Coal is in the United States*



**COAL:  
AMERICA'S ENERGY  
FUTURE**

# COUNCIL FINDINGS

## *The Council Reports to the Secretary of Energy That...*

- Clean coal technologies are available to turn abundant U.S. coal into multiple energy forms including electricity, natural gas, transportation fuels and hydrogen
- By 2025, new capital investments of \$515 billion (present value of \$350 billion) in Btu Conversion technologies would create:
  - 100 GW in new generation capacity
  - 4 TCF of coal-to-natural-gas facilities
  - 2.6 million barrels per day of coal-to-liquids
- U.S. coal production would more than double to 2.4 billion tons of coal per year



# ENORMOUS ECONOMIC BENEFITS

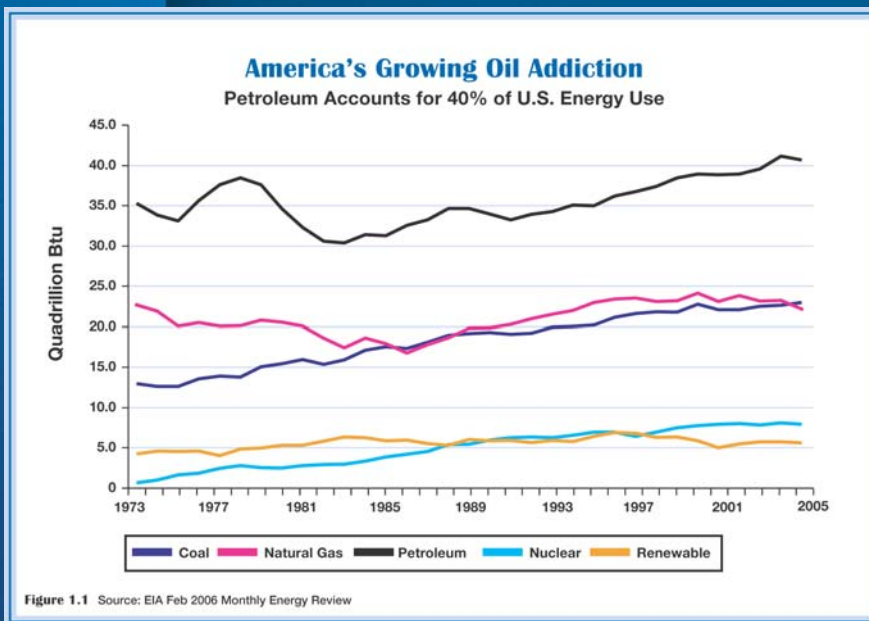
## *This Growth in U.S. Coal Use Translates Into Enormous Benefits*

- Greater coal use and conversion into multiple energy forms translates into substantial U.S. economic benefits
  - Energy prices would be reduced by nearly 33% from the business-as-usual case
  - The GDP would be more than \$600 billion higher in 2025
  - The net present value of the benefit is \$3 trillion, increasing to \$4 trillion with enhanced oil recovery
  - Employment would be increased by 1.4 million per year by 2025
- These benefits are further enhanced by the tremendous upside to U.S. energy security



# TURNING COAL INTO LIQUIDS

*Technologies Can Relieve Costs and Reduce Dependence on Foreign Sources*



- The U.S. continues to increase dependence on foreign oil
- Domestic oil production declined 11% just between 2001 and 2005
- Global demand is growing, led by “developing” nations
- Concerns are mounting that oil production is depleting faster than it can be replenished
- CTL technologies can enhance U.S. oil supply by 10% using an additional 475 million tons of coal per year

**COAL:  
AMERICA'S ENERGY  
FUTURE**

# KEY POLICY RECOMMENDATIONS

- Accelerate R&D of advanced technology
- Improve industry's ability to attract private capital for new facilities
- Provide market certainty for products
- Assure coal incentives for all alternative technologies
- Minimize operating costs for new alternative fuel plants
- Reduce permitting delays & regulatory uncertainty



# KEY POLICY RECOMMENDATIONS

- Assure enhanced oil recovery using CO<sub>2</sub> extracted from coal plants as an attractive investment
- Provide incentives for upgrading the transportation infrastructure
- Ensure that existing economically recoverable U.S. reserves remain part of the resource base
- Continue to support provisions of the Mine Safety and Health Act

