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Market Commentary

By Bob Hodge, bob.hodge@ihsmarkit.com

- A new mine in Wyoming.
- A new purpose for the coal.
- About that pipeline.
- Six days to (virtual) Myrtle Beach.

Announcements of new coal mines have been few and far between the last few years. In Wyoming, about four decades have passed since a new mine was announced.

That changed on Tuesday.

Calling it "a historic moment," the Wyoming Department of Environmental Quality awarded tech company Ramaco Carbon approval to mine its private coal/carbon ore assets at the Brook Mine, located outside Sheridan.

This will be Wyoming's first coal mine in almost four decades, but the mine isn't looking to start selling into the utility market. The Brook Mine coal is about developing alternative uses for coal beyond burning it, and potentially revitalizing a key facet of both the state and national economy.

This also constitutes permitting one of the largest private coal/carbon ore reserves in the country.

"By awarding this permit, the state has acknowledged our efforts to be good stewards of this area's high quality of life and environment," said Randall Atkins, Ramaco Carbon's chairman and CEO. "It has also recognized our investment in the Sheridan area since 2011 and in the future of this state."

Ramaco said pre-mine development work would begin soon and that it intends to employ local Wyoming miners affected by the industry's downturn in the state. The initial opening of the mine is anticipated to employ 30 to 40 direct mining jobs.

"This project has all been privately funded, without Wyoming State involvement," Atkins said. "We are grateful, however, for the efforts and professionalism of the staff of the Wyoming Department of Environmental Quality who has worked with us over the past eight years. We feel those joint efforts have created a mine plan that will serve as a national model."

The Brook Mine production will ultimately provide carbon resources for Ramaco's research and manufacturing efforts, as part of the nation's first vertically integrated carbon tech platform. This platform

FTC v. Peabody-Arch parties lock down briefs

By Steve Hooks, steve.hooks@ihsmarkit.com

One of the points of contention in the ongoing case of the Federal Trade Commission challenging Peabody Energy and Arch Resources' proposed joint venture is the quantity of proprietary business information up for public exposure.

In that matter, it appears the U.S. District Court for the Eastern District of Missouri is accommodating both sides – and a raft of potential witnesses – by putting numerous filings under seal. Both sides have submitted finalized, long lists of witnesses who could be called for a scheduled 10 days of testimony that is to begin July 13. After those proceedings are concluded, U.S. District Judge Sarah E. Pitlyk is expected to rule on the FTC's petition for a preliminary injunction to block the proposed joint operating agreement.

Monday, the FTC filed an unopposed motion requesting that it be allowed to file under seal, until further order, at least one brief and accompanying exhibits. The FTC, as with other parties expected to be called to

continued on page 3

also includes the iCAM (Innovation Carbon Advanced Material Center) and research park campus now in final stages of construction, as well as the future iPark mine-mouth coal-to-product manufacturing facilities.

The iCAM facility will house research for advanced carbon products and materials, such as carbon fiber, carbon building products and graphene. Ramaco Carbon is engaged in this work through a recently announced partnership with Oak Ridge National Energy Laboratory, as well as ongoing work with the National Energy Technology Laboratory. Ramaco Carbon, on a national level, has been a key strategic player in advancing new carbon technologies.

The company is currently involved in five research grants with the U.S. Department of Energy on various coal-to-product applications.

"Wyoming produces more coal than any state in the country, and this project potentially heralds a true sea-change in direction for the industry," Atkins said. "Through the research and manufacturing efforts of our coalition of partners, this mine can help build a new Carbon Valley in the Powder River basin region, and create high-value, high-tech, environmental uses for coal, America's largest natural resource."

About the Atlantic Coast Pipeline

The decision over the weekend by Duke Energy and Dominion Energy to pull the plug on the Atlantic Coast Pipeline project had one utility fuel buyer thinking about "the big picture" and as of right now the picture is pretty blurry.

A lot of the assumptions that have led to coal plant closures over the past few years and more in the pipeline (yep, bad pun) were based on a lot of factors, not the least of which were a bunch of pipeline projects getting completed. Now that one that has already cost several billion dollars has been euthanized, the fuel buyer said it may be time for those assumptions to be revisited.

But he knows they likely won't be.

While there could be a short-term reprieve here and there for a coal-fired power plant or two, and while some coal-fired power will run a bit more because of the pipeline closure, the source said dumping coal-fired power 'is a runaway train that's not going to be stopped" by the prospect of pricier natural gas.

As Jim Thompson reported yesterday, the possibility that a Biden administration would redeclare war on fossil fuels come next year makes some of the other projects on the drawing board "a case where you could be throwing your money away." The source agreed that such a scenario likely played a role in the Duke/Dominion decision.

Using a poker analogy, the source said it would probably be a good time "check" since environmentalists can still look at the courts as allies.

"It was the courts, really, that cut the legs out from under coal," he said. "Looks like they can do the same thing with natural gas. Do you end up with the Green New Deal by judicial fiat?"

It's virtually here

The Coal Institute's virtual Summer Trade Seminar is set for Tuesday, July 14, at 9:30 a.m. and could be one of the few opportunities this summer to catch up on a lot that's going from the comfort of your home office.

The registration fee for the conference is $25 per person with all proceeds going directly to the Coal Institute's scholarship and education fund. Registration is open and available at The Coal Institute website – www.thecoalinstitute.org – and registered attendees will be automatically entered into a drawing for giveaways at the conclusion of the conference.

Presentation topics will include COVID-19 impacts on the coal and power generation markets, natural gas forecasts and an early look at the November elections. Conference attendees will be able to participate in a Q&A session after each speaker.

The schedule of events will be as follows:

- 9:30 a.m. – Introduction
- 9:40 a.m. – Sam Andrus – Executive Director – IHS Markit
- 10:20 a.m. – Heath Lovell – VP of Government Affairs – Alliance Resource Partners, LP
- 11:00 a.m. – Craig Morgan – VP and General Manager – Hanson Aggregates
- 11:30 a.m. – Utility Panel moderated by Jim Thompson that will include Justin Musick, Duke Energy; Eric Murray, Tennessee Valley Authority; Mark Horn, East Kentucky Power; and Mike Lyons and Dan Carro, Dominion Energy.
- 12:30 a.m. – Conclusion and drawings.

To help cover the cost of the virtual conference, The Coal Institute is looking for corporate sponsors at various levels. Once the conference costs are covered, all sponsorship fees will be donated directly to the Coal Institute's Scholarship and Education Fund. Sponsorship opportunities are available as part of the registration process and are described at the website.