## BEFORE THE

NATIONAL COAL COUNCIL
UNITED STATES DEPARTMENT OF ENERGY

FEDERAL ADVISORY COMMITTEE MEETING

## TRANSCRIPT OF PROCEEDINGS

11 April 2018
Washington, D.C. USA

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Worldwide Telefax 001-307-316-0388
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| 8 |  | \& Business Development |
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|  |  | Engagement |
| 11 |  |  |
|  |  | Carbon Management |
| 12 |  | U.S. Department of Energy |
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| 14 |  | Massachusetts Institute of |
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| 22 |  |  |
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| 23 |  | University of Wyoming |


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|  |  | Engineer Procure |
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| 4 | RANDY GENTRY | Deputy Director |
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| 5 |  | U.S. department of Energy |
|  |  | NETL |
| 6 |  |  |
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|  |  | Energy Technology Systems |
| 3 |  |  |
|  |  | Carbon Management |
| 4 |  | U.S. Department of Energy |
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| 22 |  | Institute |
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1 ATTENDEES (Continued)

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| HAO YU | Student <br> George Washington University |


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BEFORE THE

NATIONAL COAL COUNCIL
UNITED STATES DEPARTMENT OF ENERGY

FEDERAL ADVISORY COMMITTEE MEETING
Meeting was held pursuant to Invitation at the New Hampshire Conference Room, the Wink Hotel, 1143 New Hampshire Avenue, NW, D.C., USA, commencing on the 11th day of April, 2018, at 7:00 p.m. ET.

TRANSCRIPT OF PROCEEDINGS

MS. GELLICI: Ladies and Gentlemen, Ladies and Gentlemen, if you will kindly make your way to your seats we'll proceed with that. Thank you.

Thank you for finding your way to your seats. Thank you.

Thank you very much. Appreciate you finding your way to your seat. Thank you.

Thank you very much. The bar will be open for dinner. Thank you.
(Whereupon, remarks were made among those present, off the Record, after which the following occurred:)

MS. GELLICI: Thank you for making your way to your seat, please.

Steve, you can do this better than $I$ am. They'll get quiet when you're up here.

Okay, thank you, everyone. If you could finally make your way to your seats, we would like to get started with our program for this morning.

Everyone is hungry. Thank you for
making your way to your seat. We greatly appreciate it.

CALL TO ORDER AND OPENING REMARKS:

ASSISTANT SECRETARY WINBERG: All right.
All those guys standing around the bar, sit down.
I'd ask everyone to sit down, please. Okay

So, this is a rowdier group than I
remembered when $I$ was at the, on the National Coal Council, and I think that's a good thing that people are rowdier. Hopefully that means you're in a good mood, or at least a better mood than you were a year ago or a year and a-half ago.
(Whereupon, applause was had.)

ASSISTANT SECRETARY WINBERG: So,
welcome to the kickoff of the 2018 spring meeting of the National Coal Council. I feel like I need to apologize on behalf of the Department of Energy for being a little tardy in getting this thing moving, especially to Janet and her staff.

You know, we're new at the government game. We're trying to figure it out, and it turns out -- This will surprise you, but it turns out that when you get into the federal government, there is an overabundance of bureaucracy. Who knew?

And, so, due to that bureaucracy, it just took us a little bit longer. I'd like to stand up here and a assure you that we will be more expeditious next time, but it is the government, so I don't know that $I$ can.

But, I will do my level best to be more expeditious, and to push all the paperwork through so that you all can do the job that we need you to do.
(Whereupon, applause was had.)
ASSISTANT SECRETARY WINBERG: And, on that note, I, I do want to thank you all for being
here tonight, and I want to thank everyone who helped organize tonight's program. Special thanks to NCC Chair Greg Workman.

Greg.
(Whereupon, applause was had.)
ASSISTANT SECRETARY WINBERG: Thank you. Deck Slone?

MR. SLONE: Here.
ASSISTANT SECRETARY WINBERG: Thank you. (Whereupon, applause was had.)

ASSISTANT SECRETARY WINBERG: Members of the Executive Committee for their leadership, and especially to Janet and to Orynthia for all the hard work and putting up with us at the DOE, and being patient with us. So, thank you very much. (Whereupon, applause was had.)

ASSISTANT SECRETARY WINBERG: I know many of you, and it was great catching up with a number of you at the reception. I didn't get to catch up with everybody, but I see a lot of familiar faces here.

For those of you that don't know me, I'm Steve Winberg. I happen to be the Assistant

people, and, and I can tell you that the last 19 weeks or so have been a real whirlwind for me.

I've had the opportunity to travel with the Secretary of Energy. We went over to the Middle East, and here's one thing I can tell you about our Secretary:

Everywhere that he goes, he sells
American technology and he sells American energy: Coal, natural gas, and, of course, the technology. And, I think -- And, I've watched him in action. He does a tremendous job at it. So, I'm honored to be, to be able to work for Secretary Perry.

I look forward to being with you
tomorrow. I, I think I'm going to be able to be with you all day tomorrow, and so I think we're going to have an excellent program.

And, I know you're probably eager to get started after all this time that we've wasted, so this evening is to enjoy the meal, enjoy our colleagues in the industry, get to know each other a little bit better.

And, I'm going to introduce Tom Pyle,

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Right? Okay.
So, I'm sorry. Greg will introduce
tonight's speaker, Tom Pyle.
I didn't read my notes very well. So, without further ado, let's get under weigh so we can hear our speaker and then enjoy our dinner and comradery and begin tomorrow morning, 8:30 sharp.
So, thank you, everyone.
(Whereupon, applause was had. Those present broke for dinner, after which the following occurred:)
MS. GALLICI: Thank you for the portion of our program. If you could finally find your way to your seat.
Thank you very much. I hope you enjoyed your dinner.
I'm glad everybody's been enjoying the conversation. I wanted to call to the podium our Chairman, Greg Workman.
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    1 from the American Energy Alliance. I, I think
    And, if you will please join me, this is Greg's last meeting for us as Chair. So, if you would please join me in welcoming, and I'll do that.
(Whereupon, applause was had.)
THE CHAIR: Thank you, Janet.
Certainly a bitter-sweet day for me, but I've enjoyed serving as Chair, and you'll hear you more. Maybe I might be it tomorrow.

But, it's been a wonderful ride. Certainly an interesting, bright group.

I've just been so impressed with the National Coal Council the last few years. The energy and the enthusiasm, really done some great things.

So, keep it up. I'll be around. Not going anywhere.

So, my job tonight is to introduce our very dynamic and interesting speaker, so let me get about that and let, let's hear from him. He's got some interesting points for us.

But, so, Tom Pyle is the president of, of the Institute for Energy Research and its
advocacy arm, the Energy, American Energy Alliance,
AEA. In this capacity Tom brings a unique background of public- and private-sector experience to, to manage IER's Washington, D.C.-based staff and operations.

He also develops the organization's free-market positions which we're interested to learn about, and implementation of efforts with stakeholders, including lawmakers, energy agency officials, industry leaders, consumers, and the media.

He recently managed the Department of Energy as part of the presidential transition team, as well. So, prior to his current position, Tom was President and founder of Pyle Consulting, an active public-affairs and lobbying, lobbying firm with a wide range of private-sector and not-for-profit customers.

He also served as vice president of
Cassady and Associates. So, I worked through the -- I'll skip through some of Tom's -- I did think one thing that was interesting.
He's a poly-sci graduate from University
of California. We had so interesting discussions on that.

But, it's very interesting that the coal sector coming out of poly-sci and California. So, that certainly creates for a dynamic individual.

And, so, without further ado, please welcome, or join me in welcoming Tom. Thanks.
(Whereupon, applause was had.)
KEYNOTE PRESENTATION:
MR. PYLE: Thank you very much, Greg, for that kind introduction.

And, I want to thank Janet, also. This is to Secretary Winberg, members of the National Coal Council, and all the folks at DOE for letting me share some time with you tonight.

Lastly I'd like to thank some of you in the room who have supported my organization over the years because we can't do what we do without your help. So, you know who you are, and thank you very much.

Great to be here tonight on yet another slow news day. I don't think anybody is happy to see that Paul Ryan's actually stepping down, but,
except maybe for Scott Pruitt.
And, also, we, we do wish Speaker Ryan the very best, and are grateful for the work that he and President Trump have done with the source and standing in federal energy and environmental policy.

We especially appreciate the leadership of President Trump's energy dream team, Secretary Perry, Secretary Zinke, and Administrator Pruitt. So, there are many challenges that lie ahead for coal, but at least we now have an Administration that recognizes and appreciates its value to society.

I'd like to talk to you tonight about where we are, how we got here, but more importantly, where we go from here. To set the stage, share a quote from one of my favorite books, The Rational Optimist, by Matt Ridley.

Quote, the big firms that survive will do so by turning themselves into evolvers. The market evolves, and we need to do so as well.

That much I firmly believe is the key to coal's future. For those who are unfamiliar with
my organization I'd like to talk briefly, just briefly about who we are.

Since founding the American Energy
Alliance a decade ago, we've prided ourselves in being an effective voice of the energy policy arena. Organization's built on supporting the principles of the free market.

Our mission is to free energy producers and suppliers from arbitrary government interventions in order to allow them literally to deliver power to the people. So, when it comes to coal, we share the vision expressed by William Stanley Jenks over one hundred years ago in his seminal work The Coal Quest.

He said, quote, day by day it becomes more evident that the coal we happily possess in excellent quantity and abundance is the mainstream, mainspring of modern material civilization. It is material, material energy of the country, and universal aid, the factor in everything we do.

With coal, almost any feat is possible or easy. Without it, we are thrown back into the laborious poverty of early times.

While generally he was a peak coal disciple and was right about the importance of coal, he wrongly predicted its demise. The world has hundreds of years' of coal, and America's supply is the most out of all of them.

But, coal faces a very different challenge, Impervious to all the market forces, industrial and renewable policies, and a movement that has dedicated billions of dollars towards demonizing this product as the culprit for a dying plant.

Where once it was the biggest fish in the energy pond, coal now finds itself struggling to find its place. Before President Obama took office, coal was responsible for 48 percent of electric generation in America.

In 2017 , it was down to 30.1 percent. And, it's projected by EIA to provide 28.5 percent of the U.S. electricity next year.

Ten years ago we had over, we had 600 coal-fired plants in the United States. Today we have fewer than 400 .

As of February, 2018, there were 810
individual coal-fired electric generating electric power plants, representing a total of approximately 260,000 megawatts of electric generating capacity. For, for perspective, there were 317 megawatts of coal-fired electric, electric generating capacity in 2010.

Some of coal's competitors, namely renewables, have emerged due to a combination of government handouts, and a slew of Regulations designed to kneecap the fossil-fuel industry. We call it the Tanya Harding approach to energy policy.

But, the dominant market competitor for coal share in electricity is natural gas. In addition to sitting atop the world's best coal resources, the U.S. is awash in natural gas.

The Shell revolution has fundamentally transformed the domestic energy outlook, and the world along with it. A decade ago no one would have predicted the natural, the natural-gas boom. Our own EIA completely whipped this one. In 2009's Annual Energy Outlook, EIA wrote, quote: Coal continues to provide the largest
share of energy for U.S. electric generation in a reference case, with only a modest increase, from 49 percent in 2027, to $47+$ in 2030.

In 2005, the U.S. produced about 19
trillion cubic feet of gas. In the course of the next ten years that figure climbed to almost 29
trillion cubic feet, an increase of over 50 percent.

Naturally, the price plummeted in that same timeframe. In June of 2008, the inflation adjustment price of gas per million BTUs was over \$15. By the spring of 2012 , the price was just a tick above \$2.00.

And for the last three and a-half years it's been below $\$ 4.00$ consistently. But, advantages remain for coal over natural gas.

Coal is less vulnerable to disruption than gas, and, as a result, rate payers can be insulated from price shocks, and coal a, is a healthy part of the fuel mix.

One addition, additional feature that is often overlooked is that a substantial portion of natural gas for electricity generation are
essentially inter-, interruptible. This was a natural accommodation to the logistical challenge of having one pipeline feeding a particular area or facility.

Customer in a given area who needs guaranteed supply would pay to have a first claim to avoid shortages, with other customers on interruptible contracts getting what, if any, is left. According to the EIA, in 2016, about 16 percent of all natural gas nationally was provided by interruptible contracts.

But, this masks wide regional
variability. In the Northeast, interruptible contracts account for fully 45 percent of, of natural, natural-gas supplies and power plants.

When you're dealing with a generating system and a heating system drawing from the same straw, interruptibility becomes a very real possibility. The cold temperatures this past winter in the Northeast saw this phenomena in action.

During winter, the home heating system takes priority, and home heating demands soared.

Generators were will left scrambling for natural-gas supplies, with spot prices spiking, with LNG having to import, having to be imported from Russia to try and meet demand.

Few people understand or discuss this,
but as natural-gas use for electricity generation grows, it will become a significant issue. So, what's happening in New England is a case study for what looms ahead if you completely turn away from coal.

I saw New England's recent Operational Fuel Security Analysis shows that coming years could be disastrous for New Englanders. The politically compelled shift to wind and solar energy driving reliable coal and electricity generation into premature retirement, and the resulting insufficiency of secure fuel arrangements will lead to rolling blackouts in the future.

And, contrary to the expectations of the wind and solar bowls, the closures of coal plants like Braden Point often pave the way for natural gas, not renewables. Again from the report, quote: More renewable resources can help lesson

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the fuel's fuel security risks, but are likely to drive coal- and oil-fired generation retirements requiring high LNG imports to counteract the loss of storage requirements.

In 2000, natural gas represented 18 percent of New England's electricity fuel mix. By 2017, that figure had climbed to 45 percent, and by 2025, ISO New England forecast natural gas was 50 percent, six percent, 56 percent of New England's electricity.

In that same timeframe, coal has dropped from 12 percent of the mix, to three percent, and will be nonexistent by 2025. This is not New England dependent on a fuel source that cannot be stored on site and deployed during times of peak demand as we saw this past January.

On the government side, coal is experiencing unprecedented left-right hook of generous handouts to renewables, and a host of crushing Regulations like the MATS rule specifically designed to drive the utility industry away from the use of coal.

Electricity markets today are burdened
by a tangle of government intervention and regulatory tape which gives credence to Secretary Perry's statement that there is no free market in the energy industry.

For decades the renewable industries has been the beneficiary of distortionary policies like the production tax credit, renewable portfolio mandates, and purpose, and the list goes on and on and on. This has made electricity more expensive for the public, and has made resilience a live issue for the industry.

The wind PTC is the mother of all renewable subsidies. It has been extended and adjusted multiple times since 1992, costing taxpayers an estimated more than $\$ 17$ billion to date, and projected to cost another 37 and a-half billion dollars over a ten-year window to 2026. If those numbers aren't enough, you can add another 13 billion in subsidies from the Obama stimulus, which mostly went to wind projects, as well as a projected more than 24 billion over the next ten years going into the investment tax credit received mostly by solar companies.

Currently 29 States and the District of Columbia have renewable portfolio mandates, with another eight States setting a voluntary goal for renewable energy. An assessment of the Massachusetts RPS prepared by, prepared by the Northeast Clean Energy Council, described the dynamic between renewable mandate and reliable coal power in stark terms.

Quote: As more renewables come on line, they act as must-take resources, causing generation from conventional sources, resources like natural gas and coal, to reduce or be displaced. Even in a base case, the anticipated growth of renewables results in the retirement of all but one New England coal unit during the study period.

Of course, that's precisely the purpose of the RPS. On their own, these and a myriad of other giveaways with the renewable industry would likely not have severely impacted coal.

In fact, the most pernicious aspects of these policies is the effect to the taxpayer. To quote Matt Ridley once again, to get a toehold in the electric market at all, wind power requires the
aggressive transfer from ordinary working people to rent from rich landowners. As a rule of thumb, a wind turbine generates more value in subsidy than it does in electricity.

Warren Buffet, a major wind producer, also understands this phenomenon. In 2014, he said:

We get a tax credit if we build a lot of wind farms. That's the only reason to build them. They don't make sense without the tax credit.

But, when you combine this with the right hook of the regulatory burdens placed squarely on coal, the Government has had a devastating impact on this industry. I don't mean to recite all the burdens right here as we pain, painfully went through them together, especially during the Obama years.

And, imagine where we would be if we were a year and three months into the Hillary Clinton Administration.
(Whereupon, a general response was had.) MR. PYLE: My organization is helping on this front. And, while much work needs to be done,
it's important to remember that President Trump has already delivered some big wins for coal.

Three big improvements that weren't headliners but mean a lot to the people in this room were the lifting of the federal coal leasing ban, the steam protection rule CRA, and the reassessment of the so-, the so-called social cost of carbon.

According to a study we published in 2016, the long-term benefits of keeping the coal from federal lands in the Powder River Basin to coal leasing would generate nearly 90 billion in the U.S. economy, producing over 260,000 jobs each year, with over 16 billion in additional annual wages.

We can give thanks that Congress and President Trump axed the Interior Department's Stream Protection Rule. The Department estimated, estimate that $S P R$ would have led to additional annual compliance costs of 52 million, and would have put hundreds of thousands of jobs at risk.

The Regulation would have had the largest impact on the people of West Virginia,

Ohio, Kentucky, and Pennsylvania, states that were already, have already endured years of costing Regulations due to Obama's war on coal.

President Trump also immediately
adjusted the social, the social cost of carbon to less than $\$ 6$ in the year 2020, versus the Obama Administration 2020 estimate of $\$ 45$. At nearly every agency the Trump Administration is working to make energy production simpler and easier across the board, without sacrificing legitimate environment protections.

Nowhere is this more evident than at the EPA, where 22 regulatory actions have already been finalized, saving the economy an estimated billion dollars in regulatory costs. They have ended the practice of sue and settle, and planned to end use of secret science in rulemaking.

And, of course, the most significant
Regulation for all of the coal industry, the so-called Clean Power Plan, is well on its way out of being, replaced or reissued, repealed, I should say, or reissued in a manner consistent with the Clean Air Act and proper relations between EPA and
the states.

The CPP, which we called "Creating Poverty Plan," was never about clean power. The Nation's electricity generation fleet was already very clean and getting cleaner, as shown by the nearly 70-percent reductions in criteria since 1970.

The Plan was really about instituting more federal control over a dispersed system and driving up the cost of reliable electricity, in line with the previous Administration's climate ideology.

The result would have been residents in more than 40 States experiencing double-digit-percentage increases in their electricity rates by 2030. Beyond its implications in terms of dollars and cents, the Plan wasn't competitive federally, as the EPA claimed, but coercive federal intervention and a misapplication of the Clean Air Act.

It extended EPA's power in unprecedented ways, and marked a clear deviation from the Agency's traditional role.

I know that there's some disagreement in this room about the path forward with a power plan, but our aim is to create a play to scrap it altogether. I've joked earlier about Administrator Pruitt's headlines, but because of the important work he is doing to reform EPA, we've gone to the mat to support him, and have joined forces with dozens of conservatives to encourage President Trump to, hashtag, stand with Scott.

Looking ahead, we need to capitalize on this unique program to make strides towards a more efficient, effective system by rolling back the government mandates and other Policies that have gotten us into this mess in the first place.

But, it will take years to secure our energy freedom through the legislative process. In the meantime, my thoughts are what the coal industry can focus on in the confines of this political entitlement environment in what $I$ call the three Es, efficiency, emerging tech, and exports.

Now, I'm not going to stand up here and act like I'm the smartest guy in the room. I know
you're thinking about these things, and that you're the ones who have to grapple with all these challenges.

But, from my vantage point, these are promising opportunities. Number one, we have to find a way to make coal plants more efficient.

There's a mismatch between the size of coal plants and the requirements of many systems. For the time being, large central-station power plants are probably a thing of the past.

System operators are going to prefer to have lest lumpy, more nimble features. We need lumpy, more -- less lumpy, -- Sorry. -- and more nimble power plants.

And, let's face it. Unless the economics improve dramatically, it's highly unlikely we'll build any new power plants.

The Trump Administration has begun to approve the new sources of energy plants, which currently kills the ability for coal-fired, coal-powered generation to innovate and upgrade by requiring deadlines for Permit decisions.

They can go further still. The most
modern and efficient technology, technologies and environmental controls for coal-fired power plants that we see being deployed in Asia are not used in the U.S. because of this cost.

While some of that is the cost of the upgrades themselves, it is also the length and arbitrariness of the NSR process make it not even worth trying.

Number two, along with being nimble has to come the ability to adapt and evolve. Maybe the time has come to think radically about what this resource can be used for.

If natural-gas prices stay low, can we find nontraditional uses for coal? Newly emergent ideas like carbon fiber, as Oak Ridge National Laboratory used to build a submersible for the U.S. Navy with a treating center.

If carbon fibers do fine as coal
biproducts, what about using coal and coal
biproducts to recover rare-earth elements? Once again, we've virtual-, we've got a virtually unlimited supply beneath our feet, but we need to find a way to make it profitable.

Number three, we need a rampable market. Coal is going to shrink as a percentage of our market here at home, but that isn't the case across the Pacific.

In 2018, it's expected that we'll export 100 million tons, or 13 percent of production. That's up from eight percent in 2016.

Where are these markets? India, which desperately needs generation capacity; China, the world's biggest consumer; in Japan, using coal to make up for its lost nuclear capacity.

The International Energy Agency expects coal and coal-fired capacity do increase by 50 percent over today's platform by 2040. Exports are a great opportunity to utilize this tremendous natural resource we have in the economic and political environment worldwide.

Gas is cheap here, but foreign companies, primarily in Asia, can import our coal for less than they can import natural gas, at least for now. One promising example is Cloud Peak's deal with Fukushima Prefecture, which will account for almost a-quarter of all Cloud Peak's exports.

Of course, the white whale in the export market is China. Coal is supplying 62 percent of China's total energy needs, according to 2016 data and VP's statistical review of world energy. China, however, is focusing on supercritical and ultrasupercritical power plants. Not only is China building efficient coal plants in its own country, but Chinese companies are helping to build and finance hundreds of coal-fired power plants around the world, many of which are in Africa.

Of China's 100 top plants, 90 are ultrasupercritical, while the United States has just one ultrasupercritical plant. Of the 920 gigawatts of coal capacity in China, 19 percent is ultrasupercritical, 25 president is supercritical, and 56 percent is subcritical.

Ultimately, China plans to increase its coal-fired plants to almost 1,100 gigawatts, which is over three times the coal-fired capacity of the United States.

The market might not be here in America today, but there is a market for what you're
producing, nevertheless. We just need to find a way to get it there.

On the political side of things, our eyes are on the Washington State Pollution Control Hearings Board Hearing for the Millennium Application to export coal from Long View, Washington. This is the exact sort of project that pro-energy, pro-coal, pro-prosperity crowds need to throw its weight behind.

The Millennium Project will bring with it nearly 3,000 jobs and 780 million for construction, plus 16 million in ongoing wages. For a county with ten, ten percent unemployment, that's huge.

There is no sugar-coating this. Coal is in a disadvantaged position due to the emergence of domestic natural gas. But, just as we couldn't predict the Shell revolution, other market forces could just as easily change that equation.

We know that LNG exports are only going to increase, which will eventually exert upward pressure on domestic gas price. Perhaps that way coal can reestablish itself in the mix, alongside
our growing exports.

The bottom line is that we are sitting on top of nearly 500 billion short tons of recoverable resource, and we've got to find a way to make it profitable. We can work together to remove the government interventions that have held us back.

When it was announced that $I$ was appointed to the Trump Transition Team, one of you in this room warned me against assuming that the election had changed anything about the broader policy in energy landscape. He was right.

Unless we confront the all-out assaults from the environmental left in your industry, you will continue to lose ground. You may $I$ see it differently, but it's my stance that the time for cooperation and placating the environmental left is over.

The idea that the environmentalists care at all about the future of coal or coal miners is obviously false. But, it's time to make the case that by attacking coal, they're really attacking this country's ability to power itself with
resilience and reliability.
My organization, the National Energy Alliance, has never been afraid to take the slings and arrows. But, you must also stand up.

The "enviros" have put a lot of us on our heels, and some energy players have begun to kowtow to the dogma of the climate issue. This is not only in strategy.

Some of the most significant and successful oil and gas companies have now, for example, endorsed the idea of a carbon tax. Has this got the "enviros" off their backs?

Of course not. Instead, they're getting sued for, for providing America the transportation fuel that drives our economy.

This should be a lesson to the coal industry. No concessions to the environmental lobby are in your best interest.

They are dead set not on limiting your business, but destroying it. It's time to go on the offensive to let the public know that coal is fundamentally the tool to improve people's lives.

If, if the deep decarbonization movement
is successful, they will only succeed in siphoning resources away from the real demands of life: transportation, healthcare, education; in other words, the things that bring people happiness. The case where affordable energy rests on those grounds, these resources and our ability to bring them to people across the globe matter for the things that we care about the most. The situation you face as an industry is no easy one. We can help by clearing the policy mine fields. But, you need to defend the immense value coal provides to all Americans, and get more creative in how you bring this resource into the marketplace.

I'll close with this, again from Matt Ridley: You can regret the sinful, the sinful profligacy, prof-, profligacy, profligacy of the modern world, which is the conventional reaction. Or, you can conclude that were it not for fossil fuels, 99 percent of people would have to live in slavery, while the rest have a decent standard of, standard of living.

And, that's why we'll always be needing
coal. Thank you.
(Whereupon, applause was had.)
MR. PYLE: I guess I'm supposed to take questions.

MS. GALLICI: Thank you, Tom.
Tom has graciously agreed to, to take a few questions.

And, thank you, Tom, so much for your remarks tonight.

MR. PYLE: Sure.
MS. GALLICI: You've given us lots of stuff for us to think about going forward into our meeting tomorrow.

Does anybody have a question for Tom?
(Whereupon, no response was had.)
MS. GALLICI: So, so, I'll start with one while you're thinking of it.

You mentioned about new, new uses for coal and I'm very interesting what your group is doing. We have a lot of people in this room that are very interested in new markets for coal, and I'm curious to know about what your thoughts are, and to how we can promote that and advance that,
and what your group might be doing for it.
MR. PYLE: Well, as I mentioned, we've got, we've got to build, you know, the ability to export the resource. We've got to fight these battles.

Washington State I think --
MS. GALLICI: I'm sorry. By "new markets for coal," I'm talking about noncombustible non-power-generation markets. Sorry.

MR. PYLE: Oh, sorry.
MS. GALLICI: Sorry. Yes.
MR. PYLE: Well, I mean, really, you guys are the ones that can, can do that. I mean, you've got the expertise and the ability working with DOE and the, and the, and the Labs to find, find ways to, to eke out more value for the resource.

Our job, as I mentioned, is to fight the government side; to, to push back against the marketing hazards that really have, have contributed immensely to the reductions in, in our ability to, to use the resource in a more traditional way.

So, I leave it to the smart guys in order to figure those things out.

MS. GALLICI: We have a lot of them in the room.

I'll get back to you if you. Kindly state your name and your affiliation.

We're on the Record today, so give that for the Record.

MR. ROLING: Dan Roling, with Carbon Recovery Systems.

You made a comment earlier about, to paraphrase, unfair subsidies and tax credits of renewable energy versus traditional fossil fuels. I've been on both sides of the equation, and you're absolutely right.

But, what's the possibility, even in a strong Administration like the Trump Administration, to undo the unfair tax subsidies given to renewables?

MR. PYLE: Well, clearly we have some challenges in the Republican Party on that issue, as well, and it has been a struggle. But, I will say this:

When we started to educate and raise awareness about the wind production tax credit, for example, it was a noncontroversial extender. It hit the floor voice vote.

It passed every year. There were no challenges on the other side of the aisle.

But, by educating folks, and driving the impacts of what the subsidies were on increased cost, on the taxpayer, on the, on the negative, the negative pricing and influence in the markets, et cetera, we were able to create controversy where there once was none.

And, so, you know, you can't just throw your hands up and say, "We're never going to get this done," all right? You know, we have to keep pushing, keep pushing.

And, you know, we have to fill that void, or the other side's going to fill it. So, I, I say it's hard.

It's a challenge. We have -- One of our biggest challenges is that a lot of this is being done by a pen and phone. As Obama, President Obama famously stated, you know: If I can't get my will
through Congress, I can do it on the regulatory side."

And, the challenge there for this industry is, just as the previous Administration did to you what they did, this Administration undoing that, the next Administration can go and do it again. And, until we get these changes cemented in law and legislation, we're never going to get there.

And, so, we have to work in the interim to create markets for the resource that, for, you know, to kind of go through that process, while, at the same time, we're working to make these, these things permanent.

So, for example, there's an effort to include some of the regulatory reforms that are critical into must-pass legislation that requires just a simple majority in the Senate. So, we've got the keep hacking away at it, and we've got to really create a political environment where the, the members of Congress, themselves, see the advantage of addressing these issues.

Right now they just see the downside.

So, we've got to push, push, push on that, on that approach.

MS. GALLICI: Right here.

MR. PYLE: Yes.

MR. DESCHENE: I'm going to stand because I'm way over here on the side here. First of all, let me introduce myself.

I'm C.J. Deschene. I'm Program Director with the National Tribal Energy Association. I want to agree with you.

I had a question there. You made a statement there on the, on the Millennium bulk terminal.

And, it's very important that we look at, you know, areas of exporting. I know we all, we're all aware of some of the fight that's, that's there. I'm glad you brought that up.

One of the things $I$ was looking at was you stated that that's something that we needed to stand behind, and I agree with you. Now, how do we go about doing that?

I mean, is your, is your, your, your alliance, $I$ guess, would you be willing to back
that up with a, --
MR. PYLE: Yes.
MR. DESCHENE: -- an Amicus Brief or something?

MR. PYLE: Yes. Yes, we do, we do, we do all the regulatory work.

We do Amicus Briefs.
MR. DESCHENE: That, that would be great.

MR. PYLE: We're down on the ground talking to folks in the area through social media platforms and everything else. I mean, the bottom line is that we have to work every, every angle of the process for policymakers, staff, Administration.

We have to work the media. And, more important, we have to get out and talk to folks, because at the end of the day they're the ones who are going to push for the agendas that need to take place.

MR. DESCHENE: I'm glad. I'm glad you stated that, because regardless, if it's going to benefit any ONE of the people here or, or more
through the Millennium bulk terminal, still there's other terminals out there that are going to be created or that's already in existence that's going to be affecting some of the people here.

And, I believe that they should all be supporting these other areas, whether it doesn't support them indirectly or directly, that they should be supporting them. And, I believe through this Council, that if the group effort of, of support, whether it's through amicus or whatever, because they're in court right now.

And, I believe that's something that we, we really stand behind. So, I appreciate that, and I just wanted to make that clear.

That's why I'm going to make that statement. So, I'm going to give this back to Janet and given somebody else a chance.

Thank you.
MS. GALLICI: That you. Thank you, CJ. And, I will mention a little bit more tomorrow. Secretary Perry has asked the National Coal Council to make a report on assessing U.S. coal export opportunities and challenges. So,
we'll be undertaking that report over the next few months.

And, our NCC members have been made aware of that. So, which maybe you'll see CJ.

But, other questions for Tom? We'll take one or two more, and....

MR. COLLINS: Tom Collins, Western Research Institute of Wyoming. I'd like your thoughts on potential to repeal the engagement finding for CO2. In 2016 we had a white paper saying CO2 actually helped prevent the problem of feeding the world because 180 parts per million of CO2 in the atmosphere prevented the vegetation plant growth.

And, so, actually, the environmentalists have advocated that CO2 actually was beneficial. So, what's your thoughts on that?

MR. PYLE: Yeah. We are a strong advocate for addressing the finding.

And, we've been in, shall we say, imploring Administrator Pruitt to, to take that challenge. He's got a lot on his plate, as you can imagine, but $I$ have not heard lack of desire to do

1 that, per se, but more of a -- You know, it's going to take a, a little bit more work to unwind some of the Union issues.

And, then, hopefully we'll see some movement there. And, I'm not speaking on behalf of, of them, or anything like that.

But, you know, this is the, the central -- This is the key. I mean, this has been the driver of all of these Policies, and will continue to be pointed back as the reason for these sort of extralegal interpretations of the Clean Air Act.

You know, it goes -- I go back to it, too. Ultimately Congress has punted on this issue.

They refuse to, to deal with it. And, so, yes we hope that the Administration will take it on.

But, ultimately, until Congress weighs in and, and makes a determination about it, you know, we're, we're going to be doing this on all these Rules. In fact, the Courts have pushed back on a lot of the reforms that are taking place now because we're, we're, they're not, they're being
viewed as not having adequately determined the impacts based on the agent they're fighting.

So, you can bet we're going to put all of our resources and the time into attacking that. And, when and where is still, is still a question mark. So, --.

MS. BANAGA: Shannon Banaga, with TECO Energy. So, given the Administration's recent tariff action on solar companies and how, as well as steel and aluminum tariffs, is there an opportunity that the foreign community needs to see the pond here, and what would you recommend us to do?

MR. PYLE: Well, I, I'm remiss to recommend seizing on opportunities for tariffs. The tariff, you know, it kind of goes against what we believe in, but they made a, a pretty compelling case for the solar tariffs.

And, you know, maybe Trump is right. Maybe trade agreements should be thousands and thousands of pages.

And, so, maybe he is on to something with respect to taking these on on an individual
basis. So, we're probably not the right group to, to provide strategery (sic) about that.

But, you know, we don't agree with everything that the Administration has done. We're all about tearing down layers and webs of, of government intervention.

We're, we're unabashedly free-marketers, so to speak. So, -- But, we do understand the justification for some of it.

So, for example, we did part ways with DOE on a NOPR, for example. But, we still did recognize that they were, they were right about the problem.

And, so, on the tariff side there's probably an opportunity, but we're probably not the right ones to, to lead it on that. So, --.

MS. GALLICI: And, I'll ask the final question before we get Steve back up. So, are you looking at the midterm election?

And, any thoughts? Do you want to be first on the Record?

MR. PYLE: Look, I'm just going to be candid. That's who I am.

I am a creature of the House. I spent ten years in the House of Representatives.

I've worked in leadership, so $I$ kind of have a sense of how things go. But, I'm disappointed in Congress, Republican or Democrat these days.

I feel like the budget process has, has totally been destroyed. We lead with a massive trillion-dollar-a-year spending Bills, and six or eight people getting in a room and carving up the Universe.

So, honestly, you know, what happens in November might not change all that significantly whatever the outcome is. If the Democrats win the House, you can bet there will be a ramp-up of investigations and oversight.

And, there's that little impeachment crowd there that the leadership will have to contend with. The Senate $I$ think is, is harder for the Democratic Party to, to take control, just based on the numbers.

But, you know, that's possible. So, to me, it's, it's obviously more important to have a
party that believes in your industry and in the majority, in the majority. And, that's, you know, the highest priority.

But, at the end of the day, Congress is just not really doing all that much, good or bad, these days. Bad, but not necessarily good. So, I don't know how big an impact it is.

MS. GALLICI: We'll ask you back and you can give us a debrief afterwards. Thank you. MR. PYLE: Thank you. Appreciate it. (Whereupon, applause was had.) ASSISTANT SECRETARY WINBERG: Well, thank you for your remarks. Compeling. Covered the waterfront on the, on the challenges facing the coal industry, but $I$ would suggest to you perhaps the fossil energy industry on a wider basis.

You mentioned the recent monocyclone, so I can't help but do a little commercial for DOE, and more particularly, NETL. I would suggest for those of you who haven't seen the study on the monocyclone, it's compelling reading.

We feel Peter Balash, I think he's still
in the room. He was one of the authors of it.

Right there.
(Whereupon, applause was had.)

ASSISTANT SECRETARY WINBERG: If you have questions, he can.

Tom, you also talked about technology being the answer, and we in the Fossil Energy Office couldn't agree with you more. We are looking at the variety of technology options, and Angelos Kokkinos, --

Angelos, where are you? Right here. Stand up, please.

He's there.
(Whereupon, applause was had.)

ASSISTANT SECRETARY WINBERG: Any
questions you have on coal technology, that's the man to ask. Don't ask me; ask him.

So, we're doing a lot in that space, and we'll be talking about that as we, as we move forward. So, -- But, before we wrap up, I, I need to go over a little bit of business for tomorrow.

We will reconvene tomorrow morning in
this, in this room? Okay.
And, during the meeting tomorrow we'll start off with elections of the new Chair and Vice-Chair. I'll deliver some remarks, and then we'll hear several presentations, and we will adjourn on or about noon.

So, we have a very packed agenda. I think it promises to be a very productive meeting. And, I sense a lot of renewed energy in this room and, I'm just tickled about that.

So, I just want to wish you all well for this evening. Thank you for coming.

I hope you all have a good evening, or what remains of it, and we will see you back here tomorrow morning at 8:30. Thank you very much.
(Whereupon, the above meeting was adjourned.)

$$
\begin{aligned}
& \text { I certify the foregoing to be a } \\
& \text { true transcript from my notes. } \\
& \text { E-signature: D. I. Bunn } \\
& \text { CSR CP RPR }
\end{aligned}
$$ I, D. I. Bunn, a Registered

Professional Reporter, Certified Conference
Reporter, and Notary Public, do hereby certify that the foregoing testimony was duly taken and reduced to writing before me at the place and time therein mentioned. I further certify that I am neither related to any of the parties by blood or marriage, nor do I have any interest in the outcome of the above matter.

In witness whereof, I have hereunto set my hand and affixed my official seal, at Chadron, Nebraska, USA, this 14th day of April, 2018.
E-signature: D. I. Bunn

Notary Public

My Commission expires January 5, 2020.

