

Volume 364 November 26, 2013

A divergent picture of coal is emerging. One is relaying the cold hard market-oriented facts and is pointing out that coal-dependent regions need to diversify their economies now. The other is saying that coal can reinvent itself, and it is arguing that mining companies have been making imprudent business decisions. Both may be presenting accurate accounts of what is and what could be. But no one is under any illusion -- that coal is suffering hardships: tougher regulations and the abundance of cheap natural gas. Plus, most of the accessible coal seams have been mined while what's left is costly to get out. According to an analysis done by Bloomberg, coal's share of the electric generation pie has fallen to 37 percent from half in 2005. Meanwhile, those prices have declined by 57 percent since 2008. At the same time, natural gas makes up 28 percent of the composition now whereas in 2000, it was 16 percent. It says that 5,400 U.S. coal jobs will be lost as a result by 2015.

The good news for those sections of the United States that are feeling the impact of this economic and regulatory development is that the shale gas boom should provide relief. New drilling techniques are allowing developers to retrieve those hard-to-get deposits. That unconventional natural gas is not just taking market share from coal. But it is also providing jobs, and lots of them. An IHS Study says that the unconventional energy sector will support 3.5 million jobs by 2035, which is up from 1.7 million in 2012. In the next couple years, the report says that this sector will create almost 2 million jobs, or 3.5 million in total.

Coal is responsible for about a third of all manmade carbon dioxide emissions. It also releases double the other pollutants regulated by the Clean Air Act that include sulfur dioxide and nitrogen oxide. When combusted natural gas produces roughly half the emissions as does coal. But it, too, has its critics who say that the exploration methods are harmful and that more of the national treasure should be invested in sustainable energy.

In this country, most of the coal comes from Wyoming, West Virginia and Kentucky. Wyoming provides about 41 percent of U.S. coal production, which is an increase from 18 percent two decades earlier. Today, the roughly 443 million tons of coal mined from the Wyoming Powder River Basin is shipped to 34 states, including those in the east. With an expanding rail transportation network, coal emanating from that area could flourish. An economic transition is underway in the United States. But it's one that does not have to isolate coal, which needs to rethink how it will position itself both internationally and in changing domestic markets.

Electricity Pricing – Nov 26, 2013 Com Ed Average LMP Electric Price

Time Period	Average per Kwh
Nov, 2012	\$.03327
Dec, 2012	\$.03081
Jan, 2013	\$.03111
Feb, 2013	\$.03219
Mar, 2013	\$.03665
Apr, 2013	\$.03821
May, 2013	\$.03501
Jun, 2013	\$.03215
Jul, 2013	\$.04067
Aug, 2013	\$.03112
Sep, 2013	\$.03274
Oct, 2013	\$.03183
Nov 1 – Nov 25	\$.03044

Extended Temperature Forecast: Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	34	31	33	36	41
Low	23	23	26	30	34

