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Judge approves stalking horse bid process for Murray Energy mines

By Barry Cassell, barry.cassell@ihsmarkit.com

A judge at the U.S. Bankruptcy Court for the Southern District of Ohio signed an order approving a "stalking horse" bid process Thursday for the assets of Murray Energy Holdings and related companies.

The companies filed for Chapter 11 protection on Oct. 29 of last year with a stalking horse asset sale in mind. Murray is one of the latest U.S. coal producers to seek Chapter 11 status last year in a market roiled by waves of closures of coal-fired power plants and declining global thermal coal prices.

Murray and its affiliated companies envision a stalking horse process in which a chosen group of senior lenders will essentially exchange debt for ownership in the company, barring competing bids being offered. Deadline for any party interested in offering a competing bid is Feb. 4. The U.S. Bankruptcy Court for the Southern District of Ohio, of course, must approve a final sale.

The final "written" bid deadline is March 16, with a "live" auction held on March 26, if approved competing bids are offered. A court hearing on the bid results is scheduled for June 2.

On Dec. 3, the companies filed with the court a reorganization plan and disclosure statement based on this then-proposed asset sale process.

Murray Energy is the largest privately-owned coal company in the U.S., producing about 53 million tons of bituminous coal in 2018. Murray owns and operates 13 active mines across the Northern, Central, and Southern Appalachia Basins (in Ohio, West Virginia, eastern Kentucky and Alabama), the Illinois Basin, Utah and Colombia, South America. Murray also manages and operates five additional ILB mines through its partnership with non-debtor affiliate, Foresight Energy LP.

Market round-up

US – Powder River Basin prompt-month prices have remained unchanged for more than a month, with 8,800-Btu/lb. coal still \$12.20/ton and 8,400-Btu/lb. coal still \$9.55/ton. A lack of buying interest is keeping prices stagnant. The Central Appalachian barged coal price jumped 50 cents a ton at the beginning of the year and is now marked at at \$47/ton for February delivery. CAPP rail also moved up 50 cents and is now \$45.50/ton.

INTERNATIONAL – Atlantic thermal coal prices rose, with the Richards Bay market climbing to a one-year high due to supply disruptions and steady Indian buying. In Northwest Europe, prices edged up from last week's four-month low. Prices were firming in Asian thermal markets, largely supported by Chinese buying interest. Chinese generators have been building stocks ahead of the Lunar New Year holidays.

Key physical prices table

	Delivery/ Loading	CV	Price	Week chng
Nymex[1]	FOB barge	12,000Btu GAR	53.25	0.00
PRB[1]	FOB railcar	8,800Btu GAR	12.00	(0.25)
CSX[1]	FOB railcar	12,500Btu GAR	48.00	1.00
NAPP[2]	FOB railcar	12,900Btu GAR	38.87	(1.10)
NAPP[2]	FOB barge	12,500Btu GAR	37.65	(0.94)
ILB[2]	FOB railcar	11,500Btu GAR	32.10	(0.95)
ILB[2]	FOB barge	11,500Btu GAR	33.39	(0.79)
East Coast export[3]	FOB vessel	6,000kc NAR	42.75	0.00
US Gulf High-Sulphur[3]	FOB vessel	6,000kc NAR	39.91	(0.83)
NW Europe (DES ARA)[3]	CIF	6,000kc NAR	52.80	0.72
Colombian[3]	FOB vessel	6,000kc NAR	47.50	1.00
Indonesian Sub-Bit[3]	FOB vessel	4,700kc NAR	49.79	0.34

[1] next quarter delivery
[2] 90 days out delivery
[3] next two months
Source: IHS Markit

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Cloud Peak, Contura continue to hold PRB permits

By Steve Hooks, steve.hooks@ihsmarkit.com

Months after two upstart companies acquired five large Powder River Basin mines, the companies remain in negotiations with the mines' permit holders and two states' regulators to get those permits transferred.

The two companies' circumstances are as different as they are similar. The bottom line is that production continues at these operations while the details remain to be resolved, according to state regulatory officials in Wyoming and Montana.

Navajo Transitional Energy Co. acquired from Cloud Peak Energy the Spring Creek mine in Montana and the Cordero Rojo and Antelope mines in Wyoming while Cloud Peak was undergoing Chapter 11 reorganization. NTEC thus became in October the "third largest coal producer in the country," the Farmington, N.M.-based, Native American-owned company said.

But that transaction left a number of unresolved issues. For one, NTEC is having to arrange new bonding for the three mines after Navajo tribal leadership said they would no longer financially back indemnity agreements beyond NTEC's original property, the eponymously named mine in New Mexico. That, and NTEC's claim that it was entitled to "sovereign" status because of its Navajo tribal ties ran afoul of Montana Department of Environmental Quality regulations and resulted in NTEC having to shut down Spring Creek for several days in October.

Bonding and permitting remain unresolved and the long and short of it is that Cloud Peak remains the permit and bondholder. NTEC is essentially a contract miner at Spring Creek for the purposes of the DEQ, which gave the involved parties 65 more days – as of Wednesday – to resolve the issues. An original, 75-day extension to allow NTEC to mine at Spring Creek was granted Oct. 25 after the several-day shutdown. NTEC was then allowed to recommence mining under its temporary contractor status while Cloud Peak's Spring Creek Coal LLC remained the bonding and permit holder.

In October, NTEC agreed to "a limited waiver" of sovereign immunity, according to a Montana state official. But underwriting for a $100 million bond will have to be assured on a permanent basis.

"NTEC applied to the department to transfer the permit in their name (in October, after the sale was finalized) but they still have to get bonding," according to Rebecca Harbage of the Montana DEQ. Talks on "sovereignty" continue and "it's a unique and complicated situation ... we wanted to make sure we continue to have conversations."

A similar situation remains at Cordero Rojo and Antelope, according to Wyoming DEQ's Keith Guille.

"Currently, NTEC holds a license to mine at those two mines," but Cloud Peak still holds the permits and bonding, he said. "But we do know NTEC wants to move forward and transfer those permits ... it will take some time." Sovereignty will be discussed in the negotiations, he said.

Meanwhile, "NTEC is running the day-to-day business" and holds the license to mine, Guille said.

NTEC spokesman Erny Zah said in November that the company fully intends to meet its obligations, though how that will be done is still up in the air.

"We respect the Navajo Nation's decision to terminate its indemnity agreements with the sureties," he said. "We remain a viable, successful company. NTEC remains a profitable, viable and successful business entity of the Navajo Nation. As such, we will explore all our options."

Contura, Blackjewel and Eagle Specialty Materials

Blackjewel LLC's July 1 filing for Chapter 11 had a number of impacts, including the idling of its Belle Ayr and Eagle Butte mines in Wyoming. During the bankruptcy process – which saw Blackjewel sell off its eastern and western U.S. mines under court supervision – Contura Energy remained as holder of the mining permits even as it sought to disentangle itself from the permitting and bonding obligations it retained when it sold the PRB mines to Blackjewel in 2018. Contura also worked to help reopen the mines even as several Midwestern utilities scrambled to replace missed PRB shipments during the summer.

In October, Contura announced, in conjunction with Blackjewel's sale of the mines to Eagle Specialty Materials, that the surety bonding would be replaced with substitute surety bonds arranged by ESM of about $238 million and the blessings of Wyoming and federal regulators.

However, the transfer is not complete and Contura remains the permit holder while ESM is now the bondholder. ESM holds the license to mine, Guille said, noting that he hasn't yet seen a permit transfer notice.

Meanwhile, negotiations to complete the permit transfer process continue, Guille said.

NTEC did not respond to requests for comment Wednesday.

Neither long-term or short-term outlooks good for thermal coal

By Bob Hodge, bob.hodge@ihsmarkit.com

The last IHS Markit U.S. Coal Market Briefing of 2019 wasn't that much different from most of the others.

Lots of not-so-good news.

Available on IHS Markit Connect and put together by Dr, James Stevenson and Philip Wagner, the briefing takes a look at both the long-term and short-term futures of the U.S. coal industry and either one gives you the chills. To get into it:

- The utility coal demand outlook falls further in 2020, losing market share to lower gas prices. Coal demand from the utility sector is forecast to fall to 476 million tons in 2020 from a total of 555 million tons in 2019. Natural gas prices below $2/MMBtu in 2020 will lead to a spike in gas-fired generation and a comparable decline in coal generation. As natural gas price levels recover in 2021, gas generation is projected to decline slightly as dispatch stacks readjust. Utility sector coal burn is expected to be 479 million tons in 2021.
- IHS Markit expects Henry Hub prices to average $2.21/MMBtu this winter, down from $3.33/MMBtu last winter, and to average $1.96/MMBtu in 2020 and $2.34/MMBtu in 2021. Natural gas production has been resilient in 2019 but will decline in 2020 as prices go lower. Stronger demand from the electric power sector will reduce excess supply. Power sector gas demand will be up 2.1 Bcf/d from last winter, to an average of 28.1 Bcf/d for this winter. IHS Markit expects summer 2020 power burn to average 33.6 Bcf/d, up 0.3 Bcf/d from the hot 2019 summer.
- Stockpile levels at utilities remain elevated entering the winter burn season. Total stockpile levels are lower than historical highs for this time of year, but when measured as days of burn, stock levels are higher than average. A cold winter in the United States could help alleviate the high inventory levels and perhaps provide price support in 2020, but with the outlook for low natural gas prices, coal burn will

be challenged.
- Production cuts from U.S. coal mines continued in the fourth quarter of 2019, but more will be needed. U.S. coal production through the week ending Dec. 21 totaled 690 million tons, 6.7% lower than the same period last year. Year-to-date production from Appalachia is down 3.9%, the Western region is down 8.8% and the Interior region is down 4.6%, according to the Energy Information Administration. Production levels will need to continue to fall in 2020 to match projected declines in utility and export demand for the market to remain balanced.

The good news is prices are expected to hold steady during January despite the "bleak" fundamentals picture.

"Prices are lingering around cost-of-production levels, and with inventories high — but not too high — production costs are likely a solid support," the report says. But with high stocks, high production needs to come down not only this year, but likely in 2021 as well.

The last month of data available from the EIA shows that coal's share of power generation in the U.S. fell to slightly less than 21% in October, dropping "to historically low levels." Through the first 10 months of 2019, coal consumption was down 13.7% year on year.

Not just thermal coal

While the news on the metallurgical side of the ledger isn't quite as grim, it's not great.

News of blast furnace and coke oven idlings in the U.S. is going to bring down domestic met coal consumption this year despite comparatively strong steel plant capacity utilization.

"These recent idlings, along with Midwest hot-rolled coil index futures still below $600 per ton for next year, shows that the domestic steel industry remains challenged," the report says. "U.S. integrated primary steelmaking operations are facing difficult market conditions and ample coke supplies, limiting domestic demand for met coal."

Coupled with weakening met exports, met coal production is expected to be lower for the next two years before regaining some momentum again as exports again strengthen.

"U.S. met coal production is expected to moderate into the next decade but stay relatively stable at about 69 million tons."

Buchanan back up and running after holiday idling

By Steve Hooks, steve.hook@ihsmarkit.com

Coronado Coal's low-vol Buchanan underground mine is back in production after a short holiday season idling, according to a Virginia Dept. of Mines, Minerals and Energy official.

Any news of the sort is good news in this market, and especially regarding an operation the size of Buchanan, Virginia's largest mine bar none in a southwestern coalfield that, much like eastern Kentucky's, has been decimated in the past few years no thanks in large part to the erosion of the Central Appalachian thermal coal markets.

But Buchanan – once CONSOL Energy's workhorse low-vol coking coal mine until the company entered into agreement in February 2016 to sell the operation to Coronado IV LLC – has reliably produced about 5 million tons or more annually over the years. Prior to the sale, CONSOL officials had touted the coal's quality and desirability on the world stage, noting that the product had gained the attention of Asian customers, including China.

Fast forward nearly four years and the U.S. is working out the kinks of some sort of trade deal with China that presumably would throw a bone to U.S. coal.

But there are other irons in the fire, which is a bit of a relief in that there was coalfield chatter that perhaps Buchanan would be offline for the long haul, a result of flagging metallurgical coal demand in recent months.

"Everyone went back to work (by) Jan.1 and they are actually shipping coal to Brazil right now ... They had an order to fill" when staff was recalled, the official said.

An industry vessel schedule issued Monday shows that the good ship Hector took on at Hampton Roads, in the days after Christmas leading to New Year's Eve, an 11,432-ton cargo of Coronado coal bound for Brazil. According to IHS Markit's Commodities at Sea database, the coal is destined for Sepetiba port, on a journey that began Jan 1 and is expected to end Jan 27.

Coronado, meanwhile, has not answered repeated requests for comment. The Australian-listed company has its U.S. headquarters in Beckley, W.Va.

But this shipping information comes with some caveats. The Coronado met coal shipment noted above is not necessarily from Buchanan.

Hampton Roads' Pier IX is CSX-served. The 11,000-ton-plus shipment suggests a hold of high-vol A and/or B, possibly from Coronado's CSX-loading Logan County operation, a source indicated. Buchanan is captive to Norfolk Southern and therefore most likely would load at Pier 6 in Norfolk. It is possible that that Coronado loaded this hold as part of a larger, 75,200-ton cargo going to Brazil along with product from other U.S. suppliers.

Whatever the case, U.S. met coal – and Coronado met coal in particular -- is definitely moving from the Hampton Roads terminals, and this is welcome news going into 2020. Last year ended on a down note.

Overall, the latest T. Parker Host data shows that U.S. coal exports have been heavily impacted during 2019, but while met coal exports have shown resilience, year-end volumes didn't spill out of the ports superheated like they did in early 2019. Total coking coal shipments for November were 3.21 million tonnes, up nearly 19% from October's 2.70 million tonnes, but still down 9% from 3.54 million tonnes in November 2018.

Met coal shipments to Brazil, India, Ukraine, Japan and Korea were each up month-on-month as Brazil led the way with 584,273 tonnes of U.S. coking coal. India was a close second at 533,568 tonnes and Ukraine took in 416,777 tonnes, up from October's 178,210 tonnes.

Host estimates the 11-month U.S. total of coking coal exports at 39.7 million tonnes, down 6% on the year from 42.2 January-November 2018.

'No one was cut'

The DMME official emphasized that "no one was laid off; they were furloughed" at Buchanan, with the understanding that time off would either be taken as vacation or leave without pay. "No one was cut." Just over 600 staffers work there.

While the DMME's official production numbers for 2019 likely won't be finalized until February, Buchanan's "official" 2018 production stood at 5.2 million tons with staffing of 546. The production figure, as noted, is a typical annual figure for Buchanan.

Australia-listed Coronado Coal temporarily idled Buchanan to work through stockpiles as market conditions called for production discipline.

A source with knowledge of the situation said in late December that a company decision was made "to extend the Christmas holiday with the downturn in the markets." The source added that the mine is expected "to be back up and producing as normal after the holiday" and, indeed, that appears to be the case.

The Virginia DMME was notified on Dec. 16 the mine would be idled for the final two weeks of the year and resume production at the start of 2020.

It's not an unexpected development – or unusual – as the move lines up with an industry-wide perception that U.S. production is still in need of some curtailment to help balance supply and demand at some point next year.

The DMME official said that the Buchanan development was a bright spot in a year that has seen operators cut production or shut it outright. Blackjewel/Revelation Energy, for instance, shut operations outright – including many in Virginia – after Blackjewel filed for Chapter 11 bankruptcy on July 1.

Overall U.S. met coal production is expected to drop by 4-6 million tons in 2019 compared to 2018, falling to somewhere in the neighborhood of 73-75 million tons from 79 million tons in 2018.

"The industry needs more consolidation and production discipline in the coal mining community," a producer source said in December. "There's just too much high-cost supply that can't be profitable in the current climate."

IHS Markit marked U.S. low-vol coking coal at FOB $127.00/tonne on Jan. 3, unchanged from the previous week.

Warmer temps, lower prices, less gas draw greets New Year

By Steve Hooks, steve.hooks@ihsmarkit.com

Average Henry Hub cash prices have remained below $3.00/MMBtu since March 2019, according to IHS Markit's latest US Natural Gas Weekly Storage Outlook. It appears that the opening days of 2020 have seen soft demand forcing HH prices to dip closer to – and below -- the $2 mark.

Blame it on the usual culprits: mild New Year weather and gas production that so far has eased off only slightly.

The prompt-month NYMEX contract (February delivery) averaged $2.19/MMBtu for the week ending Jan. 3, down $0.07/MMBtu from the previous week's average, Principal Analyst Bob Tomarelli writes in the Outlook. Henry Hub cash prices averaged $1.96/ MMBtu, down $0.22/ MMBtu from the prior week.

As of Friday noon, the Henry Hub prompt February contract priced at $2.217/MMBtu. The March, April and May contracts held roughly in the $2.16-$2/20 range. There is no contract settling above $2.50 until the December 2020 contract, at just a tad below $2.60/MMBtu. The closest a near-term contract gets to $3 is January 2021, which marked at $2.706/ MMBtu.

IHS Markit estimates a 41 Bcf withdrawal from the lower 48 states' gas storage for the week ending Jan. 3, "115 Bcf below the prior five-year withdrawal, 40 Bcf smaller than the year-earlier draw, and 17 Bcf less than the EIA's reported draw for the previous week," Tomarelli writes. "The week-on-week decline in storage withdrawals reflects lower demand because of warmer temperatures and the New Year holiday."

The lower 48 states' consumption was an estimated 92.7 Bcf/d for the week ending Jan. 3, "down 3.7 Bcf/d from the prior week, at the lowest level since the week ending Nov. 29, primarily because of warmer-than-normal temperatures in the eastern half of the country," Tomarelli continues.

The U.S. population-weighted heating degree-days were 24% below normal for the week ending Jan. 3, "with HDDs in the East, Midwest, and South Central regions more than 29% below normal. Warmer week-on-week temperatures in the East Region reduced residential and commercial heating load in that region by more than 3.1 Bcf/d from the prior week, to an estimated 13.3 Bcf/d for the week ending Jan. 3, the lowest level since the week ending Nov. 29."

The 48 states' power sector gas consumption was an estimated 24.6 Bcf/d for the week ending Jan. 3, "down 2.3 Bcf/d from the prior week, with the East and South Central regions having the largest regional declines of 0.5 Bcf/d and 0.6 Bcf/d, respectively," Tomarelli continues. "Based on the current weather forecast from StatWeather, US population-weighted HDDs likely will increase by 14% for the week ending Jan. 10 but remain 26% below normal, which should keep the weekly storage withdrawal more than 100 Bcf below the prior five-year average."

On the supply side, U.S. production was an estimated 96.2 Bcf/d for the week ending Jan. 3, "in line with the prior week and season-to-date average (from Nov. 1 to Jan. 3).

"Based on our December 2019 North American Natural Gas Short-Term Outlook, we expect January production to be down slightly from the December level as upstream operators respond to lower prices, given that weekly average Henry Hub cash prices have remained below $3.00/MMBtu since March 2019," Tomarelli continues. "Elsewhere, U.S. pipeline imports from Canada fell to an estimated 3.6 Bcf/d for the week ending Jan. 3, down 0.6 Bcf/d from the prior week, because of lower imports into New England as demand fell with rising temperatures."

DTC notes consequences on coal

IHS Markit's Doyle Trading Consultants lays out what these continued low gas prices mean for U.S. utility coal demand.

"Month-to-date natural gas prices have averaged just $2.32/MMBtu – a sign of meaningful coal displacement," DTC said in its Monthly Update for January. "Our early estimate of utility power generation is 336 TWh which is just below Dec 2018 and the 5-year average of 338 TWh. But instead of coal burn at 56 mm tons as it was last year, we are forecasting 48 mm tons for the last month of the year (total demand of 59 mm tons).

"For supply, we estimate coal production at 55 mm tons and total supply of 56 mm tons. This creates a deficit of 3 mm tons and our forecast for the inventory draw. Over the past 5 years, the average for Dec has been no draw (Dec 2014 and 2015 had large builds). In 2014, utility inventories grew 9 mm tons in Dec representing the largest build and in 2016, there was a draw of 8.3 mm tons," DTC said.'

"For us, the demand drop puts new focus on supply, thus we are making adjustments to our 2020 expectations. Currently, the forward natgas price for 2020 averages about $2.30/MMBtu and at that level, we cannot ignore what that will do to coal burn next year. For Jan, the weather looks supportive for power demand. WeatherBELL is expecting colder than normal temperatures across the Midwest and HDDs of 984 compared to 970 for January 2019. But the forward natgas price is $2.22 which is very low for Jan, especially given the weather outlook. Our view is that coal burn will be about 51 mm tons, compared to 56 mm for Jan 2019 and total coal demand of 62 mm tons.

"For supply, we are expecting some cuts," DTC said. "Our estimate for Jan production stands at 55 mm tons which compares to 66 mm for Jan 2019. Our inventory draw estimate of 6 mm tons compares to the 5-year avg of 5.8 mm tons. This 5-year avg is skewed because of the unusually large draw in 2018 of 14 mm tons. In 2015, there was a rare build, with inventories increasing 2.8 mm tons. The smallest draw for this period was 3.7 mm tons in 2019."

OTC Traded coal

Term	Price $	Bid $	Offer $
OTC NYMEX Coal (12,000 Btu/lb., 1% sulfur)			
Feb	53.00	52.50	53.50
Mar	53.00	52.50	53.50
Q2'20	53.20	52.70	53.70
Q3'20	53.60	53.10	54.10
Q4'20	53.80	53.30	54.30
Q1'21	54.50	54.00	55.00
Q2'21	54.70	55.00	56.00
Q3'21	54.90	54.40	55.40
Q4'21	55.10	54.60	55.60
CY21	54.80	54.30	55.30
CY22	56.30	55.80	56.80
CY'23	58.05	57.55	58.55
OTC PRB 8800 (at 0.8 lbs. SO2)			
Feb	12.05	11.85	12.25
Mar	12.05	11.85	12.25
Q2'20	12.05	11.85	12.25
Q3'20	12.10	11.90	12.30
Q4'20	12.10	11.90	12.30
Q1'21	12.35	12.15	12.55
Q2'21	12.35	12.15	12.55
Q3'21	12.35	12.15	12.55
Q4'21	12.35	12.15	12.55
CY21	12.35	12.15	12.55
CY22	12.60	12.40	12.80
CY'23	12.85	12.60	13.10
CSX-BSK < 1%			
Feb	45.50	45.00	46.00
Mar	45.50	45.00	46.00
Q2'20	48.00	47.50	48.50
Q3'20	50.75	50.25	51.25
Q4'20	51.75	51.25	52.25
Q1'21	52.40	51.90	52.90
Q2'21	52.60	52.10	53.10
Q3'21	52.80	52.30	53.30
Q4'21	53.00	52.50	53.50
CY21	52.70	52.20	53.20
CY22	55.00	54.50	55.50
CY'23	56.75	56.25	57.25

Source: IHS Markit

Utility price markers

Btu/lb#'s	SO2/MMBtu	Trans	Next quarter $	Next year $
Illinois Basin				
11,800	4.8	Barge	35.50	37.50
11,000	3.5	Barge	33.50	34.25
10,500	4.5	Barge	29.00	30.00
Central App.				
12,500	1.2	CSX	55.00	57.75
12,500	1.2	NS	60.00	62.75
12,500	1.6	CSX	48.00	52.75
12,500	1.6	NS	53.00	57.75
12,000	2	CSX	46.00	50.50
12,000	1.2	BS	55.00	58.00
12,000	1.2	KAN	53.75	56.50
12,000	1.6	BS	53.25	54.75
12,000	1.6	KAN	52.00	53.50
11,500	1.6	BS	48.00	49.50
11,500	1.6	KAN	46.75	48.00
Northern App.				
13,000	3.4	MGA	41.00	43.00
13,000	4	MGA	40.00	40.75
13,000	3.6	Barge	42.75	43.75
12,500	7	Barge	39.25	40.25
Western				
8,400	0.8	Joint Line	9.50	9.75
8,800	0.8	Joint Line	12.00	12.25
8,800	0.55	Joint Line	12.50	13.00
11,500	1.2	Utah	31.50	33.25
11,000	1.2	Colorado	27.25	28.00

*OTC prices

Source: IHS Markit

Insight & analysis

Sierra Club celebrates plant closures in 2019, looking for more in 2020

By Jim Thompson, jim.thompson@ihsmarkit.com

"Don't know much about geography. Don't know much trigonometry. Don't know much about algebra. Don't know what a slide rule is for. But I do know one and one is two."
Lou Adler, Herb Alpert & Sam Cooke

I've always liked to use the word "juxtapose." Why? Because I'm pretentious – also because of underlying psychological issues caused by the scorn and aggressive grading tendencies of my 12th grade English teacher. Take that, Mrs. Crawford! Not only do I know the word "juxtapose," but I can spell it without dictionary aid, when sober.

Anyhow, given the opportunity to use the word "juxtapose," I pounce as swiftly and decisively as a mother lioness. So on we go, and be thankful you're not an elderly antelope ...

Let us juxtapose with some industry thoughts recent media releases from the Sierra Club Beyond Coal campaign. The Sierras were kind enough to forward me the latest "Sustainable Resistance," which touts the impact of the Beyond Coal campaign in 2019 and the "new battle lines" being drawn for 2020.

Some say tomato, while others say to-mah-to.

Let us begin with to-mah-to – this from the Sierras: "2019 was a productive year for the Beyond Coal campaign, which increased the total number of coal plant retirements since Donald Trump was elected to 61 and saw continual growth of America's clean energy economy. All this, despite an antagonistic administration, hell-bent on scraping clean air and water protections, sowing doubt in climate science, and attacking America's clean energy economy."

Presumably this is a characterization of the Trump administration, as Eisenhower is long dead.

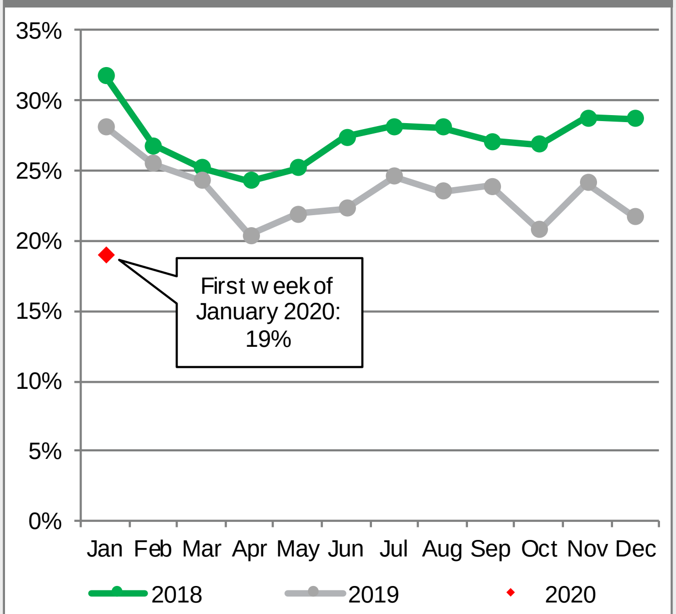
As for tomato – this from a prominent power trader whose interests do not rest with coal: "Basically we have (an expletive deleted) mess on our hands. I have said for some time – years – the jury is still out whether or not the price action – low price environment – for gas is structural or a cyclical," though "long-term" event.

The mess could become more apparent by the end of 2020. U.S. coal producers face an especially difficult year. Natural gas prices, driven in large part by a glut of associated gas, the dry gas extracted as a byproduct of drilling earmarked to extract oil and liquids products, are nearly certain to be extremely low throughout the year. Associated gas is not subject to market forces equivalent to those ruling the extraction of dry gas for its own sake.

A bad year for cold turkey

The earliest days of 2020 have not offered much promise to coal, though mild winter weather has played a role. One coal trader noted that coal generation was down circa 35% year/year in the first week of January. Here is a rather gruesome chart –

Coal Share of U.S. Power Generation



Source: EIA
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A coal buyer with a large interior utility noted that his burn is some 2 million tons since a burn forecast completed in the latter part of November and is down around 700,000 tons since the beginning of the year. These are the kinds of numbers that will affect purchase opportunities throughout the year.

In the meantime, the international market is extremely weak, and U.S. exports no longer deeply protected by hedges are likely to dip considerably from 2019 levels.

The metallurgical coal market isn't dismal, but it has weakened enough to cause some mines to be idled. It will not offer producers the level of protection from thermal weakness that it might have offered the past three years or so.

Coal producers will be under financial pressure and will have difficult decisions to make regarding production. Those decisions could and probably will have a meaningful impact on the ability of coal to respond quickly to a surge in demand in 2021 and perhaps beyond.

The coal market is "going to ugly – I think ugly to the point we will see enough forced production cuts to hopefully set (the market) up for a more constructive 2021," the power trader predicted.

While such a scenario would be good news for beleaguered coal producers, it illustrates the fact the industry – mines, transporters and power plants – might need to be nimble to assure a problem-free electricity environment.

"The uglier we get, the more 'elasticity' we lose if we get a demand signal from the larger generation complex. Basically, the uglier it gets now, the greater the probability for problems down the road. Unfortunately, markets rarely react to what 'might be,' but more to what 'is.'"

In any event, whether soon or later in the decade, we could see significant strain on the ability of coal to respond to upside in demand, thus exposing the potential for power price spikes, or in the worst case, interruptions in the availability of power.

No divorce from the fossil

"What I am certain about is we are not going to divorce ourselves from fossil fuels for power generation anytime soon," the power trader, clearly pronouncing "tomato," said. "So are we systematically dismantling the coal generation supply chain – generation/transportation/mining – prematurely? With a moderate to high degree of probability – yes. With every coal plant that is shut down, we are eroding fuel source (gas/coal) optionality. Are we being short sighted? Most likely."

The following to-mah-to is lengthy indeed, but let us offer a verbatim – take that, Mrs. Crawford! – list of Beyond Coal's assessments of its recent victories and near-term challenges –

- "In Indiana, Indianapolis Power & Light (IPL) released its long-awaited plan for how the utility will generate electricity for its more than 470,000 customers over the next two decades, which included a proposal to retire two units at the Petersburg Super Polluter coal plant. The plan called for retirement of Unit 1 in 2021 and Unit 2 in 2023.
- "IPL's Petersburg retirement announcement continued the trends laid out by the annual end-of-the-year media reports, which showed 4,000 megawatts of coal generating capacity retiring in November alone and a 2% decline in carbon emissions nationwide due to the decline in coal use.
- "The decline in coal and its emissions can only go so far toward meeting our climate goals, however, especially since fracked gas is still being used and developed in spite of the dire warning that scientists and economists have been giving.
- "In response to fracked gas' increasing prevalence in future energy industry planning and household consumption, Sierra Club's My Generation Campaign pushed back by launching a 60-second animated video to educate the public about the dangers of using gas appliances in their homes, schools and businesses, and to encourage them to support clean buildings policies in their communities. This is on topic of their fierce opposition to fracked gas infrastructure development and extraction in California."

Let us take a break here and return to the tomato, as pronounced by my power trader.

I hate you, kiss me

"The relationship with coal and gas is symbiotic – love/hate. It has been mostly 'hate' for the last decade, if you're on the coal side of the equation. But we can identify realistic paths where the supply/demand relationship within the natural gas universe can change.

"The obvious one would be some form of production curtailment in one or more of the major producing regions, driven by some form of political/environmental policy/regulation, or it could come in the form of some capital restriction where many of the producers cannot fund current production levels within cash flow and the investment community is simply not interested in lending."

Market forces surely have done more to dismantle coal plants, in recent years, than has the Beyond Coal campaign or other environmental action. But the Sierras and others have helped to shape those market forces.

The costs associated with coal generation and extraction have increased on the back of regulatory demands, mines and infrastructure projects have been delayed such that their costs ballooned, and capital has become less available and more costly as investors have made socially driven decisions to move from coal.

All these forces will also be important in determining, in the next few years, the availability and cost of gas. Don't trust me. The Sierras have already shown us the familiar playbook.

Market forces will be skewed to some degree unless the new, anti-gas/anti-fracking campaigns are less effective. I wouldn't take that bet. Regardless, market forces will continue to shift, and the action could meaningfully affect the price and availability of gas.

More to-mah-to – "Global LNG markets really tighten up, tightening up U.S. gas balances, driving up U.S. gas prices," the trader said, describing a potential scenario. "If the price of natural gas were to rise $1.00/MMBtu, the price signal for coal to take demand from gas for power generation would be significant.

"Would we be able to meet that demand under the current condition of the coal vertical? Probably not."

No relief in sight

You're here, so I'm going to make you eat your tomatoes. More from Beyond Coal –

- "In North Carolina, Beyond Coal campaign won another major victory against the coal industry by helping get Duke Energy to agree to a coal ash cleanup settlement, which many people are calling the largest in American history. North Carolina officials announced that they secured an agreement with Duke to excavate nearly 80 million tons of coal ash at six facilities. The agreement also settles a number of legal disputes between Duke and parties that include environmental and community groups.
- "Meanwhile, North American Electric Reliability Corporation (NERC) released findings from its 2019 Long-Term Reliability Assessment showing that, due to rebusted (sp, or Mrs. Crawford wins one) demand for cheap, clean energy resources like solar and wind, grid operators must prepare for 330-gw of renewables by 2029. For prospective, one gigawatt provides enough power for about 700,000 homes.
- "Predictions for 2020, however, were more dire for the coal industry than for the clean energy industry. Energy analysts and reporters found that the coal sector has little hope of improvement in in the next few years, 'after a long list of bankruptcies, power plant closures, layoffs and other troubles marred the industry's timeline over the last decade.'
- "For perspective, federal records show that American coal producers mined roughly 1 billion tons of coal in 2010 (the beginning of the Beyond Coal campaign), and the EIA expects upcoming data to show that mining will have dropped more than one-third to 697 million tons in 2019."

While Beyond Coal sees the latter bullet point as a major achievement, it illustrates starkly the speed at which a monumental shift in U.S. electricity generation has taken place.

Global gas, domestic strain?

"The real issue as I see it is, I believe, we are heading towards the end of ever decreasing gas prices. Natural gas is no longer a closed system" in which "U.S. factors alone affect price. We are now an integral part of the global gas supply chain.

"I believe this will lead to periods of heightened volatility for natural gas. The volatility will be reflected in both amplitude and frequency. The frequency will likely be quicker than coal can respond – both operationally and in the willingness of mine owners to allocate capital to what might be fleeting/temporary market signals.

"This means the days of a stable predictable 'baseload' burn profile are most likely gone, never to return. Coal/gas have a symbiotic but broken relationship – so it brings us back to where we started. We have (an expletive deleted) mess on our hands."

And the mess isn't being addressed. "Ironically, the utilities are incented to make this playing field more complex," the power trader noted.

That is an excellent stopping point, but some of you might be interested in hearing more from the to-mah-to. If not, you may feel free to break for coffee and sponge cake.

For those still here

From Beyond Coal...

- "In a victory for coal workers and their families, however, Sen. Joe Manchin (D-WV) secured an agreement in the U.S. Senate to fund the pensions and healthcare for miners and their dependents. After threatening to block all bills until Congress funded them, Sen. Manchin announced an agreement on a bill that protects the pensions and healthcare of nearly 100,000 coal miners, securing the lifetime healthcare benefits for the 13,000 miners who would have lost them entirely and 92,000 miners' pensions that would have been 'gutted' in 2020 without action.
- "The year-end legislative process also secured a one-year extension of the wind industry's federal Production Tax Credit, which has been vital to the development of wind farms – especially when considering the billions of dollars in subsidies that fossil fuels competitors receive from states and the federal government. PTC's extension into 2020 bodes well for clean energy in America, since in 2019 the U.S. reached a milestone of 100 gigawatts of installed wind energy capacity, with more than half of that installed in the past seven years, according to the Department of Energy.
- "Despite victory with the PTC on Capitol Hill, FERC succeeded in instituting a disastrous new rule that will essentially exclude new renewable energy resources from the PJM capacity market – a split decision that energy experts predict will cost the Midwest, Appalachia, and Mid-Atlantic regions almost $6 billion annually and increase dangerous fossil fuel emissions.
- "The new rule – known as the Minimum Offer Price Rule (MOPR) – will require new renewable resources required under ambitious state climate policies to offer into PJM's capacity market at artificially elevated prices. At these prices, renewable energy resources will be unable to displace more expensive aging coal and unnecessary new fracked gas resources from the market. The MOPR will essentially nullify most state incentives for clean energy resources and require consumers to buy fossil-fuel capacity that they neither want nor need."

One can assume the Sierras will continue to maneuver to coal plants as aggressively as possible, and given that circumstances, one should not assume that a potential train wreck is out of the question, particularly if the political climate becomes more favorable to opponents of fossil fuels.

Since we've been comprehensive in reporting the views of Beyond Coal, and since I actually say "tomato," being from Texas, let's give the final word to the hard "a."

Good news and bad

"Renewable generation will not be a majority of U.S. generation anytime in the next 20 years – sans some unforeseen technological development; most likely batteries storage capacity," the power trader said.

"We have enough generation in the ground where I don't see brownouts as likely – certainly possible. I just think the price of electricity will have to rise to the point where demand begins to shed. This would likely be restricted to summer.

" 'Coal is bad' has already been indoctrinated into society, so the chances of any new coal builds are basically at zero in the U.S. for the foreseeable future."

The trader thinks there are some bright spots for coal. "I think as the enviros turn on gas, existing coal generation will get a bit of pass, especially if gas prices are higher.

"Coal burn will continue to decline simply as a function of available megawatts, but potentially not as fast as the loss of those megawatts might imply. We have room in the capacity factor of the fleet to burn significantly more coal than we are today."

The challenges that face coal, though, make one wonder whether an informed energy policy would balk at counting on the fuel to simply be there whenever needed regardless of how many coal plants close and how lengthy the periods are in which mines are idle and plants dialed down.

"I agree anyone that thinks exports are going to bail the industry out is insane, in my opinion," the power trader said. "For sure there will be bright spots, and a few will capture the spoils. But panacea? Not a chance."

In fact, U.S. coal producers might face competition from the seaborne market, particularly if their costs to stay alive require substantially higher prices. "Coal imported into the U.S. to bridge potential domestic supply shortfalls? I can absolutely see this happening."

To the extent coal is needed for electricity resilience and reliability, state regulators and lawmakers must recognize a potentially serious problem. "I think most producers have a steep uphill climb to make things work over the next decade."

Hedged tons have (mostly) fallen off as exports expected to swoon

By Bob Hodge, bob.hodge@ihsmarkit.com

"Reply hazy, try again."
Magic 8 Ball

If you dig your old Magic 8 Ball out of the toy chest in the attic – and, yes, I still have a lot of my old toys in my attic – and start asking it about U.S. thermal exports for 2020, it can give you the right answers:

Are U.S. thermal exports going to go down in 2020? *"Without a doubt."*

Is that going to lead to cutbacks at mines in the East, especially the Illinois Basin? *"It is certain."*

Are there still some hedged tons out there that will move regardless of the market? *"Concentrate and ask again."*

We did concentrate and ask again. The answer – not from a Magic 8 Ball but from real people – was, well, not that much different.

There are almost certainly some hedged tons that are still going to move into the seaborne market this year, but for the most part deals that were signed last year and in 2018 and even a few in 2017 have played out. That could make the drop in the numbers even more dramatic than what they have been since both the API 2 and Newcastle prices haven't been U.S.-friendly for the past eight months or so.

The expectation is thermal exports from the U.S. are going to fall 20% to 30% from last year's levels, which would put them in the 31 million- to 35 million-ton range. It's expected that the biggest hit will come in the Illinois Basin, at least on a percentage basis, but there's not much immunity out there for any of the coals produced in the East.

One source said most of the hedged tons had rolled off before the fourth quarter got here, and some of the late-in-the-year shipments were simply "playing catch up" after the Mississippi River was at record highs during the first half of 2019. It's his belief that without the delays caused by the flooding the end of year, numbers would have looked (or will look when the data is available) even worse.

Of course, he was talking about shipments from the ILB, but said there's not much hedged coal left to move off the East Coast either.

"There was really nothing to hedge against last year," the trading source said. "Before the first quarter (of 2019) was over, it was apparent where international prices were going and prices here actually showed more resilience."

Despite the outlook, the source said U.S. producers weren't "going to get in a race to the bottom" and some coal that could have been hedged against the falling international prices stayed home. Even now, a "race to the bottom" doesn't look like it's in the cards.

Discipline over discounts

While the longwall mines in the East could ratchet down their prices and probably/maybe push more coal into the export market – or race to the bottom for domestic business – a sales source said he doesn't expect that to happen.

With most of the ILB, Northern App and Central App prices down 25% or more from where they were a year ago, the source said he believes the bottom has more or less been reached for pricing. While there may be a spot deal here or there that falls outside the price curve, the thinking is that more coal will go away before more dollars do.

"Production will come off before prices," he said. "I don't see that it's in the best interest (of producers) to just keep trading punches."

The one caveat to that thinking could be a stockpile situation that is high, but in this case we’re not talking about what’s stacking up at the various utilities.

January isn’t even 10 days old and there are reports that unless the weather takes an unexpected U-turn, burn projections for the first part of the year are already being torn up. That’s led to the prospect of contracted tons being deferred and the stockpiles at the mines getting ever bigger.

If the deferrals happen, that could lead to some punches being traded as producers simply need to make some space.

“Production is going to be cut, there’s no doubt about that,” the source said. “The question becomes where and how much?”

CAPP thermal exports might hit the 2 million-ton range, but even that low number could be on the optimistic side. Current API 2 pricing puts CAPP thermal underwater in most cases before the coal even comes out of the ground.

NAPP thermal exports out of Baltimore could be down 20% to 25% this year, putting them in the 8 million- to 9 million-ton range. NAPP exporters’ reliance on markets other than Europe could prove to be its own hedge against exports going even lower.

Exports elsewhere

While the numbers are most certainly going to decline in the East, exports from the Powder River Basin and Western Bit regions could be relatively flat.

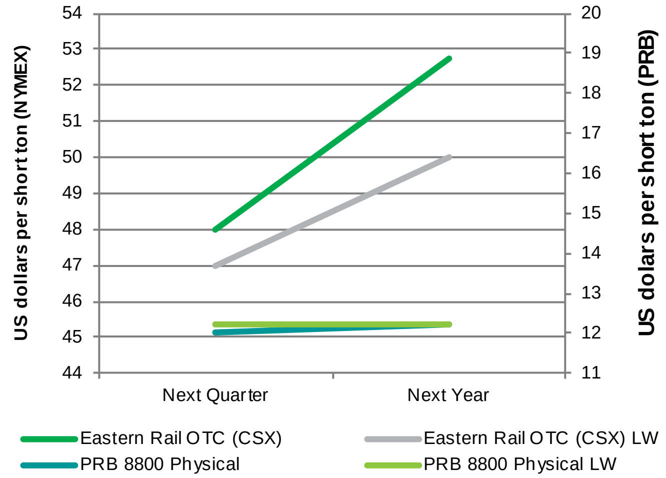
Signal Peak Energy has signaled that it has export sales already on the book for 2020 and if you throw in tons that are likely to move from the Navajo Transitional Energy Co. operations, the PRB could export 10 million to 11 million tons this year.

Coal going overseas from the Utah/Colorado region is also going to slow down as the shipments through Mexico have mostly been derailed by low prices. Estimates are exports could be in the 5 million- to 6 million-ton range, but one source said he believes that number could be a bit high.

What is likely to bolster exports are take-or-pay agreements at the export terminals in California, which the source said are pretty steep. With the liquidated damages as high as $10 a ton for coal not shipped, that likely puts about 3 million tons of coal into the export market almost regardless of price.

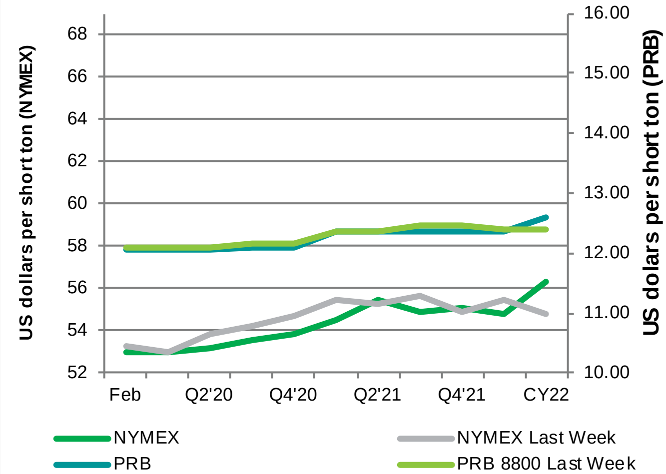
“That is likely to account for about 3 million tons, but that could be a bit on the high side,” the source said.

Physical prices



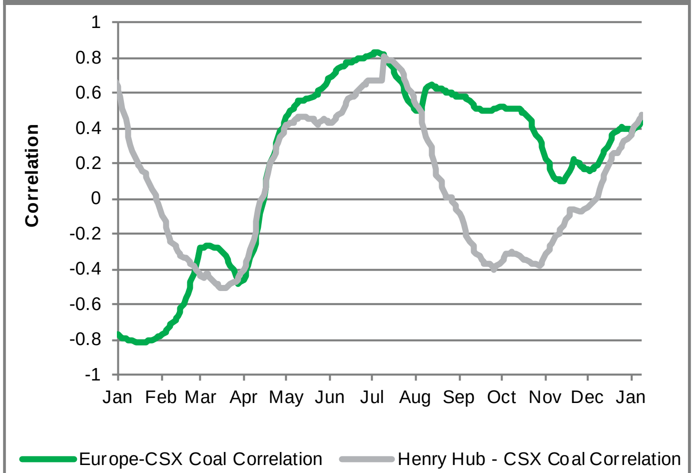
Source: IHS Markit © 2019 IHS Markit

Financial forwards



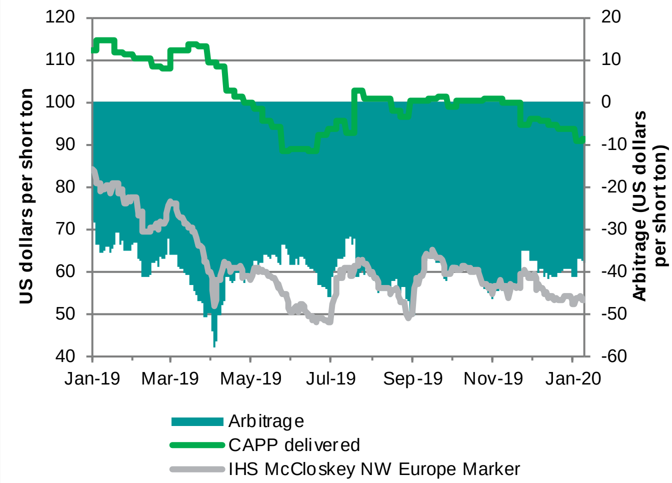
Source: IHS Markit © 2019 IHS Markit

Coal and gas correlations (90-day)



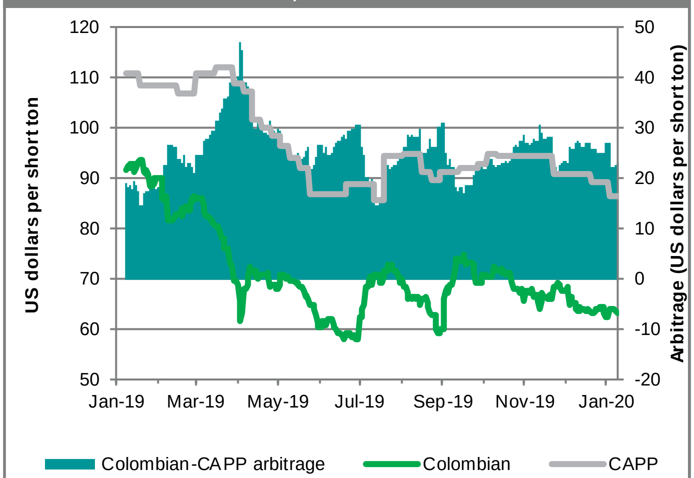
Source: IHS Markit © 2019 IHS Markit

CAPP delivered to Europe via East Coast



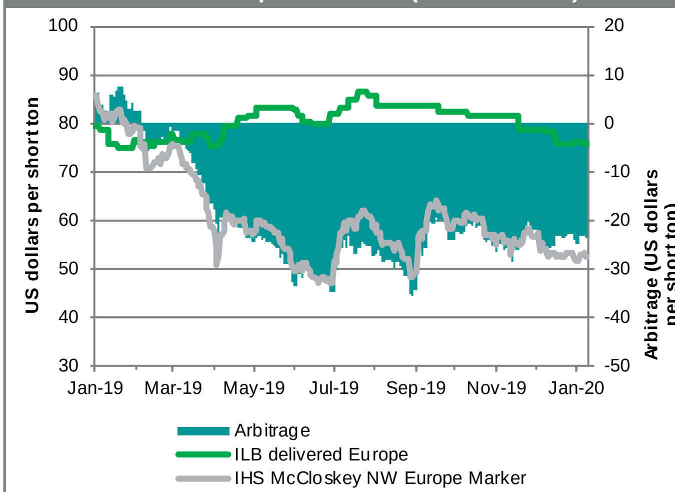
Source: IHS Markit © 2019 IHS Markit

CAPP/ILB vs Colombian, delivered to Florida



Source: IHS Markit © 2019 IHS Markit

ILB delivered to Europe via NOLA (undiscounted)



Source: IHS Markit © 2019 IHS Markit

The markets

Prices for NAPP, ILB coals continue falling into new year

The holidays weren't kind to the four U.S. thermal coals marked weekly by IHS Markit, with most losses over the two-week period either over $1 per ton or approaching it.

Despite the slow market, prices continued to decline, although multiple sources believe the bottom of the market in both Northern Appalachia and the Illinois Basin has been reached. The sources said going forward, it's more likely production will be cut than prices.

The biggest decline the past two weeks came in the NAPP rail market, with 12,900 Btu/lb. (12,500 Btu min.) and 4.0 lbs. SO2/MMBtu coal falling $1.10/ton to $38.87. It's the lowest weekly price for NAPP rail-delivered coal since IHS began assessing prices weekly in July 2016.

NAPP barge coal with specs of 12,500 Btu/lb. (12,200 Btu min.) and 6.0 lbs. SO2/ MMBtu fell 94 cents a ton to $37.65.

In the ILB, barged coal had the best holiday season, losing "only" 79 cents a ton to close the week at $33.39. Its railed counterpart had the second-highest dip in price, falling 95 cents a ton from December to $32.10.

Both ILB coals have specs of 11,500 Btu (11,200 Btu min.), 3.0% SO2 and 0.35% chlorine.

The delivery period for all four coals is February, March and April.

Most coals lose 25% or more of their pricing in 2019

There have been mine closures and bankruptcies and some M&A since 2019 got up and running, and a lot of that can be traced to the difference in coal prices from where they began the year to where they ended it. It's no big secret, but when you put the digital pen to the digital paper, you see that it was a bad year for thermal coal sales, but probably a positive one for moving Pepto-Bismol.

The one region that didn't see big price declines? The Powder River Basin.

In the PRB, prices came into 2019 on the low side and more or less stayed that way.

PRB 8,800-Btu/lb. coal began the year at $12.45 a ton in the OTC markets and ended it at $12.20 a ton. The much-maligned, what-are-we-going-to-do-with-it 8,400-Btu/lb. coal was the one year-over-year gainer, with a $9.30/ton coming out of the gate and a $9.55 price to end the year.

The rest of the story

But the PRB was by far the exception and not the rule.

Starting out in Central Appalachia, prices were slipping but still humming along. Just weeks before 2018 ended, there were reports of an $83-a-ton deal getting done for CAPP thermal, and even though nobody thought those prices would be sustainable, the coming collapse wasn't baked into the market.

CAPP rail coal opened the year at $75.50/ton for the prompt month and was piggybacking on the hot metallurgical market. Fifty-one weeks later, that price is $45/ton, a decline of 40.3% and some down-to-the-bone production cuts have done nothing to push the forward curve.

"Unsustainable" is the word that some in the CAPP world have used. One source believes that more production cuts are coming because "our market has been decimated."

Power plant closures have played a huge role, but so have utilities that still buy coal squeezing out CAPP for Northern Appalachian and Illinois Basin coals.

CAPP barge coal lost big as well, but not quite as bigly.

NYMEX-spec'd coal came into the year at $62/ton and exited at $46.50, a decline of 25%. Its price has been more or less stagnant for months, but a source said the reason is "nobody is buying it. When some deals get done it will go lower."

While CAPP rail coal was the biggest loser by real dollars and by percentage, NAPP rail was next in line for both marks.

A year ago, talk was that there was simply not enough NAPP coal to go around and prices could be pushing up towards $60 a ton. NAPP rail with specs of 12,900 Btu/lb. (12,500 Btu min.) and 4.0 lbs. SO2/ MMBtu was priced at $57.05/ton the first week of 2019, but had slipped below $40 a ton by the end of the year at $39.97/ton, a 29.9% drop.

NAPP coal not only found competition at home coming from natural gas; a lot of utilities saw overall power production decline. Throw in an export market that dried up and you get 30% price declines.

NAPP barge coal – specs are 12,500 Btu/lb. (12,200 Btu min.) and 6.0 lbs. SO2/ MMBtu – never reached the heights of its railed counterpart, so even though it was shedding dollars every month it lost only (yeah, only) 16.5% y-o-y. It opened the year at $46.21 a ton and ended it at $38.59.

ILB losses

Out in the Midwest, things were no better as some higher-priced contracts rolled off at the end of the year and the fight for new business was relatively fierce. Export business was throttled first by delays getting coal to the Gulf and then by a market that pulled a disappearing act.

ILB barge coal began 2019 at $46.04 a ton and ended at $34.18, and that price is expected to erode a bit more before it hits bottom. One source said some spot coal was shipped in the fourth quarter that had a two-handle, but he doesn't believe that over all prices will go that low. But ...

"Forget gas, the first quarter is going to be about the weather," he said.

ILB barge prices declined by 25.8% during the year and ILB rail-delivered coal followed almost the exact same price curve. Specs for both are 11,500 Btu (11,200 Btu min.), 3.0% SO2 and 0.35% chlorine.

Opening 2019 at $44.61, ILB barge ended at $33.05 and lost 25.9% of its price. The source said that friendlier barge prices could help going forward, but "if the demand isn't there, free barges wouldn't make much of a difference."

And overseas

A lot of what happened in the U.S. hinged on what happened with prices in the Northwest European market and the news there looks a lot like the news here.

The API 2 had fallen from its $100-plus prices of the summer but was still a relatively healthy $84.34/ metric tonne when 2019 began. It ended at $53.12/ tonne – which nobody is calling good – but that was better than $47.63/tonne, which was the low ebb for 2019 at the end of June.

Most in the U.S. say they need $65 before exports make sense. According to the recent numbers, nobody may be talking about that until the first week of 2021.

Blackhawk Mining to idle Tom's Fork

Blackhawk Mining will idle its Tom's Fork Road operation in Eskdale, W.Va., the company announced late Tuesday.

The mine closure will result in the immediate issuance of Worker Adjustment and Retraining Notification Act (WARN) notices to 65 employees. Each affected employee will be encouraged to apply for open positions elsewhere within the company, Blackhawk said. Permanent workforce reductions associated with the WARN notice are expected in March.

The idled mine primarily produces high-vol metallurgical coal for sale to domestic and international coke makers and steel producers. In 2019, the mine produced about 400,000 tons.

Recent weakness in global coal markets, and the corresponding drop in prices to multi-year lows, is the reason for the company's decision.

Given unchanged market conditions, both in terms of price and demand, further mine closures during the first quarter have long been expected by industry participants. Both met and thermal mines are likely to be weighed in the balance.

Germans use a lot less coal in '19

It doesn't take a math genius to figure this one out: 100% of Germany's coal comes from imports, so when the total amount of coal the country uses goes down so does the seaborne market.

And last year, the amount of coal used by Germany went down a lot.

The country's hard coal consumption – again, every ton (or in this case tonne) of it imported – fell by 21% year on year in 2019 to a historic low of 38.7 tonnes, basis 7,000 kc NAR, according to energy research group AG Energiebilanzen.

Some 18.1 million tonnes of hard coal went for electricity production, down 9%, and 19.6 million tonnes for use in the steel industry, down 3.9% from 2018. The heating market consumed 1 million tonnes in 2019, down a third on 2018.

Brazil's CSP launches four-Panamax tender

Brazilian steel producer CSP (Companhia Siderúrgica do Pecém) has launched a four-Panamax low-vol tender for delivery in the second quarter of 2020.

The tender closes on Jan. 20 and is understood to have launched in the first week of January.

The U.S. is preferred origin of the low-vol products, according to a trader.

"In current market conditions the company expects bids at a discount of minimum $2-3/metric tonne to a physical index," the trader said.

The tender was launched by invitation only for CSP's plant in Pecém, Ceará state.

CSP had issued a separate tender last year for 500,000 tonnes of mid-vol material split in 10 shipments to be delivered January-December this year. The details of the award could not be immediately verified by IHS Markit, but Contura Energy is thought to have won a significant portion of that business.

CSP is a joint venture between South Korea's POSCO (20%) and Dongkuk (30%), and Brazilian major Vale (50%).

Eastern

Justice announces Ramaco Carbon will build new WV research facility

In his State of the State Address Wednesday night, West Virginia Gov. Jim Justice announced an agreement with Wyoming-based carbon technology company Ramaco Carbon to open a new research facility in the state, to pursue research related to the use of coal as the precursor for advanced carbon products and materials.

"I am excited beyond belief to welcome Ramaco Carbon's next incredible research facility to our great state. It's a complete game-changer for us and, really, the entire country," Justice said. "West Virginia is truly blessed with an abundance of natural resources and our coal is as good and as plentiful as it gets. We absolutely need to continue doing all we can to harness the power of coal in every way possible and having this facility to test new ways to convert this dynamic resource is a great opportunity for all."

The coal research center, which will be located in Charleston, is the second Carbon Advanced Materials (CAM) facility Ramaco has under development. The other research center is under construction in Sheridan, Wyo., and scheduled to open this summer.

In recent years, Ramaco Carbon has also built a national network of research support at universities, scientific institutes, Department of Energy National Labs and other government organizations to support the fast-evolving field of "coal-to-products" in which coal is used to create higher-value materials.

One of Ramaco's mantras is "coal is too valuable to burn."

The DOE announced last September that Ramaco was the recipient or a subrecipient of over $5 million in new federal grants to support these efforts.

"Advancing this coal R&D is paving the way for future technology innovation and integration," said Randall Atkins, Ramaco's chairman and CEO, thanking Justice for West Virginia's support.

"The research that we will conduct in West Virginia has potentially far-reaching national economic and strategic implications," Atkins said. "We are deeply appreciative of the governor's vote of confidence in our contributions to these research efforts and we look forward to further cementing the Ramaco 'family' of coal interests in West Virginia."

Over the past seven years, privately held Ramaco has created the nation's first vertically integrated "coal technology" entity, combining coal resources, research and manufacturing under one platform. The company is an affiliate of publicly-traded Ramaco Resources, Inc., which has existing metallurgical coal production operations in southern West Virginia.

Judge orders Cambrian to produce lease documents

Cambrian Coal must turn over "any and all reports and documents" pertaining to leases with Kentucky River Properties LLC and Timberlands LLC, Cambrian's bankruptcy court judge has ruled.

Specifically, Cambrian must provide documents to KRP/Timberlands "confirming the tons of coal mined and sold, including all sale prices for such coal, from the reserves covered by the leases between KRP and the Debtor, Perry County Coal LLC, for the months of August and September 2019," U.S. Bankruptcy Judge Gregory R. Schaaf ruled Jan. 2.

Further, Cambrian is "hereby ordered to produce to the undersigned counsel for Natural Resource Partners L.P., ACIN LLC, and WPP LLC any and all reports and documents due under the leases between NRP and the debtors, specifically including such reports and documents confirming the tons of coal mined and sold, including all sale prices for such coal, from the reserves covered by the leases between NRP and the debtors for the months of August and September, 2019."

The judge ordered Cambrian to provide all pertinent documents "on or before" Jan. 2.

In connection with Cambrian's Chapter 11 case, multiple lessors and other litigants have been trying to make sense of the lease makeup of Perry County Coal, the properties of which were largely sold to American Resources Corp. Cambrian closed on three sales, comprising substantially all of its assets, on Sept. 27. Cambrian and affiliated debtors filed June 16 for Chapter 11 reorganization in U.S. Bankruptcy Court for the Eastern District of Kentucky, Lexington.

Among the many court documents filed are statements expressing concern that the case might be converted to Chapter 7 liquidation, and how that might change parties and procedures involved in the case.

Meanwhile, on Friday, the judge signed off on an order allowing Cambrian to reject, as of Sept. 27, a coal lease agreement between it and the Terrell Coleman Marital Trust, dating from April 10, 2009. The original lease agreement, from December 1976, predates the existence of Cambrian.

Pristine Clean Energy also signed off on the rejection of the Coleman lease agreement.

Pristine closed on Cambrian's Premier Elkhorn assets in the September sale. Pristine owns the Brooks Run mine in West Virginia.

Midwest

Paringa mulls options for Hartshorne Mining

Australian Stock Exchange and NASDAQ-listed Paringa Resources Ltd. is analyzing options for the continued operations at its 100% owned subsidiary, Hartshorne Mining Group, the company said in a Wednesday-filed 6-K.

Paringa said it "has retained FTI Consulting, Inc. to perform a review of Hartshorne's near-term financial outlook and operational performance, including an assessment of additional financing required for operational needs.

"The immediate priority of FTI and the company is to explore all opportunities to maximize the value of Hartshorne and the Poplar Grove mine, either through additional funding to finance the continuation of operating activities at the project, or by a potential trade sale."

The company's Buck Creek Mine Complex in western Kentucky includes the Poplar Grove Mine, which started operations in December 2018, expected to produce 2.8 million tons/year.

In July 2019, Paringa announced that Big Rivers Electric Corp. had elected to terminate its coal sales agreement with the producer "due to the delayed delivery of first coal" to the Kentucky utility.

At that time, Paringa said, "Sales to BREC would have been approximately 13% of projected tonnage over the next 5 years. The contracted volumes with BREC were for between 100,000 tons and 320,000 tons per year, with the majority of sales scheduled for 2021-2023. The company maintains a good relationship with BREC, and BREC has requested a test burn of Poplar Grove coal later in the year."

On Wednesday, Paringa said in the 6-K: "Operational and technical challenges to-date have resulted in production levels yet to reach expected volumes. Drilling is underway to provide greater confidence on near-term production."

Further, Paringa said: "In order to maintain Hartshorne's cash position as it continues to ramp-up its operations, and after consultation with the agent for Hartshorne's secured lenders, Tribeca Global Resources Credit Pty Ltd, Hartshorne has decided to defer payment of the December 31, 2019 quarterly interest and fees required under its term loan facility, totaling approximately US$1.5 million. This deferral has triggered an event of default under the term loan facility which gives Tribeca the right to demand immediate full repayment of the term loan facility. Tribeca has issued a letter to Hartshorne and the company (as a guarantor of Hartshorne's obligations under the term loan facility) that notifies the existence of the event of default and reserving its rights in respect of such default.

"Mining operations have recommenced following the scheduled Christmas and New Year break and the company and FTI will continue to work closely with Hartshorne's lenders, employees, customers, and suppliers to optimize value for all stakeholders. The company's securities will remain suspended from trading until the company can make further announcements on the above."

Kirk Tholen joins Alliance as senior vice president

Alliance Resource Partners announced Monday that Kirk Tholen has joined the ARLP executive team as senior vice president and chief strategic officer, reporting to Chairman, President and CEO Joe Craft.

Tholen will be assisting Craft in the development of ARLP's strategic initiatives and work from the company's Tulsa, Okla., office. Tholen will also serve as president of ARLP's oil and gas minerals segment.

Working with ARLP's senior executive team, Tholen's responsibilities will include "creating viable business opportunities for ARLP's coal business, building its emerging oil and gas minerals business and executing enterprise-wide business strategies and operating plans for long-term growth."

"I am pleased to welcome Kirk Tholen to the Alliance team," Craft said. "Kirk is a respected leader in the energy industry and brings a depth and breadth of knowledge and experience to ARLP. I look forward to working closely with Kirk to extend our core coal business, expand our growing minerals business and pursue other opportunities to deliver on Alliance's goal of creating value for unitholders."

Tholen most recently served as a managing director within Houlihan Lokey's Oil & Gas Group and head of the acquisitions and divestitures practice for that Houston-based firm. From 2012 to 2015, he was head of A&D for Credit Agricole CIB and was responsible for creating and leading the company's A&D platform to service domestic and cross-border client transactions as well as assisting in reserve-base lending, equity offerings and high yield debt offerings. From 2006 to 2012, he provided business development, marketing, transaction management, negotiating and closing services to clients at Albrecht & Associates, Inc., a sell-side E&P boutique advisory firm.

"Alliance represents and is known for its capital discipline, investment ingenuity and deliberate growth," Tholen said. "This has been consistent for over 20 years and the growing minerals platform is a perfect example of a continuation of these core principles. I look forward to working with the Alliance team to expand the minerals portfolio alongside coal and other investible opportunities."

Utilities

AEP, FirstEnergy, others target unit shutdowns for 2020

The PJM Interconnection website shows that there are several coal-fired units currently scheduled for deactivation, with a particular death knell for those units around the beginning of June.

The 2020 coal units to be shut are:

- American Electric Power, Conesville Unit 4, 780 MW, Ohio, to be deactivated as of June 1;
- Owensboro Municipal Utilities, Elmer Smith Unit 2, 48 MW, Kentucky, to be deactivated June 1 (note that this is part of a larger plant to be shut, with most of its capacity located in the Midcontinent ISO region);
- Northern Star Generation, Colver NUG, 110 MW, Pennsylvania, to be deactivated Sept. 1;
- FirstEnergy Solutions, Sammis Unit 2, 160 MW, Ohio, to be deactivated May 31;
- FirstEnergy Solutions, Sammis Unit 3, 176 MW, Ohio, to be deactivated May 31;
- FirstEnergy Solutions, Sammis Unit 4, 173 MW, Ohio, to be deactivated May 31;
- FirstEnergy Solutions, Sammis Unit 1, 160 MW, Ohio, to be deactivated May 31;
- Riverstone Holdings, Wagner Unit 2, 135 MW, Maryland, to be deactivated June 1; and
- Macquarie Group, Frackville Wheelabrator 1, 45 MW, Pennsylvania, to be deactivated March 1.

Of note is that AEP in June 2019 deactivated Conesville Units 5 and 6 (405 MW each), with Unit 4 due to be the last unit to be shut (other units at the plant were retired previously).

Also, Owensboro Municipal Utilities (OMU) deactivated Elmer Smith Unit 1 (representing 52 MW in PJM) in June 2019. "OMU's Elmer Smith plant is a coal-burning facility consisting of two units with a combined capacity of 425 MW," says the utility's website. "The facility burns approximately 1,250,000 tons of coal per year."

Another point is that FirstEnergy Solutions had been planning to deactivate the coal-fired Sammis Units 5-7 (total of 1,491 MW) in June 2022, but decided in July 2019 to rescind the deactivation notices for just those units.

Transportation

Weekly coal carloads start 2020 slightly down

Weekly coal carloads dropped 1.6% to 69,757 in the first week of 2020 ended Jan. 4, according to the Association of American Railroads. This number is also the year-to-date, quarter-to-date and cumulative number so far for the new decade and year.

As for 2019, coal carloads ended the year at a tad over 4 million – 4,000,171, to be exact – down 9.2%, or more than 405,000 carloads, compared with 2018 and averaging 76,926 over the 52 weeks. The last week of 2019 saw coal carloads drop by 11.7% from a year ago to 60,454, according to AAR data.

"Coal was by far the biggest source of U.S. rail carload declines in 2019," said AAR Senior Vice President John T. Gray. "In fact, coal carloads in 2019 were their lowest in decades and were 45% lower than their 2006 peak."

Gray continued: "No question, 2019 was a challenging year for rail traffic, thanks mainly to the macroeconomy and continued years-long changes in energy markets. Trade disputes and the general economic uncertainty they spawned harmed rail-served industries much more than the overall economy. With recent progress on (the United States-Mexico-Canada trade agreement) and in the China trade talks, railroads are hopeful that these lingering issues will be resolved in 2020 and create the certainty rail customers need to invest."

With 2019 in the rear view mirror, here is how the first week of 2020 stacked up for individual Class I railroads' coal loadings:

CSX – 13,339, down 3.9% from 13,878 in the year-ago week;

Norfolk Southern – 12,348, down 32.5% from 19,342;

BNSF Railway – 36,021, up 24.2% from 29,004;

Union Pacific – 14,665, down 24% from 19,412.

International News

Teck expands long-term deal with Ridley

Canada's Tech Resources announced it reached an expanded commercial agreement with Ridley Terminals to ship 6-9 million metric tonnes/year of its British Columbia coking coal through 2027.

The deal runs from January 2021 to December 2027, and increases contracted capacity from 3 million tonnes/year to 6 million tonnes/year with an option for Teck to boost shipments to 9 million tonnes/year.

"This agreement with Ridley Terminals, in combination with upgrades underway at our Neptune Terminal and our recent agreement with CN, will contribute to improved overall performance throughout our steelmaking coal supply chain," Teck CEO Don Lindsay stated. "We are looking forward to building on our strong working relationship with RTI and new principal owners Riverstone-AMCI to safely and efficiently transport our product to customers."

Full terms of the agreement were not disclosed.

RZD increases deliveries to export terminals in 2019

Russian rail operator RZD increased deliveries to export terminals in 2019 by just over 1%, according to its latest data.

Rail deliveries to export terminals totalled 209.0 million metric tonnes, up from 206.5 mt in 2018.

However, December's deliveries were lower month-on-month at 15.12 mt, compared to 17.58 mt in November, and were also lower than 16.67 mt in December 2018. High stocks at a number of ports were cited as reasons for the slower month. January deliveries are expected to recover.

Deliveries to the Black Sea port of Azov in 2019 increased to 1.60 mt from 1.20 mt in 2018, a rise of 33%. RZD reduced rail tariffs by 8% earlier in 2019 from the Kuzbass mining region to Azov to alleviate congestion at Baltic ports. Staying in the Black Sea, Tuapse port received 3.50 mt, up from 2.70 mt previously.

Deliveries to Baltic ports such as Ust-Luga were 33.10 mt, up from 28.65 mt in 2018. Vystok received 6.56 mt, down from 7.83 mt in 2018.

Arctic ports such as Murmansk received 15.60 mt last year, down from 16.11 mt in 2018.

Rail deliveries to Russia's eastern seaboard also increased to the main ports. Vostochny received 34.50 mt, up from 32.82 mt, while deliveries to Vanino were 25.67 mt, up from 24.14 mt in 2018.

Canada's Ridley ships less met coal in 2019; more thermal, petcoke

Canada's Ridley dry bulk terminal saw coking coal export throughput fall by nearly 3% year-on-year in 2019.

The terminal exported 5.47 million metric tonnes of coking coal, down from 5.63 mt in 2018. December shipments were down 7% year-on-year at 0.44 mt from 0.47 mt in 2018, but had recovered from November's total of 0.16 mt.

The decline in November exports was caused by delays to a planned upgrade to its rail car dumper capacity from 3,500 tonnes/hour to 5,000 tonnes/hour. The work affected met coal shipments more.

There was also industrial action by Canada National Rail staff in November which disrupted operations and impacted met coal more than other solid fuels.

Thermal coal exports increased by 46% year-on-year to 3.12 mt, from 2.14 mt previously. Shipments in December were 0.32 mt, up 28% from 0.25 mt a year earlier and broadly stable with November's 0.36 mt.

Petroleum coke exports also increased by 10% to 1.47 mt from 1.34 mt previously. December shipments fell to 29,000 t from 0.18 mt in a year earlier, and were down from 0.16 mt in November.

The U.S.-China trade dispute helped boost Canadian shipments of petcoke and thermal coal as they were not subject to additional import tariffs.

South African coal output down sharply due to heavy rains

Heavy rains across key coal mining regions in South Africa have led to a sharp drop in production over the past few weeks, helping to keep export prices near one-year highs and putting a strain on stockpiles.

The weather-related production problems have been one of the main causes for the decline in stocks at the Richards Bay Coal Terminal (RBCT), which this week tumbled to 2.7 million metric tonnes, from 3.7 mt last month.

"All our mines in Mpumalanga were adversely affected, that's why RBCT stocks are so low," an official with a major producer told IHS Markit. "Things are getting back to normal in terms of weather, but the effects might last a bit longer."

The supply issues, along with strong Indian buying, where significant volumes of South African coal are used in sponge iron making, has propped up the Richards Bay market to near one-year highs, a rare bright spot in the global coal markets.

On Thursday, a 50,000-tonne February-loading cargo traded at a one-year high of $96.00/t FOB, the highest since late December 2018.

A South African trader said production in the key Mpumalanga coal mining region could be down as much as 20% in December, translating roughly to a drop of around 1.1 mt. A second trader said the rain's impact was significant, but he didn't think it was as much as a 20% production loss in Mpumalanga.

The region produces more than 80% of South Africa's coal output of around 20 mt a month. Of that total, South Africa exports around 5-7 mt a month.

Seriti Resources' Kriel mine was among the worst hit, with flooding problems forcing the temporary shutdown of operations in mid-December. The mine produces around 5 mt/y for the nearby 3 GW Kriel power station, operated by Eskom. The state utility was forced to impose rolling blackouts last month, partly due to the flooding of the mine and power station.

National News

White House announces proposed changes to NEPA

With the predictable reactions along party lines and pro-business vs. pro-environmental camps, President Trump announced Thursday that for the first time in more than 40 years his administration is proposing a new rule under the National Environmental Policy Act "to completely overhaul the dysfunctional bureaucratic system that has created these massive obstructions."

Under U.S. Environmental Protection Agency regulation, NEPA was signed into law on Jan. 1,

1970. NEPA requires federal agencies to assess the environmental effects of their proposed actions prior to making decisions, according to the EPA. The range of actions covered by NEPA is broad and includes:

- making decisions on permit applications,
- adopting federal land management actions, and
- constructing highways and other publicly-owned facilities.

"Using the NEPA process, agencies evaluate the environmental and related social and economic effects of their proposed actions," according to EPA. "Agencies also provide opportunities for public review and comment on those evaluations."

But the process has taken too long and bogged down commercial and economic development, according to Trump: "In the past, many of America's most critical infrastructure projects have been tied up and bogged down by an outrageously slow and burdensome federal approval process ... From day one, my administration has made fixing this regulatory nightmare a top priority."

What this means for coal, according to the National Mining Association, is "a positive first step in addressing permitting inefficiencies."

"The mining industry is all too familiar with the project delays and escalating costs associated with NEPA compliance," said Rich Nolan, NMA president and CEO. "Our permitting process is broken, and NEPA's historical problems play a big part in the unnecessary obstacles standing in the way of the responsible use of our natural resources. Today's action is a concrete step in the right direction. The proposal reflects the original intent of NEPA, which is to require a hard look at the environmental impacts of major federal projects, not to stop projects in their tracks."

The proposed changes advocated by Trump and the mining industry come from the Council on Environmental Quality.

"NMA specifically welcomes proposals to bring clarity to the NEPA regulations by refining definitions of key terms, providing page limits and timeframes to ensure expedient reviews, and to allow greater applicant participation in the process under strong agency oversight," the group's statement continued. "The proposal's provisions requiring the streamlining and synchronization of decisions involving multiple agencies and making more efficient use of previous reviews when conducting subsequent related reviews will significantly reduce redundant and duplicative agency reviews. NMA also strongly endorses CEQ's intent to focus reviews on significant, relevant issues and to determine the alternatives analysis process accordingly."

NMA further pointed out that the "U.S. government's process for securing the necessary mine permits now takes close to 10 years – one of the longest mine permitting processes in the world. By comparison, permitting processes in Australia and Canada, which have similar environmental standards and practices as the U.S., take between two and three years. Permitting delays have been called the most significant risk to mining projects in the United States.

"While it may seem obvious, it should not take years to review an environmental impact statement and make a decision about the future of a proposed project, be that a new bridge or highway, or coal export terminal or mine."

Spurbeck steps in for Peabody's departing CFO

Peabody Energy announced it is losing Chief Financial Officer Amy Schwetz in early 2020 and has named Mark Spurbeck as interim CFO.

Schwetz, who will join Flowserve on Feb. 24 as senior vice president and CFO, will continue with Peabody in coming weeks to ensure a smooth transition, the company said.

"Mark is an accomplished financial leader at Peabody and other major companies, and we welcome him to fill this key interim position," Peabody CEO Glenn Kellow stated. "Amy played a critical role in the company's financial leadership over a five-year period as CFO, and we wish her the best in the future. We have commenced a comprehensive selection process to find the best possible candidate to lead our financial organization."

Spurbeck has more than 20 years of accounting and financial experience, most recently serving as chief accounting officer, overseeing Peabody's finance, treasury, tax, internal audit, financial reporting and corporate accounting functions.

Prior to joining Peabody in early 2018, Spurbeck was vice president of finance and chief accounting officer at Coeur Mining, Inc. He also previously held multiple positions at Newmont Mining Corp. over an eight-year period, including group executive and assistant controller. Spurbeck served in several financial positions at First Data Corporation and Deloitte LLP.

"While I look forward to this new challenge," Schwetz said of her impending departure, "I will always value my experience and contributions to the company. In coming weeks, I will continue to work with the Peabody team to ensure an orderly and effective transition period. I'm thankful for the many opportunities and look forward to following Peabody as it executes its strategies over time."

Khani leaves CONSOL, Thakkar steps up as CFO

David M. Khani has stepped down as CONSOL Energy's CFO, effective Dec. 31. He also had served as executive vice president and treasurer at the company.

CONSOL's board has appointed Mitesh Thakkar as interim CFO, effective Jan. 1.

Khani's "resignation is not the result of any disagreement or conflict with the company. The company is currently pursuing a search of internal and, if necessary, external candidates to fill his positions," CONSOL stated.

EQT Corp., which like CONSOL is based in Pittsburgh, has hired Khani as CFO and he began his new position there on Friday. EQT bills itself as "the largest producer of natural gas in the United States."

Khani had served in his CONSOL post since 2013, initially overseeing CONSOL's combined natgas and coal company, moving to coal after CONSOL spun off its CNX Resources gas company in November 2017.

Thakkar has served as director of finance and investor relations of CEIX and CONSOL Coal Resources LP since November 2017 and as director of finance and investor relations of CCR since May 2015. He previously served in various roles in the equity research department of FBR Capital Markets (now part of B. Riley FBR, Inc.) from May 2007 through May 2015.

Weekly U.S. coal production overview (thousand short tons)

Coal-producing region and state	Week Ended			Year-To-Date[1]			52 Weeks Ended		
	1/4/2020	12/28/2019	1/5/2019	1/4/2020	1/4/2019	% Change	1/4/2020	1/5/2019	% Change
Alabama	261	220	255	156	157	-0.4	14,555	14,760	-1.4
Alaska	20	18	18	12	10	14.7	992	901	10.1
Arizona	.	.	103	.	62	-100.0	3,767	6,542	-42.4
Colorado	213	181	232	120	143	-16.4	12,456	14,020	-11.2
Illinois	861	734	865	514	535	-4.0	47,679	49,439	-3.6
Indiana	598	502	603	346	366	-5.4	32,811	34,582	-5.1
Kentucky Total	**662**	**543**	**672**	**386**	**412**	**-6.3**	**36,821**	**39,678**	**-7.2**
Eastern (KY)	244	207	267	141	160	-12.0	14,171	17,029	-16.8
Western (KY)	418	336	405	245	251	-2.7	22,651	22,648	s
Louisiana	20	16	17	12	10	27.0	1,329	1,482	-10.3
Maryland	29	23	25	17	16	10.5	1,457	1,296	12.4
Mississippi	45	36	41	27	24	11.5	2,706	2,934	-7.8
Missouri	3	3	4	2	2	-12.2	196	258	-24.0
Montana	566	536	542	330	291	13.5	34,272	38,465	-10.9
New Mexico	325	270	255	192	153	25.4	15,517	10,868	42.8
North Dakota	458	395	487	267	296	-9.9	26,171	29,589	-11.6
Ohio	147	127	139	88	80	10.6	8,174	8,955	-8.7
Oklahoma	4	4	5	2	3	-20.4	258	712	-63.8
Pennsylvania Total	**897**	**718**	**845**	**537**	**513**	**4.5**	**48,709**	**49,933**	**-2.5**
Anthracite (PA)	45	36	35	27	21	26.6	2,357	1,898	24.2
Bituminous (PA)	852	682	810	509	492	3.5	46,352	48,035	-3.5
Tennessee	7	4	5	4	3	50.5	390	232	68.1
Texas	392	323	420	221	265	-16.6	22,693	24,812	-8.5
Utah	291	221	268	172	171	0.7	14,680	13,626	7.7
Virginia	220	182	214	129	129	-0.5	12,443	12,985	-4.2
West Virginia Total	**1,661**	**1,358**	**1,597**	**989**	**979**	**1.1**	**92,755**	**95,410**	**-2.8**
Northern (WV)	884	704	815	526	499	5.3	46,973	46,110	1.9
Southern (WV)	777	654	782	463	479	-3.3	45,783	49,300	-7.1
Wyoming	4,690	3,968	4,708	2,675	2,758	-3.0	272,591	303,341	-10.1
Appalachian Total	**3,465**	**2,838**	**3,346**	**2,062**	**2,037**	**1.2**	**192,653**	**200,600**	**-4.0**
Interior Total	**2,340**	**1,954**	**2,360**	**1,368**	**1,455**	**-6.0**	**130,322**	**136,867**	**-4.8**
Western Total	**6,562**	**5,589**	**6,613**	**3,767**	**3,884**	**-3.0**	**380,444**	**417,352**	**-8.8**
East of Miss. River	**5,387**	**4,446**	**5,260**	**3,193**	**3,213**	**-0.6**	**298,500**	**310,203**	**-3.8**
West of Miss. River	**6,980**	**5,935**	**7,059**	**4,004**	**4,163**	**-3.8**	**404,920**	**444,616**	**-8.9**
Bituminous and Lignite	**12,323**	**10,344**	**12,284**	**7,170**	**7,355**	**-2.5**	**701,063**	**752,922**	**-6.9**
Anthracite	**45**	**36**	**35**	**27**	**21**	**26.6**	**2,357**	**1,898**	**24.2**
U.S. Total	**12,367**	**10,381**	**12,319**	**7,197**	**7,377**	**-2.4**	**703,420**	**754,820**	**-6.8**
Railroad Cars Loaded	**69,757**	**60,454**	**70,807**	**39,672**	**41,701**	**-4.9**	**3,999,123**	**4,406,347**	**-9.2**

Source: EIA

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