

# The Washington Times

## **Coal plays an essential role in America's response to the pandemic, but needs a level playing field**

The COVID-19 crisis has brought new focus to the question of what really is important or essential in not just our daily lives but also in our society. While our country grapples with the pandemic, policymakers at all levels are making determinations of what resources are essential and where to send them, what businesses and functions should remain open, and what aspects of our economy should close to help slow the spread of this virus.

Largely, these policymakers have recognized that our nation's coal fleet and its supply chain — coal production, rail and barge transportation, and equipment suppliers — meet nearly every definition of essential or critical infrastructure necessary to support the country's response to this situation.

Policymakers know that our nation's fleet of coal-fired power plants play an indispensable role in powering our lives, helping ensure that the electricity grid is both reliable and resilient. The coal fleet contributes to the nation's fuel security and diversity, and serves as an insurance policy against electricity shortages and price spikes.

These are the functions of critical infrastructure during the best of times. In the face of the current, unprecedented crisis, the role of the coal sector assumes even greater importance.

The Department of Homeland Security (DHS), which has jurisdiction over the criteria that most of these policymakers rely upon to determine which segments of our economy represent essential enterprises, listed coal power as "uniquely critical" in guidance issued in March. Essential critical infrastructure like coal, DHS said, is "imperative during the response to the COVID-19 emergency for both public health and safety and community well-being."

And while the nation's power grid is diverse, no fuel source is more resilient than coal in the face of unexpected or extreme events. During the Bomb Cyclone of 2018, for example, more than 60 percent of incremental electricity demand was met by coal, while natural gas, wind and solar power faced outages.

Today, our fleet of coal power plants are playing an essential role in our nation's response to the pandemic. Unfortunately, the economic disruption from the COVID-19 pandemic is hitting the coal industry particularly hard.

For starters, pricing and competitive dynamics are straining the industry. With a global oil and gas price war featuring players like OPEC and Russia raging, natural gas prices are extremely low — down close to 37 percent this March from previous year's averages — with this short-term price distortion harming coal's competitiveness in the marketplace.

Political pressures also weigh on coal. Environmental activists are mounting an ongoing pressure campaign aimed at dissuading financial institutions from doing business with fossil fuel companies — with coal at the front of that list. These efforts artificially inflate the cost of financing and bonding for much of our energy sector.

More than a decade of heavy subsidization of the renewable energy sector — to the tune of \$100 billion, according to some estimates — has also tipped the competitive scales away from coal, and helped mask the true and unnecessary cost of replacing existing coal plants with brand new intermittent generation sources.

All these dynamics add to the existential challenges already facing the coal sector, which has seen more than 40 percent of the nation's coal fleet retire or announce plans to retire soon. If this number continues to grow, grid operators' ability to turn to fuel-secure coal units to supply electricity on a daily basis would be in further jeopardy — whether in the midst of a pandemic or amid less volatile conditions.

The coal sector's vulnerability to the economic pressures of the pandemic underscores a simple but troubling fact: If we fail to pursue long-term policies that recognize and value the important role coal plays in our power grid, we risk losing the sector forever.

The coal fleet is essential for a reason: It plays a critical role in ensuring the reliability and resilience of our nation's power grid, serving as part of the foundation for all other critical enterprises we rely upon every day.

Put another way, the reliable, affordable power generated by the nation's coal fleet is keeping the lights on in millions of homes playing host to families sheltered in place; in businesses helping the families in those homes stay comfortable and connected; and in hospitals providing the care that is helping Americans combat the crisis.

We must take steps now to level the playing field for the coal fleet. If we fail to do so, we cannot be sure it will be around to perform its critical work when the next crisis hits.

- *Michelle Bloodworth is the president and chief executive officer of America's Power. America's Power is the only national trade association whose sole mission is to advocate at the federal and state levels on behalf of coal-fueled electricity and the coal fleet.*

<https://www.washingtontimes.com/news/2020/apr/30/coal-plays-an-essential-role-in-americas-response-to-the-coronavirus/>