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## Colorado's coal production down despite demand uptick

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Colorado's coal production is down 19 percent for the first half of 2013 compared to the first six months of 2012, according to the Colorado Department of Reclamation, Mining and Safety, which oversees industry operations in the state.

For the first six months of 2012, Colorado's coal mines produced 11,454,852 tons of coal, down 19 percent from the 14,160,247 tons produced in the first six months of 2012, according to the department's figures.

"There's no one single reason [for the decline], but a main reason is that market forces have come home to roost in Colorado," said Jeremy Nichols, who has followed the state's coal mining industry as the director of the climate and energy program for WildEarth Guardians, an environmental advocacy group.

Nationally, coal production for the first half of the year was about 21 million tons, down about 4 percent from the same period in 2012, the federal Energy Information Administration (EIA) said, citing numbers from the federal Mine, Safety and Health Administration as well as EIA's own estimates.

But Stuart Sanderson, president of the Colorado Mining Association, said it's too early to read much into the state's production figures for the first half of the year.

"Market conditions and the regulatory outlook is very challenging, but an important thing is that the state's major thermal coal mines are still in operation," he said. "We have to wait and see how much the export markets will grow to offset the losses in the domestic market over time."

Some of the production drop is due to a temporary shut down at the Elk Creek Mine in Gunnison County after elevated carbon monoxide levels were detected, he said.

That shutdown accounts for about 1 million tons of lost production, Sanderson said.

Demand for coal by the nation's power plants rose 13 percent, to 31 million tons, for the first four months of 2013, compared to the same period in 2012. The EIA said the increase was due to higher

prices for natural gas, a competing fuel to generate electricity, and also said the higher demand was met by inventories of coal stored at the power plants.

Nichols said he believes coal production is dropping because new and looming environmental regulations are making coal more expensive to burn.

“If we have any chance of combating climate change meaningfully we have to get off coal,” Nichols said.

“That’s not to be insensitive to our mining heritage, but we have to recognize the writing on the wall and we have to start planning for an effective transition,” he said.

Between 2001 and 2012, Colorado’s coal production averaged nearly 33 million tons per year, according to the state’s figures.

The highest in that time was 39.8 million tons produced in 2004; the lowest was in 2010, when 25.2 million tons was produced.