

Long-prospering state coal projected to dip

Backers say end of recession will again ramp up demand

By The Associated Press

CASPER - Coal production is expected to decline this year after more than a decade of steady, record-setting increases, but an industry official remains bullish on the energy source.

The U.S. Energy Information Administration predicts that U.S. coal consumption for electricity generation will drop 4.6 percent this year. The reasons include falling demand and utilities switching to natural gas, nuclear power and renewable energy.

The result could be a 7 percent drop in U.S. coal production this year - and Wyoming is the top coal-producing state. But the federal agency predicts that the drop will be temporary. Economic recovery next year is expected to boost demand for coal again.

There has been much discussion about the future of coal as an energy source amid concern that emissions of carbon dioxide and other greenhouse gases contribute to global warming. Proposals to limit carbon dioxide emissions include a "cap and trade" system in which government would limit and gradually reduce allowable carbon dioxide emissions while allowing companies to buy and sell their emissions rights.

Marion Loomis, executive director of the Wyoming Mining Association, said that despite pending policy changes and economic challenges, he agrees with the long-term coal outlook.

"I don't see the big reduction that people have suggested. I think Wyoming's coal is going to be well-positioned to compete for many years," Loomis said.

Wyoming produced 40 percent of the nation's coal in 2008, a record 462 million tons. Wyoming coal goes to about 140 utilities in 40 states, and coal provides more than half of the nation's electricity.

Loomis said even a massive switch to wind, solar, geothermal and other forms of renewable energy were to occur, coal still would provide the bulk the nation's electricity for decades.

President Barack Obama "talks about doubling renewables. That's easy. Double it, quadruple it, and it's still a fraction of energy that this country consumes," Loomis said.

Some 4 billion tons of coal is under lease application in northeast Wyoming's Powder River Basin, said Mike Karbs, assistant field manager in the U.S. Bureau of Land Management's Casper Field Office. About two-thirds of that volume is in the southern part of the basin.

Nick Jones, a geologist at the Wyoming State Geological Survey, said he doesn't put much faith in theories that coal production has peaked because of impending carbon dioxide regulation. Jones said coal companies have proven capable of amazing advances.

"Given today's technology, and the amount of reserves in the ground in Wyoming today, there's easily 140 years of coal - and that's just today's technology," Jones said.