

**BEFORE
THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REPEAL OF CARBON POLLUTION)	
EMISSIONS GUIDELINES FOR)	DOCKET ID NO.
EXISTING STATIONARY SOURCES:)	EPA-HQ-OAR-2017-0355
ELECTRIC UTILITY GENERATING)	
UNITS)	

**TESTIMONY OF ROBERT E. MURRAY
ON BEHALF OF MURRAY ENERGY CORPORATION
IN SUPPORT OF PROPOSED ACTION**

Good Morning. I am Robert E. Murray, Founder, Chairman, President and Chief Executive Officer of Murray Energy Corporation (“Murray Energy”). Murray Energy overwhelmingly applauds President Donald J. Trump’s Energy Independence Executive Order 13783, issued March 28, 2017, which directed the United States Environmental Protection Agency (the “U.S. EPA”) to review the Obama Administration’s so-called and illegal “Clean Power Plan.” Murray Energy strongly supports the U.S. EPA’s repeal of the Obama Clean Power Plan, which was a linchpin of Mr. Obama’s “War On Coal”. We urge the U.S. EPA to immediately repeal the so-called Clean Power Plan, in its entirety.

For more than eight (8) years, we have warned of the regulatory rampage which was being waged, often illegally, by the Obama Administration and his supporters on the United States coal industry, and particularly the destruction wrought by the so-called Clean Power Plan. In President Trump, we finally have a President who has vowed to preserve coal jobs and low-cost, reliable, and fuel-secure electricity for all Americans, including retirees on fixed incomes, single mothers, and manufacturers who depend on low cost electricity to sell their products. By issuing Executive Order 13783, President Trump has followed through on his promises, and, by repealing the Obama Clean Power Plan, the U.S. EPA, under the direction of Administrator E. Scott Pruitt, will fulfill those promises.

Murray Energy has a vital interest in the repeal of the Obama Clean Power Plan. Our Company was established in 1988. It is the largest underground coal mining company in the United States. Moreover, Murray Energy is the largest employer of coal workers in the United States in the underground mining industry, with over 5,200 employees. We are headquartered in St. Clairsville, Ohio, and, with our subsidiary companies, currently operate fourteen (14) active coal mines, consisting of eleven (11) underground longwall mining systems and forty-six (46) continuous mining units in Ohio, Illinois, Kentucky, Utah, West Virginia, and Colombia, South America.

Murray Energy produces approximately 70 million tons of bituminous coal each year. We supply coal to many of the largest coal-fired electric utility generating facilities in the United States. Unless fully repealed, the so-called Clean Power Plan would force many of these coal-fired power plants to close, which would destroy the jobs and family livelihoods for thousands of coal mining families.

Murray Energy was the first party to file a lawsuit challenging the illegal so-called Clean Power Plan in the case styled Murray Energy v. U.S. Environmental Protection Agency. After two years, we were joined in the litigation by twenty-nine (29) states. On February 9, 2016, the U.S. Supreme Court stayed implementation of the Obama Clean Power Plan, pending further judicial review. This was the first time in American history that the U.S. Supreme Court has intervened to stay, or temporarily block, an agency's regulation before a lower court has heard legal challenges to it.

Murray Energy will, prior to the deadline, file comprehensive comments outlining the very strong legal rationale for repealing the so-called Clean Power Plan, and supporting the U.S. EPA's legal conclusions in proposing this repeal. Rather than focus on the legal issues, this testimony only addresses the broader policy concerns supporting repeal, specifically:

1. The Clean Power Plan would devastate coal-fired electricity generation in America, as well as the United States coal industry. This would impose massive costs on the power sector and on American consumers, in addition to adding to the instability and unreliability of America's electric power grids.
2. The Clean Power Plan impermissibly invades traditional areas of State regulation over generation resources that are under State jurisdiction.
3. The Clean Power Plan does not promote the national interest in securing affordable, reliable, and fuel-secure electricity.

For over a century, coal-fired generation has been the safe, reliable, low-cost, and fuel-secure source of electricity in America, providing the baseload generation, as well as the capacity, reserve, and ancillary services that are absolutely necessary to maintaining the integrity and reliability of our Nation's power grids. The historical fleet of coal-fired generating units, particularly in the Midwest, has served the economy well, providing as much as eighty to ninety percent (80 - 90%) of in-state generation in many states. Historical coal-fired generation has also served the commercial, manufacturing and industrial sectors of this Country, providing low-cost, reliable, high capacity and peak demand services that are absolutely necessary for our manufacturers to operate and to compete in the global marketplace.

Over the years, coal-fired generation has been less susceptible to both short-term and long-term fuel price variation and supply. Coal-fired generation has been the constant through the years of the Arab oil embargo, natural gas shortages in the 1970's and 1980's, the ensuing volatility in natural gas prices thereafter, nuclear power regulatory challenges, and extreme weather conditions, most recently the Polar Vortex in 2014. Indeed, during the Polar Vortex, the PJM Interconnection, covering all or part of thirteen (13) states, came within 700 megawatts of a major system disruption, and the cost for producing electricity in the Midwest and mid-Atlantic area rose above \$1,000 per megawatt-hour for the first time in American history. The so-called

Clean Power Plan would only make the next crisis worse, forcing our citizens to freeze in the dark.

So called “renewable energy” sources are absolutely not a viable or credible alternative to coal-fired generation, particularly in the Midwest and the Ohio Valley. Wind and solar generation sources are intermittent and unreliable and are considered non-dispatchable because of the volatility to meet peak demand when the sun isn’t shining and the wind isn’t blowing.

Natural gas-fired generation is not the answer either, as its historical pricing has been extremely volatile, and the capacity of natural gas plants is constricted by the supply of natural gas entering the plant through a finite pipe. Further, the capital costs of constructing new plants are enormous, exceeding one billion dollars for a six hundred megawatt (600 MW) plant. History has shown that natural gas prices, which have been depressed recently, are likely to increase in the future, sometimes with the slightest stimulus.

Coal-fired generation can compete with natural gas-fired generation, and so-called renewable generation, provided that there is a level playing field. The so-called Clean Power Plan distorts the field drastically. Electricity from coal generation typically costs four cents per kilowatt-hour (4¢/kwh). Renewable source generation costs twenty-six cents per kilowatt-hour (26¢/kwh), and it receives subsidies of four cents per kilowatt-hour (4¢/kwh) from the taxpayers. Volatile natural gas generation costs over the past ten (10) years have averaged fifteen cents per kilowatt-hour (15¢/kwh). We should not abandon the lowest cost electricity in America for sources that are four (4) to seven (7) times more expensive.

Prior to the election of President Obama, fifty-two percent (52%) of America’s electricity was generated from coal, and this rate was much higher in the Midwest. That percentage of coal generation declined under the Obama Administration to thirty percent (30%). Under the Obama Administration, and its so-called Clean Power Plan, over 400 coal-fired generating plants

totaling over 100,000 megawatts of capacity were closed with no proven environmental benefit whatsoever.

By early 2016, the total value of the American coal industry had declined from \$68.8 billion five (5) years before to \$4.08 billion, a ninety-four percent (94%) reduction in value. A total of fifty-two (52) coal companies were in bankruptcy proceedings with only four (4) major companies remaining financially solvent.

This devastation has far-reaching consequences. Local rural communities in coal producing regions, and in areas that depend on coal-fired power plants, are losing millions of dollars in local tax support due to the closure of coal-fired generation plants. This devastates the residents and the employees supporting local businesses, governments, and school districts. Now is the time to end the catastrophic destruction wrought by the Obama Administration's "War On Coal", including the so-called Clean Power Plan.

Fortunately, President Trump's Executive Order of March 28, 2017 is already having a positive impact in coal communities. Indeed, this action alone stopped fifty-six (56) more coal-fired plant closures, totaling 53,000 megawatts of generation, and the layoff of 25,000 more coal miners on top of the 63,000 families already laid off under the Obama Administration. Far more must be done, however, for our communities to recover from the devastation of the past eight (8) years.

In the proposed action, the U.S. EPA correctly concludes that the illegal Obama Clean Power Plan improperly imposes measures that would require power generators to change their energy portfolios through coerced generation-shifting. This generation-shifting from coal-fired generation to natural gas, or wind and solar sources, would usurp the States' traditional role in regulating generation resources and would make the U.S. EPA as the ultimate determiner of energy generation resources - a role the United States Congress never intended. This runs

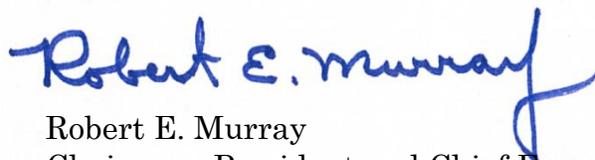
roughshod over rights reserved to the States and tramples the States' traditional authority to regulate generation of electricity.

The Obama Clean Power Plan must be repealed, and quickly. While we recognize that this proposed action is limited to repeal of the so-called Clean Power Plan, we respectfully remind the U.S. EPA that much more needs to be done to follow through on promises relative to coal-fired generation, coal production, and coal mining jobs. These actions, which are within the U.S. EPA purview to review, must include:

1. Repealing the “Endangerment Finding” and “Cause or Contribute Finding” for Greenhouse Gases Under Section 202(a) of the Clean Air Act;
2. Repealing the “Greenhouse Gas Emissions Limits For All Stationary Sources”;
3. Eliminating the “Effluent Limitations Guidelines and Coal Combustion Residuals Rules” which threaten to close numerous coal-fired power plants;
4. Seeing that the U.S. EPA complies with Section 321(a) of the Clean Air Act and fully considers the regarding job losses and shifts of employment caused by their regulations;
5. Overturning the recently enacted “Cross-State Air Pollution Rule”; and
6. Ending the electric utility “Maximum Achievable Technology” and Ozone regulations.

On behalf of Murray Energy, and its ownership, management, and employees, we thank Administrator Scott Pruitt for scheduling this public hearing here in Charleston, West Virginia, in the heart of coal country and for this opportunity to submit our comments.

MURRAY ENERGY CORPORATION



Robert E. Murray
Chairman, President and Chief Executive Officer