



Colin Marshall

President and Chief Executive Officer

April 6, 2017

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President,

Last week's Energy Independence Executive Order represented an extremely important delivery on your campaign pledge to help coal miners and coal communities across the country that everyone at Cloud Peak Energy deeply appreciates.

As you know, after eight years of concerted efforts to destroy our businesses, communities, and way of life, the U.S. coal industry is in poor shape. Actions taken by you, and by Congress, have already improved the outlook for coal producers by stopping several pending regulations and reversing regulations and executive orders that were making it increasingly difficult to run our mines. However, we still need your help. Critically, I am not aware of any utilities who have announced they are changing their coal plant closure plans since your election. After nearly a decade of being punished on a near daily basis for generating reliable, affordable energy from domestic coal, utilities are demoralized and avoiding investment in, maintaining, or improving their existing coal fleets, let alone considering building new plants. As the existing coal fleet is retired, so too will the mines that supply them and the jobs that they support, with devastating impacts on the communities that depend on them. To change that path requires that utilities be given the regulatory certainty needed to make long-term investment decisions, and the financial incentives to make investments in coal and coal technology that will help maintain low-cost reliable energy that supports so much of the U.S. economy. On the domestic front, this will require action by Congress to provide long-term certainty so it cannot be undone by any future administration.

As a coal producer, we do not want to ignore the two-thirds of Americans who believe that climate change is happening and that CO₂ emissions play a role. However, these concerns cannot be allowed to condemn this country, and the world, to energy poverty and economic malaise. Technology currently exists that can address climate concerns while allowing us to benefit from reliable, abundant natural resources like coal. With the right framework, this technology can be commercialized and deployed on a large scale. It's time for Republicans and Democrats in Congress to work together, with your guidance, to create such a framework.

We believe that you have the opportunity to not only lead here in the United States, but to also lead the world out of what UN climate policy author Richard Tol described as twenty-five years of climate policies that have been more about “rewarding allies with rents and subsidies rather than emissions reduction ... twenty-five years of climate policy [that] has made most of us a little poorer ... and some of us a little richer.” U.S. leadership could take the world into a new era of global economic prosperity that also addresses concerns about climate and emissions. That leadership requires engagement. We have seen a recent letter by North Dakota Congressman Kevin Cramer that urges you to keep the U.S. in the Paris Agreement on climate while reducing the nation’s pledge on emissions reductions that would have caused significant economic damage to the U.S. economy. We strongly support the approach outlined in Representative Cramer’s letter and believe it promotes a prosperity-focused approach to addressing climate concerns. With last week’s Energy Independence Executive Order to begin unwinding the Obama-era Clean Power Plan, you have already fulfilled your campaign pledge to remove the U.S. from the negative economic impact of the Obama administration’s unrealistic emissions reductions. By remaining in the Paris Agreement, albeit with a much different pledge on emissions, you can help shape a more rational international approach to climate policy.

Therefore, while recognizing and expressing our deep appreciation for the important steps you have already taken to help the U.S. coal industry, we request that you continue that leadership in the following ways:

Create domestic regulatory predictability that allows long-term investment in coal technology so that coal is part of a long-term energy future that ensures prosperity while addressing Americans’ concerns about CO₂ and climate. We believe this is best achieved by amendments to the Clean Air Act that set meaningful, long-term reductions in CO₂ emissions triggered by a technology standard that realistically determines when emissions reduction technologies are viable and commercially deployable. Accompanying such legislation must be an Energy Bill that creates the tools and incentives to achieve technology development and those emissions reductions tools, such as:

- Amendment and expansion of the 45Q Tax Credit for carbon capture and Enhanced Oil Recovery;
- Creation of Private Activity Bonds that will help markets finance technology innovation and deployment;
- Extending the tax and equity benefits of Master Limited Partnerships to carbon capture projects;
- Authorizing the Department of Energy to engage in Price Stabilization Contracts that diminish the volatility impact of oil price fluctuation on carbon capture projects built around Enhanced Oil Recovery;
- Ensuring robust funding for Department of Energy Research and Development projects aimed at creating and making commercially available the technology that will allow the capture, use and sequestration of carbon from coal and natural gas-powered energy production and manufacturing.

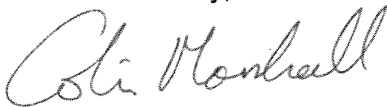
Lead international institutions away from the climate policies of the past twenty-five years. Without U.S. leadership, the failed international policies that have characterized the past twenty-five years will continue to predominate. Addressing climate concerns need not be a choice between prosperity or environment. Your leadership can create a global policy approach to energy and climate that allows for economic prosperity and addresses climate concerns by doing the following:

- While amending the U.S. pledge on CO₂ emissions to undo the economic harm it would have imposed, remain in the Paris Agreement and use U.S. influence to ensure that fossil energy remains a driver of global prosperity for the foreseeable future while addressing climate concerns;
- Ensure that OECD, UN, and other institutions adopt climate policies and tools that include the aggressive development and deployment of High Efficiency Low Emissions (HELE) and Carbon Capture Utilization and Storage (CCUS) technology in accordance with the same scientific and economic consensus that they claim demands action on climate;
- Work to amend the policies of the World Bank, and other multilateral development banks, to ensure their support for and financing of coal-powered utility projects that utilize HELE and CCUS technology;
- With the U.S. having already put \$1 billion into the Green Climate Fund, the U.S. should stay in the Paris Agreement to ensure that fossil energy projects that advance technology solutions to greenhouse gas emissions are a major focus for the fund.

We are deeply appreciative of your commitment to helping the coal miners of this country and the communities in which they live and work. You have already done much to stop the regulatory and policy onslaught of the Obama administration that was continually making coal mining more difficult. However, for the outlook for U.S. coal to improve, we need your continued leadership, and action by Congress, to create long-term solutions and the predictable regulatory environment that utilities and producers need to ensure fossil energy remains a driver of prosperity and a part of the answer to concerns about climate.

Thank you for all that you have done and for caring about the men and women who are the U.S. coal industry.

Yours sincerely,

A handwritten signature in cursive script that reads "Colin Marshall".

Colin Marshall

The Honorable Donald J. Trump
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cc: The Honorable Rick Perry
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The Honorable Scott Pruitt
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Mr. George David Banks
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Mr. Michael Catanzaro
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