Climate Solutions Mission

Accelerate *practical, profitable* solutions to global warming by:

- Galvanizing leadership
- Growing investment
- Bridging divides

**GOAL**: Make the Northwest a national and world leader in the clean energy economy
Key Issues

• Health and Environment
  – Global Warming
  – Coal pollution
  – Oil Train Safety
  – Traffic and rail congestion

• Economic Tradeoffs

• Public Spending

• Community Opposition
Pollution, Health and Environment
CARBON EMISSIONS FROM BURNING THE FUELS SHIPPED IN PLANNED PROJECTS

ONE BILLION METRIC TONS OF CO₂ PER YEAR

500 MILLION METRIC TONS

Coal Terminals
264M

Oil Pipelines
199M

Oil-by-Rail Terminals
132M

Natural Gas Pipelines
227M

Keystone XL Pipeline
149M

NW Fossil Fuel Projects
“Plumes of coal dust can often be seen from passing coal trains. When standing near the rail lines, I have often had to avert my face when a loaded coal train passes to avoid being pelted with coal particles.”

William VanHook, Assistant VP, BNSF
Transportation impacts

• Each train: 6-7 minutes at 35 mph
  – (3 – 4 minutes at 50 mph)

• Impacts
  – Significant traffic delays
  – Freight mobility (trade & maritime)
  – Emergency response delays
  – Accidents and noise
Energy Unit Trains Conflict with Other Traffic

“The sheer gravity, magnitude and scope of rail-service disruptions now being experienced are unprecedented, and have rippled through all sectors of grain-based agriculture.”

-- Kevin Thompson, Cargill executive
Energy Unit Trains Conflict with Other Traffic

“The huge increase in Bakken oil movements and doubling of coal movements have contributed to the worst service meltdown in two decades affecting all commodity movements in northern tier.”

-- Terry Whiteside
Wheat & Barley Commissions of Montana, Colorado, Idaho, Nebraska, Oklahoma, South Dakota, Texas and Washington
Coal trains kill Cold Trains: Fruit delivery service shuts down as rail congestion heats up

Aug 7, 2014, 2:42pm PDT   Updated Aug 8, 2014, 8:14am PDT
Economic Tradeoffs

Economic Evaluation of Regional Impacts for the Proposed Gateway Pacific Terminal at Cherry Point, Puget Sound Regional Council, July 2014

The Proposed Gateway Pacific Terminal and Key Impact Issues for the Whatcom County Economy

Prepared for Communitywise Bellingham

June 2015
Coal Exports: That Ship Has Sailed
Rosy Forecasts

China’s Expected to Drive Major Growth in Seaborne Coal

Wood Mackenzie: Thermal Coal Imports ~1 Billion Tonnes by 2030

China Net Coal Imports

- China’s 2011 coal-fueled generation up 14%
- Net coal imports rise 14% to record 168 million tonnes
- 2012 domestic coal production expected to rise only 3.7% while generation growth targeted at 7.5%
- China net coal imports could exceed 300 million tonnes per year by 2016

Source: Forecasted imports and new coal generation based on Peabody estimates and other industry sources.
Grim Reality

Coal, Australian thermal coal Monthly Price - US Dollars per Metric Ton

Description: Coal, Australian thermal coal, 12000- btu/pound, less than 1% sulfur, 14% ash, FOB Newcastle/Port Kembla, US Dollars per Metric Ton

Unit: US Dollars per Metric Ton

Currency: US Dollar
The only question that interests those who follow Arch Coal is whether the company is going to file for bankruptcy protection in the near term.” Arch Coal: The Story Continues, Seeking Alpha, July 30, 2015.
“I don’t anticipate that we’ll see that level of coal volume again. That leaves us with millions of dollars in investment in what will eventually be stranded assets.” Matt Rose, CEO BNSF Railroad, June 2015
Public Funding: Who Will Pay?

• **Below Market Leases for Public coal**
  - Leased far below market rates
  - Nearly $30 billion in taxpayer subsidies to coal companies since ’81

• **Cleanup Liabilities and Self-Bonding**

• **Rail Crossings and transportation improvements**
  - Public expected to bear most costs
  - 5% cap typical cap on RR share
  - 0-2% more common
Public Funding

• Direct Subsidies for Coal Export Projects
  – Wyoming: $1 Billion Authorized from infrastructure development fund
  – Utah: $53 Million for Oakland coal export proposal
  – Washington: $85 Million for road/rail improvements that primarily addresses needs created by Millenium Terminal
Community Leadership

Safe Energy Leadership Alliance (SELA)

Our shared mission is to better understand the potential safety and economic impacts from coal and oil trains, and to speak with a unified voice.

King County Executive Dow Constantine

The Safe Energy Leadership Alliance (SELA) is a coalition of local, state, and tribal leaders from across Washington, Oregon, Idaho, Montana, California, and Canada working to raise awareness of the safety risks of oil and coal transportation.

SELA represents a broad range of urban and rural areas with different interests but a shared mission—to protect the health and safety of our communities.
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