



Energy Fact Sheet

Coal: Colorado and America's Energy Security

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Key Messages:

- Coal severance taxes contribute millions of dollars to state/local governments.
- Colorado's share of federal mineral royalties (coal, oil and gas) was \$105 million in 2005. More than half was paid to the state school fund and local school districts.
- Colorado Coal, which is high in BTU (energy content) and low in sulfur, accounts for 72 percent of Colorado's electricity needs.
- Coal is the state's most abundant and lowest cost electricity fuel. At current production rates, there is enough coal to power Colorado for 250 years.

Why Coal is Important —

- Coal is our most abundant energy fuel. The US has 27 percent of the world's coal
- Coal is one of the lowest cost fuels for electricity generation
- The US natural gas supply is constrained
- The industry is on the path to developing zero emissions electricity

Coal Nationwide —

- Nationwide demonstrated coal reserves are 507 billion tons (250 year supply)
- Coal makes up 85 percent of all fossil fuel reserves and accounts for 50 percent of America's electricity

Colorado Coal —

- Colorado's demonstrated coal reserves are 17 billion tons
- Colorado's 2006 production was 36 million tons from 11 mines
- Colorado ranks 7th nationally in coal production
- Underground mines account for 66 percent of Colorado production

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Colorado Coal Employment —

- 2,200 job statewide
- The average pay/benefit per miner is \$91,454
- Royalties and taxes support schools and local governments

The Benefits of Coal Generation in Colorado —

- Colorado coal accounts for nearly \$850 million in direct sales value
- A Penn State study shows that the average annual benefit of coal-fueled electricity to the US economy is \$411 billion per year and \$14 billion in Colorado
- Reducing coal use would lower the gross domestic product by more than \$160 billion

The Future of Coal —

- The future for coal remains bright absent Greenhouse Gas Emission (GHG) mandates and excessive taxation
- Coal is an essential fuel for normal power needs

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