

SURFACE TRANSPORTATION BOARD

RAIL ENERGY TRANSPORTATION ADVISORY COMMITTEE MEETING

March 4, 2026



FEDERAL AND ADMINISTRATION ACTIONS SUPPORTING COAL PRODUCTION

DOE Designation (May 23, 2025):

Met coal is designated as a critical material, opening access to priority funding and incentives.

DOE & DOI Initiatives (September 2025):

- DOE launched funding for modernization and life extension of coal-fired generation.
- DOI expanded leasing and streamlined permitting for coal resources on federal lands.

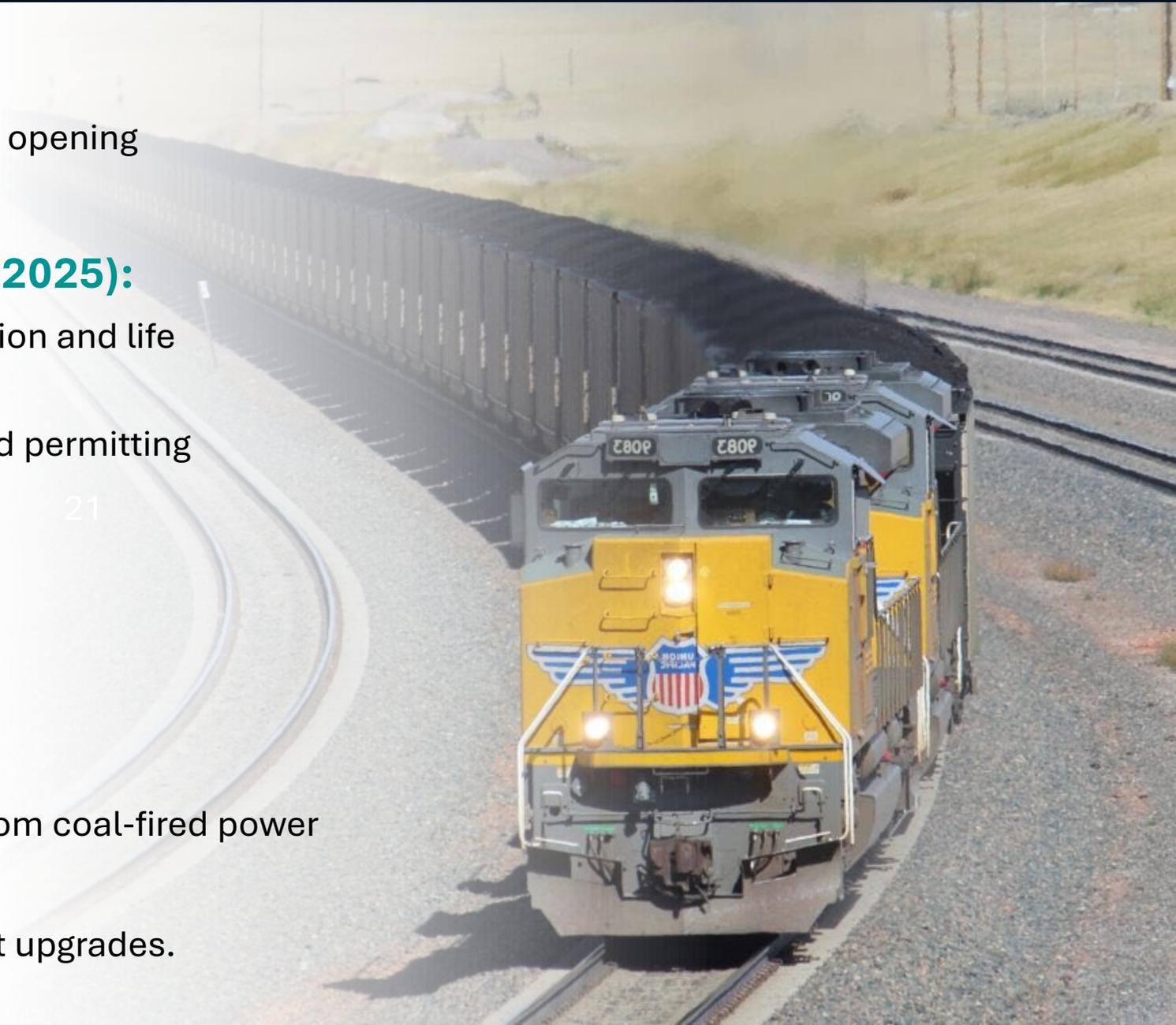
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Interior Leasing Priorities:

Accelerated reviews and approvals to boost domestic production.

Executive Order (February 2026):

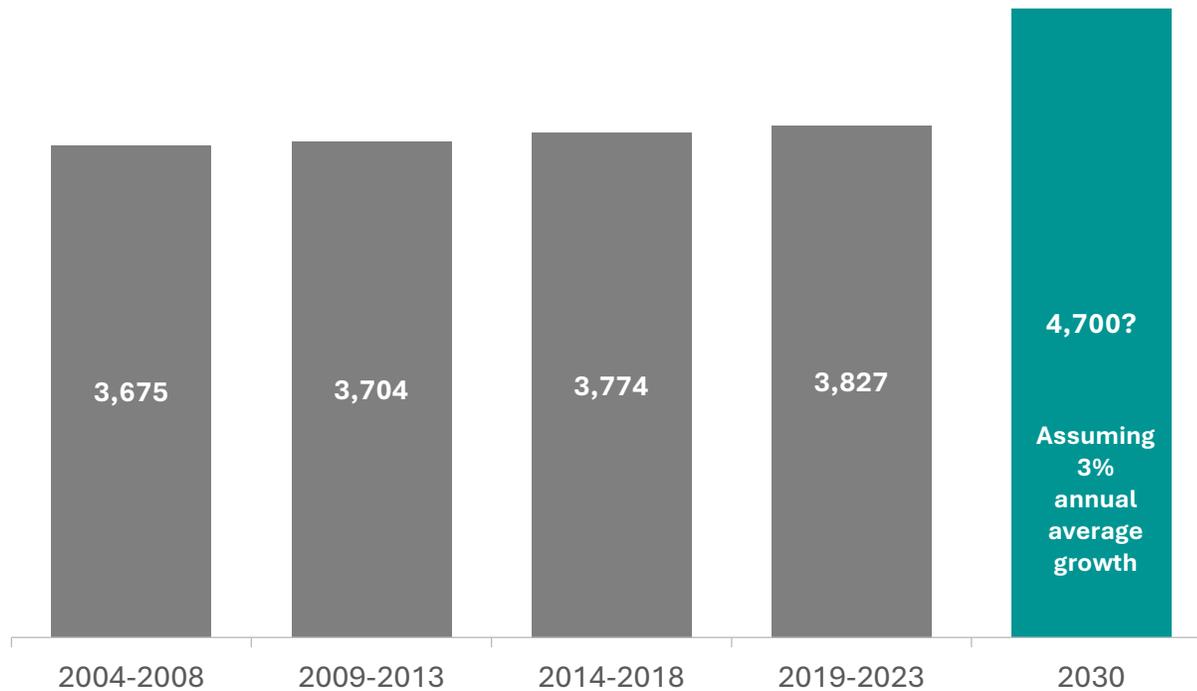
- DOW to prioritize electricity purchases from coal-fired power plants.
- \$175 million in DOE funding for coal plant upgrades.



U.S. POWER DEMAND IS CLIMBING AFTER YEARS OF STAGNATION

U.S. Power Demand

(Five-year averages in TWH, from 2004 through 2023)

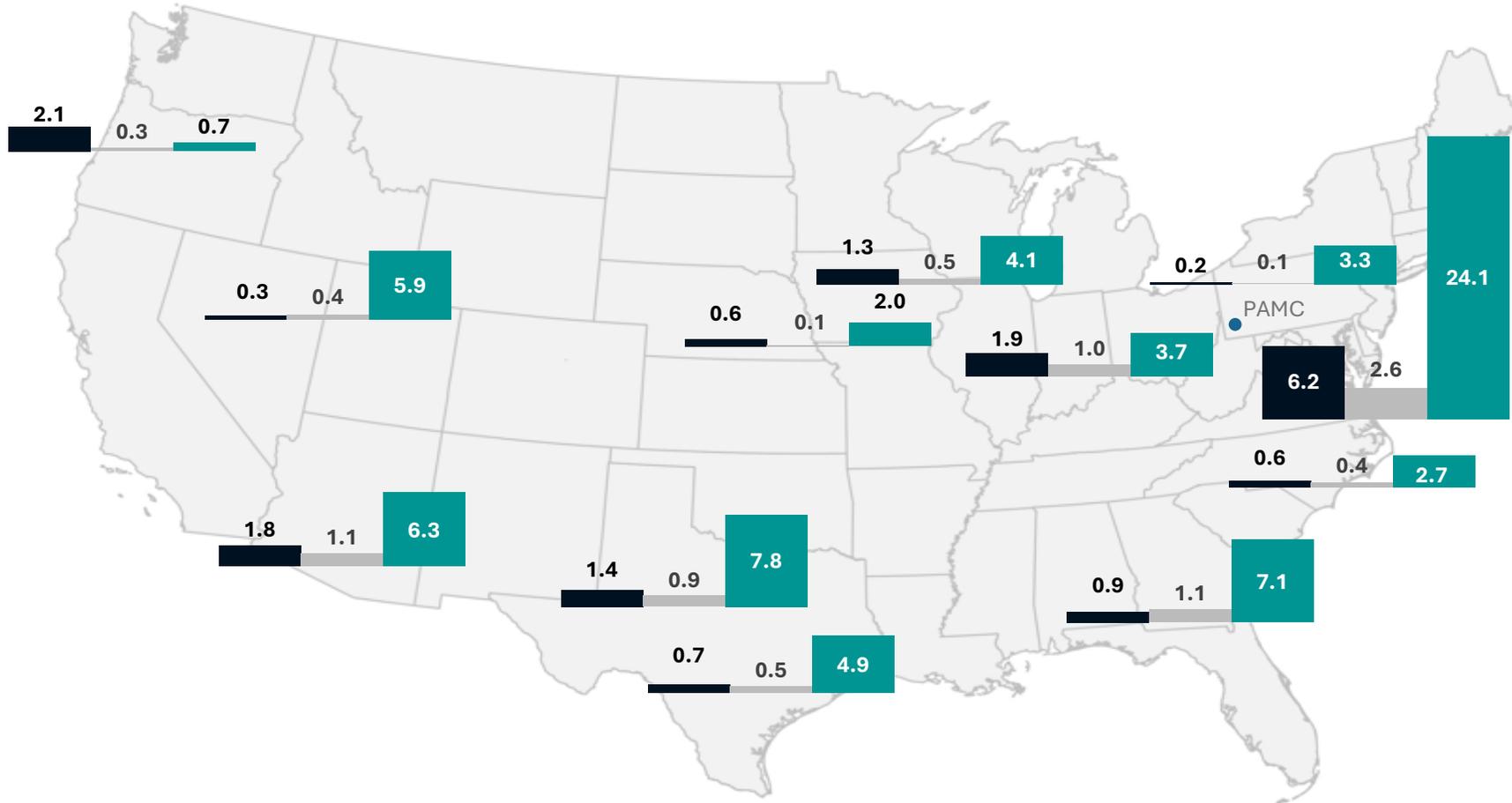


- U.S. power demand increased only modestly during the period from 2004 through 2023
- U.S. power demand increased 2.6% in 2024 and was up an additional 2.0% through November 2025
- The AI-driven data center build-out is still in its early stages, which could mean much more such growth to come
- Such growth could translate into a profound change in U.S. thermal coal markets

THE DATA CENTER BUILD-OUT COULD HAVE PROFOUND IMPLICATIONS FOR U.S. POWER DEMAND

Top Data Center Markets (GW)

(GW of capacity)



- Goldman Sachs estimates that data centers will account for 14% of overall U.S. power demand in 2030 – up from 8% today – and are a prime mover in forecasted future power demand growth
- Data center growth is taking place in many key coal-consuming power markets

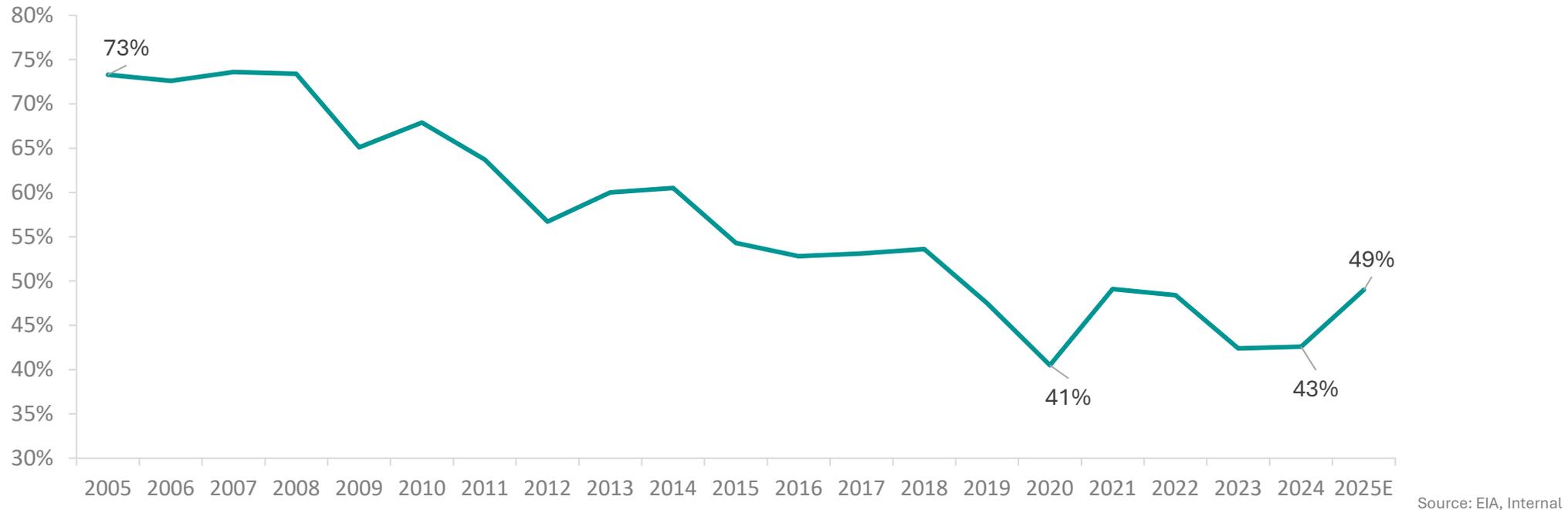
■ In operation
■ Under Construction
■ Planned

Source: Cushman & Wakefield, Goldman Sachs, Internal

Note: The geographic areas represented are Virginia, Phoenix, Dallas, Austin, Atlanta, Carolinas, Reno, Pennsylvania, Oregon, Columbus, Iowa

U.S. Coal Fleet Average Capacity Factor

(% of capacity factor)



- While today's coal fleet is smaller than two decades ago, it is still substantial and significantly underutilized
- Running the coal fleet at higher capacity factors is arguably the fastest and most cost-efficient way to meet new load growth
- That's particularly true given that coal-based power – which is dispatchable – aligns perfectly with data center requirements for 24/7/365 power
- Should load growth push capacity factors back to the historical levels experienced in the first decade of this century, U.S. coal demand could increase by as much as 200 million tons

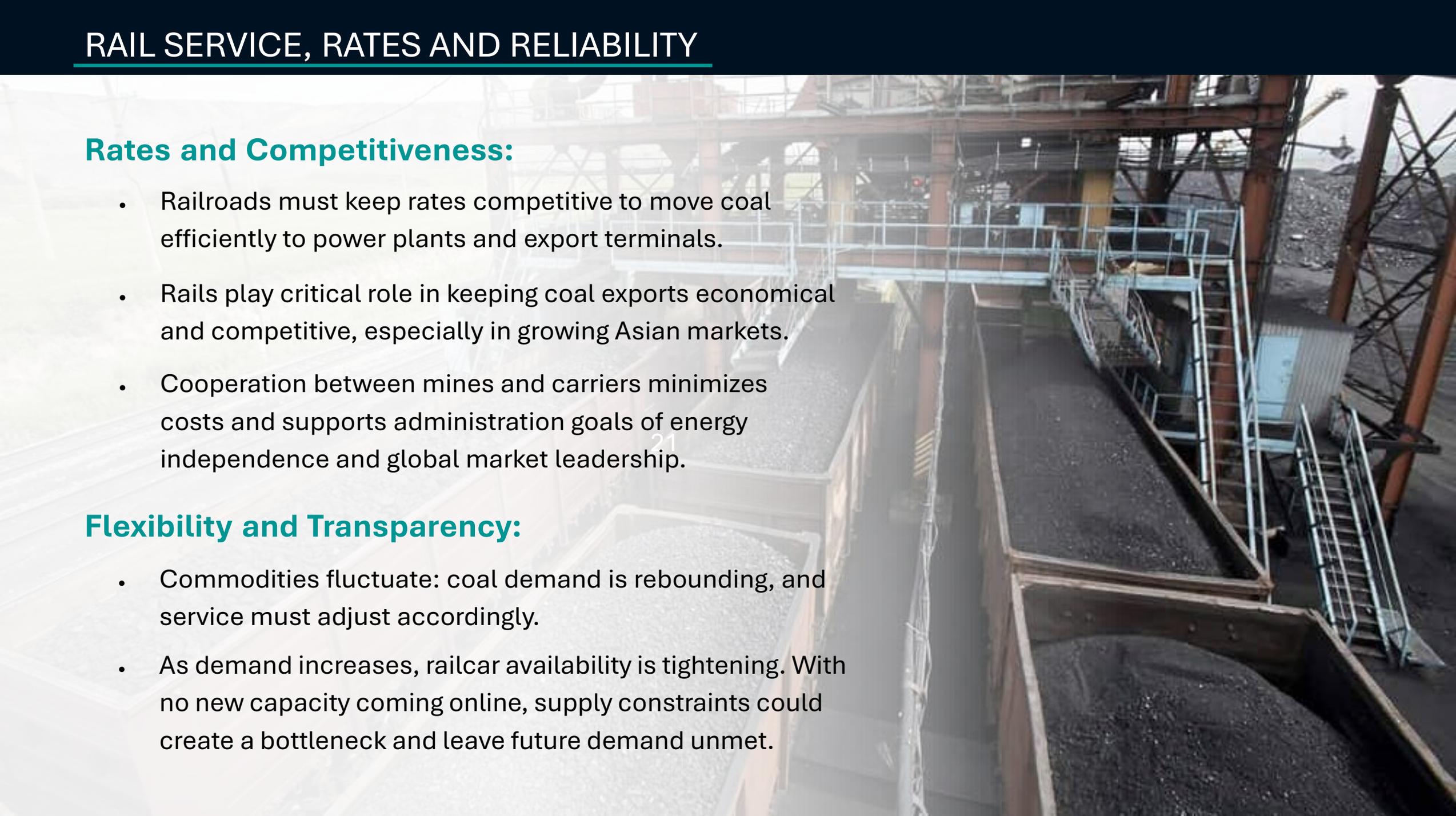
RAIL SERVICE, RATES AND RELIABILITY

Rates and Competitiveness:

- Railroads must keep rates competitive to move coal efficiently to power plants and export terminals.
- Rails play critical role in keeping coal exports economical and competitive, especially in growing Asian markets.
- Cooperation between mines and carriers minimizes costs and supports administration goals of energy independence and global market leadership.

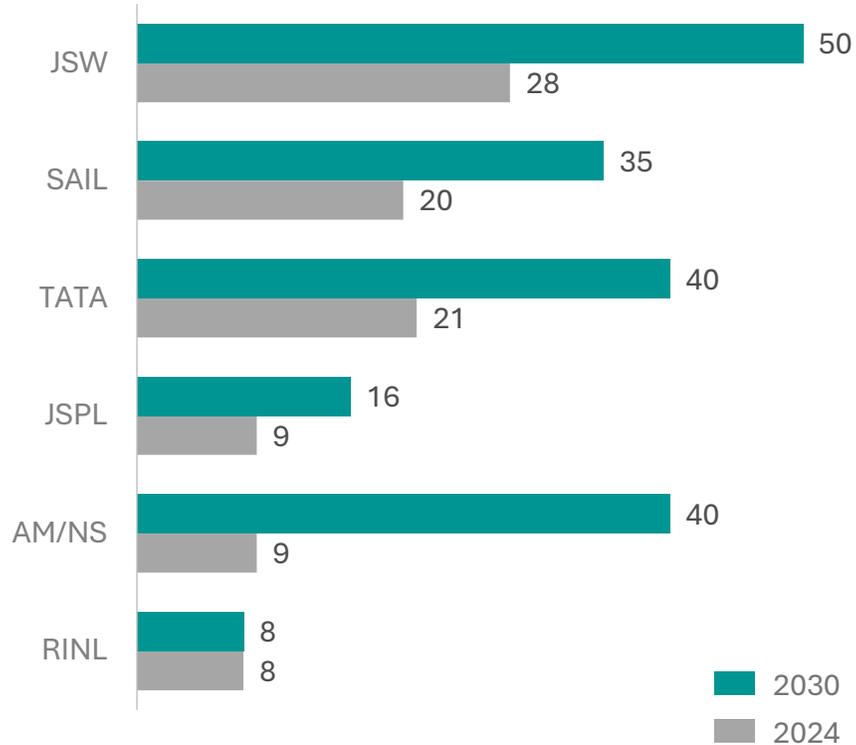
Flexibility and Transparency:

- Commodities fluctuate: coal demand is rebounding, and service must adjust accordingly.
- As demand increases, railcar availability is tightening. With no new capacity coming online, supply constraints could create a bottleneck and leave future demand unmet.



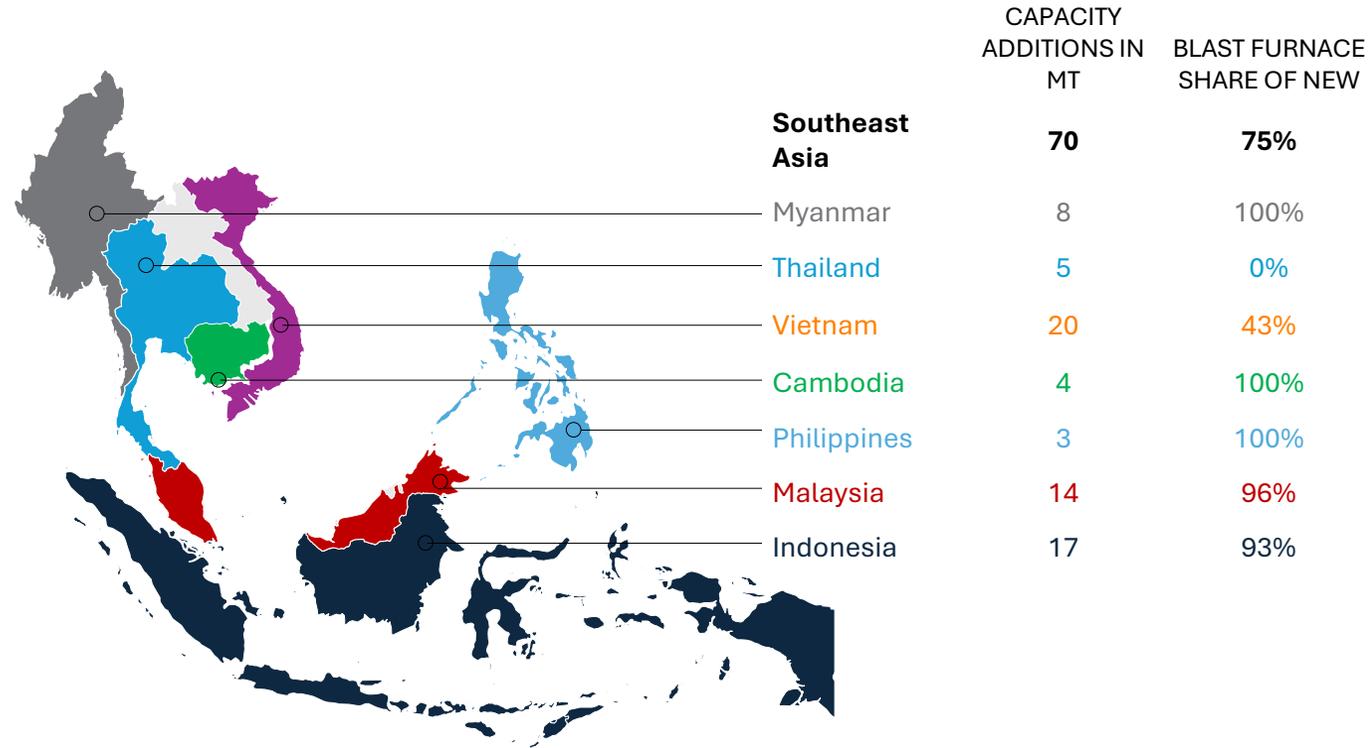
STEEL PRODUCTION CAPACITY GROWTH IN INDIA AND THE REST OF SOUTHEAST ASIA IS PROJECTED TO EXCEED 160 MILLION TONS BY ~2030, CREATING SIGNIFICANT NEW OPPORTUNITIES FOR U.S. METALLURGICAL COAL EXPORTS

Planned Steel Capacity Additions in India
(in millions of metric tons)



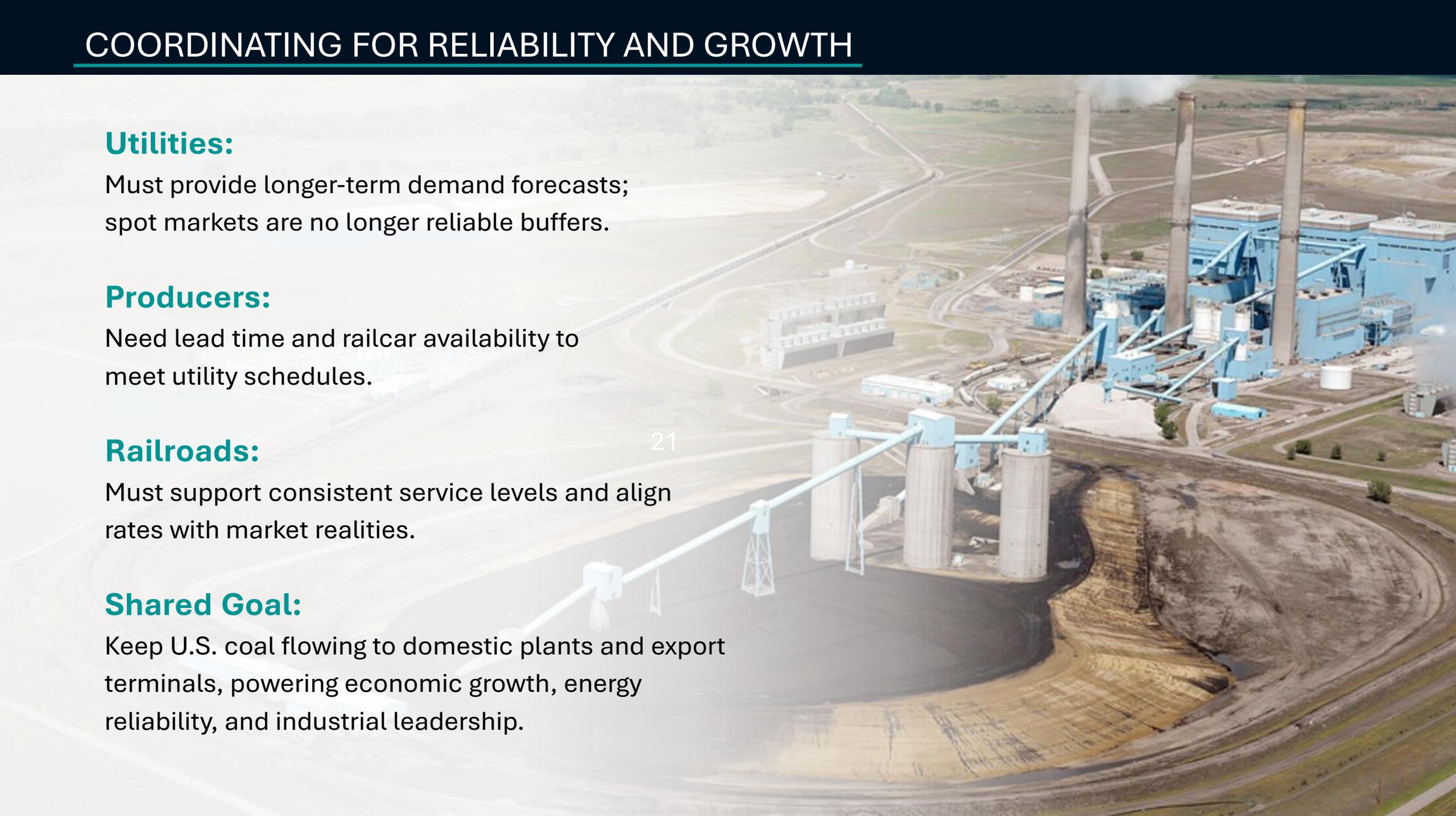
Planned additions total ~94 million tons versus 2024 baseline, with ~90% utilizing blast furnace technology

Planned Steel Capacity Additions in Southeast Asia
(in millions of metric tons)



Planned additions total ~70 million tons versus 2024 baseline, with ~75% utilizing blast furnace technology

COORDINATING FOR RELIABILITY AND GROWTH



Utilities:

Must provide longer-term demand forecasts; spot markets are no longer reliable buffers.

Producers:

Need lead time and railcar availability to meet utility schedules.

Railroads:

Must support consistent service levels and align rates with market realities.

Shared Goal:

Keep U.S. coal flowing to domestic plants and export terminals, powering economic growth, energy reliability, and industrial leadership.

QUESTIONS?

