

SURFACE TRANSPORTATION BOARD

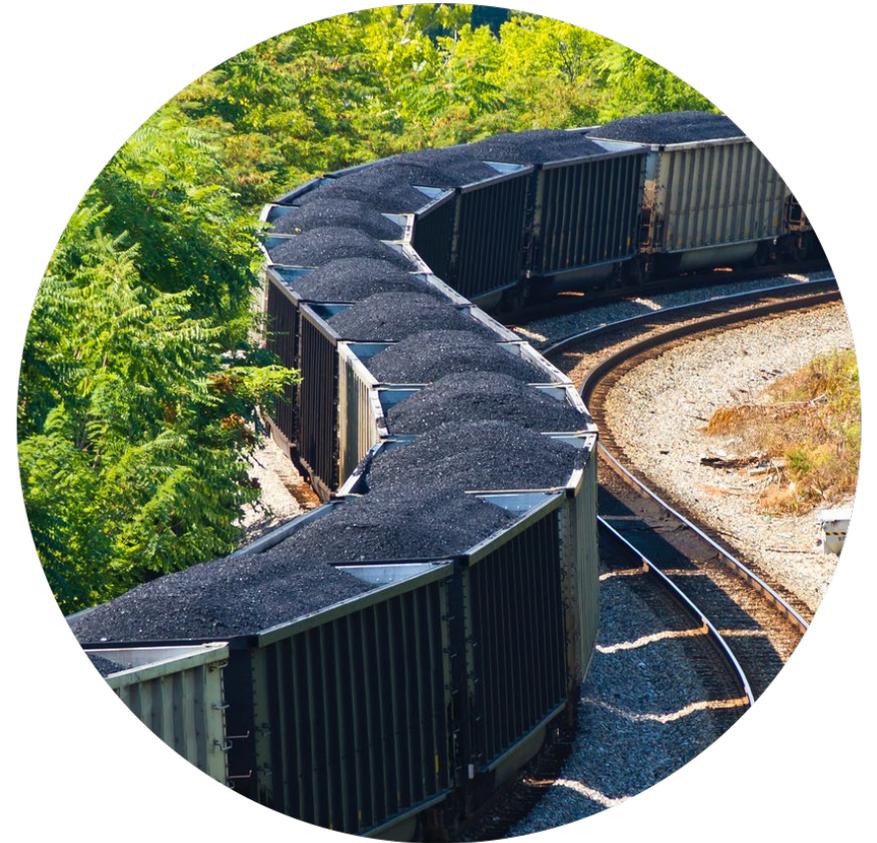
RAIL ENERGY TRANSPORTATION ADVISORY COMMITTEE MEETING

OCTOBER 9, 2024



RAIL SERVICE CAPACITY

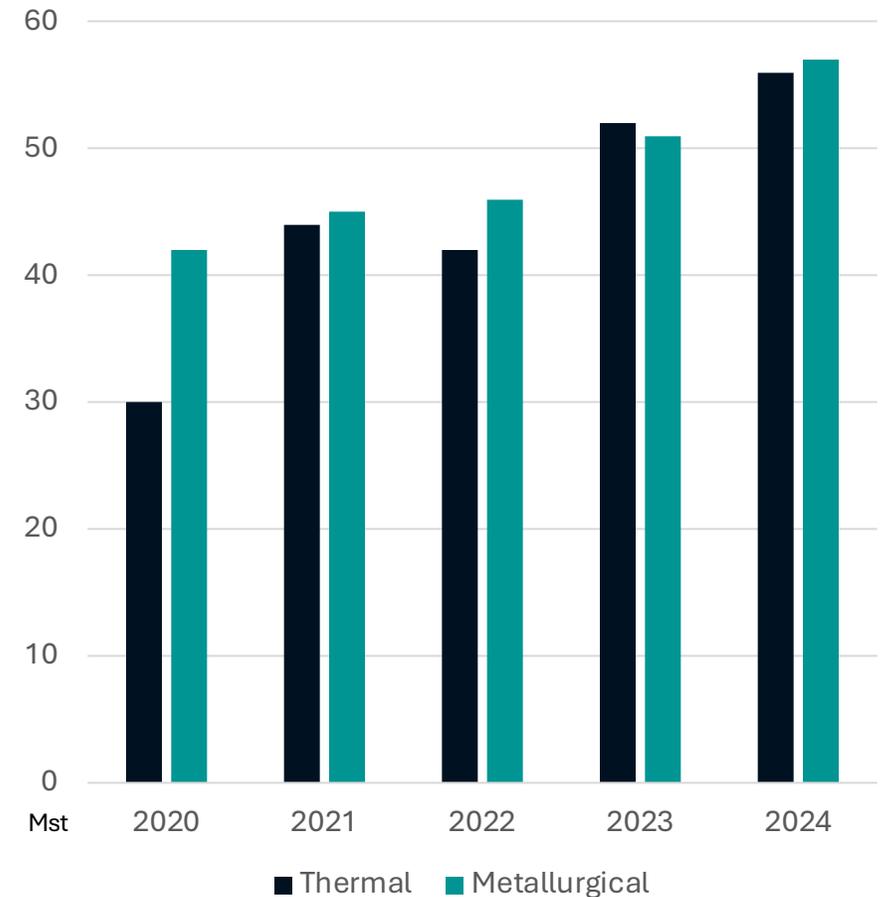
- Railroads must maintain sufficient spare capacity, including adequate human capital
- Projected growth in U.S. power demand will make rail flexibility even more essential
For example, increased A.I. data center energy requirements
- Grid operators are sounding the alarm on energy reliability, and are delaying planned coal plant closures to maintain a reliable supply of power
- U.S. could face electricity reliability crisis; the coal industry will only be able to help meet the challenge if adequate rail capacity is maintained



RAIL PERFORMANCE AND EXPORT CONCERNS

- ▶ Global coal consumption hit another all-time high in 2023 of 8.5 billion tons
- ▶ U.S. coal exports grew by 17% in 2023 and are on pace to increase an additional 10% in 2024
- ▶ Metallurgical and high-quality thermal coal play an essential role in infrastructure development around the world
 - U.S. coal exports are critical inputs in global steelmaking and cement manufacturing
 - Steel and cement will be essential in the construction of a sustainable economy

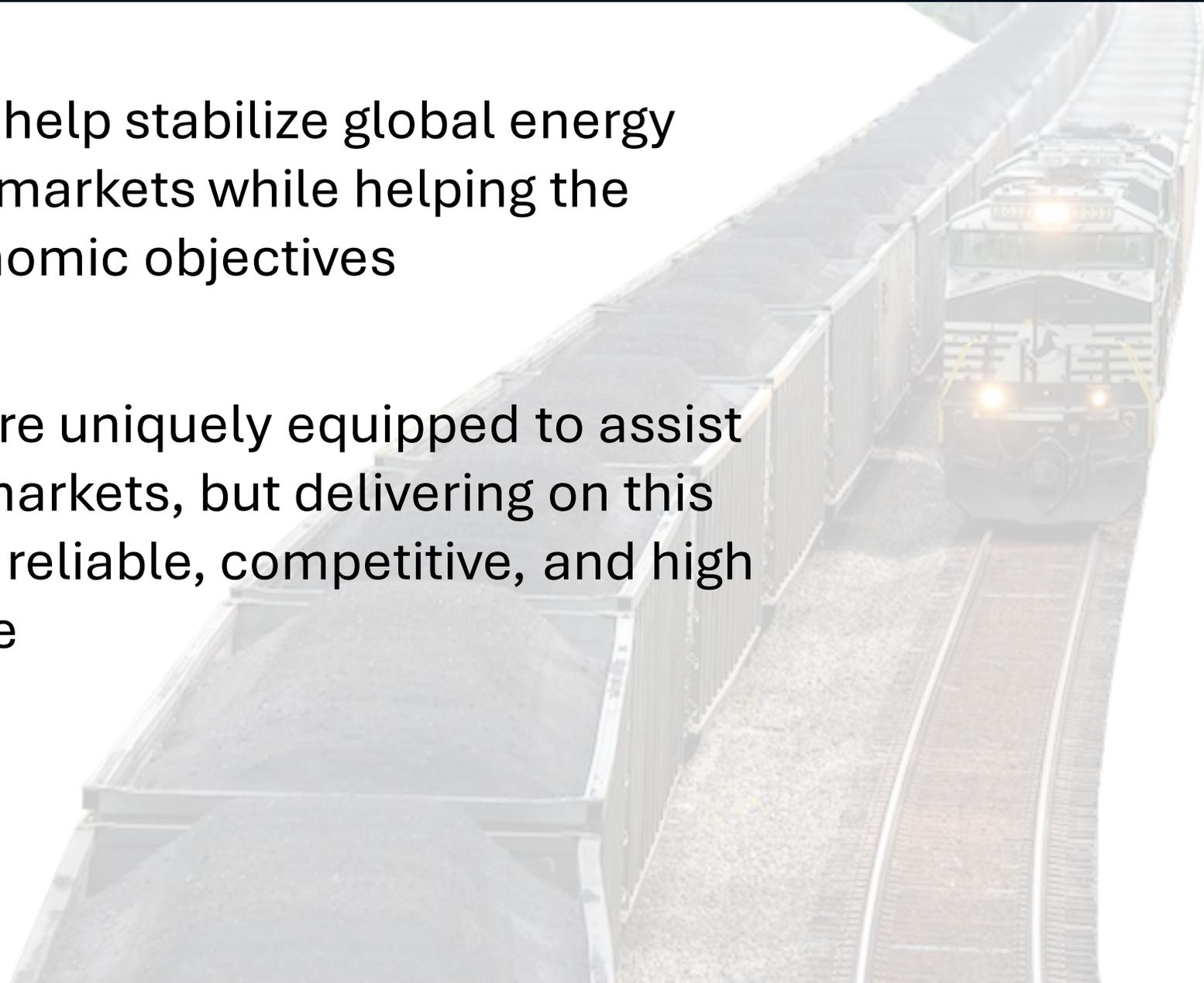
GROWTH IN EXPORTS



Note: 2024 estimates are based on the year-to-date increase (on a percentage basis) through the first seven months of 2024.
Source: EIA, MSHA, and Arch Resources, Inc.

OUTLOOK FOR COAL NETWORK REQUIREMENTS

- ▶ U.S. coal exports can help stabilize global energy and natural resource markets while helping the U.S. achieve key economic objectives
- ▶ U.S. coal producers are uniquely equipped to assist U.S. allies and calm markets, but delivering on this potential depends on reliable, competitive, and high performing rail service



QUESTIONS?

