NMA National Mining Association

March 2, 2026

The Honorable Patrick Fuchs
Chairman, Surface Transportation Board

The Honorable Karen Hedlund
Member, Surface Transportation Board

The Honorable Michelle Schultz
Member, Surface Transportation Board
395 E Street SW
Washington, D.C. 20024

Via electronic mail
C/O Elizabeth McGrath, elizabeth.mcgrath@stb.gov

Re: Comments for March 4, 2026, Surface Transportation Board Rail Energy Transportation Advisory Committee (RETAC), 91 Fed. Reg. 5018 (Feb. 3, 2026).

Dear Chairman Fuchs and Members Hedlund and Schultz,

The National Mining Association respectfully submits these comments in support of the Coal Producer Statement to the Surface Transportation Board (STB) and Rail Energy Transportation Advisory Committee (RETAC). These comments address the essential role of reliable, cost-competitive rail transportation in sustaining the U.S. coal fleet at a moment when that fleet's strategic value is increasingly clear.

After two decades of flat electricity demand, U.S. power consumption is rising sharply. New load driven by data centers, artificial intelligence, industrial reshoring and electrification is creating resource adequacy challenges across major grid regions.

The North American Electric Reliability Corporation's (NERC) most recent long-term reliability assessment found that 13 of 23 assessment areas will face resource adequacy challenges over the next decade. PJM Interconnection (serving 67 million Americans), MISO, ERCOT, WECC-Basin and WECC-Northwest are all assessed at high risk of energy shortfalls within the next five years. NERC projects summer and winter peak demand will

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climb by more than 225 GW and 245 GW, respectively, over the next decade. That is roughly the equivalent of power for 150 million homes and represents a nearly 100 GW upward revision in just one year, driven largely by data center growth.[1] Goldman Sachs estimates data centers will account for 14 percent of U.S. power demand by 2030, up from roughly eight percent today.[2]

NERC has explicitly warned against further retirements of fossil fuel plants, particularly those with fuel stored on site. The shift toward weather-dependent resources reduces fuel diversity and raises the risk of shortfalls during extreme weather—exactly the conditions the nation experienced during Winter Storm Fern in January 2026.

The U.S. Energy Information Administration (EIA) reported that in the week ending January 25, 2026, coal generation in the lower 48 states increased 31 percent from the prior week, while hydro, wind and solar generation all declined.[3] No other generation source ramped up more aggressively to meet record demand. Secretary of Energy Chris Wright noted that coal was the MVP of the cold snap and that hundreds of American lives were likely saved as a result.[4]

Coal is a dispatchable, fuel-secure resource with on-site fuel storage, which aligns with the reliability requirements of data centers, manufacturing, hospitals and residential customers. Running the existing coal fleet at higher capacity factors is one of the fastest, most cost-efficient ways to meet near-term load growth.

Coal also provides a meaningful hedge against spikes in natural gas prices. In 2025, when natural gas prices rose, coal generation increased 12 percent, easing demand and providing marketplace relief.[5] According to Energy

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[1] NERC 2025 Long-Term Reliability Assessment (LTRA) (Jan. 29, 2026), *available at* https://www.nerc.com/globalassets/our-work/assessments/nerc_ltra_2025.pdf (last visited Feb. 27, 2026).

[2] Goldman Sachs Research, *AI to Drive 165% Increase in Data Center Power Demand by 2030* (Feb. 4, 2025), *available at* https://www.goldmansachs.com/insights/articles/ai-to-drive-165-increase-in-data-center-power-demand-by-2030 (last visited Feb. 27, 2026).

[3] U.S. Energy Information Administration, *Coal-fired generation rose to meet demand during Winter Storm Fern* (Jan. 28, 2026), *available at* https://www.eia.gov/todayinenergy/detail.php?id=67084 (last visited Feb. 27, 2026).

[4] U.S. Department of Energy, Energy Secretary Prevents Closure of Coal Plant That Provided Essential Power During Winter Storm (Feb. 17, 2026), *available at* https://www.energy.gov/articles/energy-secretary-prevents-closure-coal-plant-provided-essential-power-during-winter-storm (last visited Feb. 27, 2026).

[5] Energy Ventures Analysis, *The Financial Benefit of Coal Power Generation for U.S. Consumers in 2025* February 2026 (last visited Feb. 27, 2026).

Ventures Analysis, this optionality saved U.S. energy consumers an estimated $30 to $40 billion, or roughly $100 to $150 per household, with savings most concentrated during peak demand periods.[6]

Policy support and market demand can expand coal's role in meeting the nation's energy needs, but that depends on cost-effective and reliable rail service. Rail transportation typically accounts for 25 to 75 percent of delivered coal costs for domestic shipments and a comparable share for export movements.

In the Powder River Basin, which accounts for the largest share of domestic thermal coal production, rail is the only viable transportation mode to market. The same applies to Appalachian and Illinois Basin producers moving coal to export terminals. In each of these corridors, rail rates represent the single largest controllable cost between mine and market.

The export market adds additional stakes. The U.S. is the second-largest exporter of metallurgical coal in the world and competes with Australian, Indonesian and South African suppliers for seaborne market share. Those competitors are generally closer to Asian import markets. The only way U.S. producers can overcome that geographic disadvantage is through tight control of supply chain costs, and rail is the dominant cost component.

Southeast Asia added roughly 20 million tons of blast furnace steelmaking capacity in 2025 alone, and global plans call for more than 160 million tons of new blast furnace capacity by 2030.[7] That technology requires metallurgical coal. The U.S. has both the coal quality and production capacity to serve this growth, but only if delivered costs stay competitive.

Service reliability matters as much as rate levels. Inconsistent delivery forces utilities to carry larger coal stockpiles to buffer against uncertainty, raising working capital costs. In export markets, delivery variability causes vessel demurrage, which can quickly wipe out per-ton margins on price-sensitive international contracts. Service volatility also raises the risk premiums embedded in long-term contracts, making U.S. supply less attractive to buyers.

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[6] *Id.*

[7] Wood Mackenzie, *Steel Demand and Industry Outlook* (September 2025) (last visited Feb. 27, 2026).

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We respectfully urge RETAC and the Board to focus on the following areas:

- **Transparent rate structures:** Coal producers and utilities need predictable, market-aligned transportation rates. The STB should encourage rail carriers to provide clear, consistent rate information to support long-term supply planning.
- **Consistent service metrics:** Reliable coal delivery is a grid reliability imperative. RETAC should advance recommendations that hold carriers to consistent performance standards, particularly during peak demand periods when delivery failures carry the most severe consequences.
- **Long-term contracting frameworks:** Multi-year contracts benefit producers, utilities and carriers alike by smoothing demand volatility and supporting capital investment planning. Regulatory and contractual frameworks that encourage multi-year arrangements serve the public interest.
- **Better demand signals from utilities:** Many utilities continue to operate on 30-day fuel supply forecasts that do not reflect the current demand environment. RETAC should encourage engagement among utilities, producers and carriers to develop longer-range forecasts that enable rational production and logistics planning.
- **Reciprocal transparency from carriers:** Just as shippers provide volume commitments and supply certainty, rail carriers should provide commensurate transparency around capacity planning, investment timelines and service commitments, particularly for coal corridors that serve as a backbone of regional grid reliability.

Realizing the potential of this moment requires a rail transportation system that functions as a genuine partner. Rail cost discipline and service reliability are central to whether coal can continue to support American economic growth, industrial competitiveness and energy security.

We are committed to working collaboratively with rail carriers, utilities and regulators to develop frameworks that allow this partnership to succeed. We thank the Board and RETAC for the opportunity to submit these comments and welcome further engagement.

Sincerely,

Martha Newell
Director, Government and Political Affairs
National Mining Association