E2 (Environmental Entrepreneurs)

July 25, 2017

On behalf of E2 (Environmental Entrepreneurs) we are writing to oppose the proposed Millennium coal export facility on the Columbia River. It is subject to unacceptable economic and financial risks, and contradicts state and national efforts to reduce greenhouse gas emissions.

E2 is a national, nonpartisan group of business leaders, investors, and professionals from every sector of the economy who advocate for smart policies that are beneficial both for the economy and for the environment. Our members have founded or funded more than 2,500 companies, created more than 600,000 jobs, and manage more than $100 billion in venture and private equity capital.

Falling thermal coal demand and prices in the United States has prompted western coal producing states to export their coal. However, coal production and prices are falling worldwide as well. China's coal consumption declined 3.7 percent in 2016 after falling 1.3 percent in 2014. The shift away from coal in China is deliberate and will be sustained due to politically unacceptable pollution in Chinese cities. China has recently cancelled plans for 137 GW of coal power plant additions to their existing stock of about 940 GW of coal power.

India is the next biggest consumer of coal and New Delhi takes the prize for the world's worst air pollution. The coal consumption in India once seemed insatiable but now Indian data show that solar, wind and natural gas generate significantly cheaper power than coal. As a result India has cancelled plans for 14 GW of coal-fired power on a base of about 220 GW of thermal power and committed to build 100 GW of solar and 60 GW of wind by 2022.
Considering these global trends, an investment in coal facilities on the West Coast bears a high risk of being a losing proposition.

We should also heed the lessons from our past.
• In the early 1980s the Port of Portland and investors spent $25 million for a coal terminal but never shipped any coal because demand for coal in Asian markets had been "vastly overstated."
• In the 1990s the Port of Los Angeles closed a coal terminal facility just six years after it opened owing to unfavorable market conditions. The city had to write off $19 million of capital investment.
• The risk of losing investors was also demonstrated in the Port of Los Angeles case - Peabody Energy dropped out before the terminal facility was built. Ultimately, the city was sued for improperly managing the site—and for failing to consider alternative uses of the site—and taxpayers paid $28 million to settle the suit.

Finally, the costs to our economy from climate change – from health impacts, extreme weather events, sea rise, etc. – are not included in the price of coal. As these and other economic externalities associated with coal are added to its price, the decline in coal consumption will accelerate.

For the sake of our economy and our environment, we should not make another mistake with yet another coal export boondoggle.

The Millennium coal export facility should be rejected.

Sincerely,

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July 24, 2017

On behalf of E2 (Environmental Entrepreneurs) we are writing to oppose the proposed Millennium coal export facility on the Columbia River. It is subject to unacceptable economic and financial risks, and contradicts state and national efforts to reduce greenhouse gas emissions.

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[i] http://www.sightline.org/2011/09/12/gambling-on-coal-and-losing/