



Presented by Mr. Ken Miller, 2008-2009 RMCMI President, at the Closing Luncheon of the 2008 Convention in Park City, Utah.

I'm honored to be in this position. As an amateur student of history, I am in awe of the roads that have been traveled. I have had the good fortune to read some of the early proceedings of these very meetings; a frequent topic was mine safety. I want to take a moment and reflect upon the advances that have been made.

100 years ago, state agencies started keeping statistics on mining fatalities. From 1900 to 1930, 2,000 coal miners a year died in this country. In 1946, that number dropped below 1,000 for the first time. In 1960, 300 fatalities per year was still the average. At that time, mine safety performance was reported in Fatalities per Million Man-hours. In 1983, fatalities dropped below 100 for the first time. In 1993, the 50 barrier was broken and just three years ago, the number was 23.

As I entered the coal mining industry, "Lost Time Accidents per Million Man-hours" was the new benchmark. Today, we speak in terms of "Reportables per Million Man-hours"; and many of our mines in the Western US are working accident free. Any time a fatality does occur, it's a tragedy. All of us grieve in that loss. Any time a serious injury occurs; we all feel a set-back.

I offer this perspective. In the last 10 years in our 8 member states, the Western Coal Mining Industry has had 37 fatalities. In the comparable time frame, those 8 western states have recorded 66,963 traffic fatalities. That is a fact that is not understood by the public. How can the former statistic be so magnified as compared to the latter?

The National Mining Association website shows that in 2006, the incident rate for Coal Mining is lower than

- Air Transportation
- Nursing & Residential Care Facilities
- Hospitals
- Transportation & Warehousing
- Manufacturing
- Agriculture
- Forestry & Fishing
- Construction
- and Retail Trade!

It is incumbent upon you, the members of RMCMI, to spread that word.

As the keys of the Western Coal Mining Industry are turned over to you – Russell, Jamie, Brandon, Steven, Andy, Cathryn, Brad, Dustin, and Shane, - the historical trends predict that you will drive coal mine fatalities to zero. Your employers will expect you to operate accident-free. Your families will expect you to work accident-free. The

membership of the RMCMI expects you to drive coal mining fatalities to zero; and we will celebrate the day you achieve this.

The next topic I'd like to address is the policy debate of a carbon-constrained world. We have had some tremendous insight the past two days on the proposals before us. Let me offer another way to think of key pieces in this debate.

Electricity demand is growing 1-2% per year. Just what does that mean? Does that mean for every community with 100 homes, 1-2 new ones are built each year? Not necessarily. The growth is more likely to come from pockets of industrialization. For example, Powder River Energy Corporation, a distribution cooperative in Northeast Wyoming, has grown from 205 MW in to 432 MW in 9 years – more than doubled! Solutions must come in the form of what will we do to expand base-load generation?

Our country's generation mix is currently 50% coal, 20% nuclear, 20% natural gas, 6% hydro, 1% oil, and 2% renewables. (Table 1.1 Energy Information Administration - Net Generation by Energy Source by Type of Producer 1995-Jan 2008) These questions that WE need to ask as the debate moves forward, are:

- “How fast might these generation sources change?”
- “What will it cost?”

I recently heard a comment that ‘changing to carbon-friendly sources will only cost this country 1-2% of GDP’. Just what does that mean? How many dollars a month is that to your electric bill?

Every one of the generation sources that I mentioned before has a valuable role to play in the future. Let's look at a few:

Natural Gas – You all know natural gas pricing can be volatile. The more gas generation that is built, the more volatile the price has become. Huge growth from this source will come from imports in liquid natural gas. I've heard it said, that “If you liked OPEC in the 1970's, you will love LNG”.

Wind / Solar - These are budding industries that are making significant strides. A MW of wind generation is now advertised as approaching the cost as coal; and solar is 2.5 times the cost of coal. But; here is the drawback. Solar only works half the time. (Actually 40%) Wind only works one third of the time, and it is less predictable than the how the Colorado Rockies will play this year. What happens today; is that natural gas units back-up these generators when the wind quits blowing. Please remember this: **For base-load generation;** wind and solar energy are like lingerie. They are sexy, they are expensive, and they are just not very practical for day-in, day-out use.

Coal has been the very definition of base load generation. Many of the executive leaders of our coal companies have spoken a common theme. The future lies with advances in technology. Carbon capture and sequestration will provide an attractive

carbon footprint. Last week's Economist stated, (and I quote) "The 'capture' part (of CCS) is not that hard. CO₂ reacts with a group of chemicals called amines. At low temperatures they combine. At higher temperatures they separate. Power station exhaust can thus be purged of CO₂." An experimental plant in Denmark has been running for two years. And, great things are happening on the Great Plains. Basin Electric is studying a pilot plant project in North Dakota for the Antelope Valley Station. Basin Electric has also been the driver behind one of three successful CO₂ sequestration ventures in the world – piping CO₂ to the gas fields of Saskatchewan. (Algeria & Norway) We, the members of RMCMI, need to be knowledgeable of these advances in technology, so that we can speak to our friends and neighbors, our civic clubs, and our legislators about these topics.

With the challenges of Safety and carbon constraints; next year's theme will be "Into the Headwinds of Change". Did anybody hear that Gene Kranz will be here to speak!? His talk about "Failure not being an option" is most appropriate for us. And, this fits in to the goals that I am laying out to our Board this afternoon for what needs to be done in the coming year. We will continue to implement the recommendations of the Blue Ribbon Commission from 2007. The Institute will continue to recognize excellent Safety performance and Mine Rescue Education. In the realm of Public Education, we must get more display kiosks out in the public eye. In the realm of Member Education or Professional Development, we expect another bang-up short course AND continuing education courses and credits available on the RMCMI website. I must thank all of you who are long-time, part-time, and even new contributors to the Patrons Fund for Scholarships. The future of the Institute starts with our newest members. The seeds for the future of this Institute are planted with scholarship applications. Membership will also be a focus for the Board; and what we are building with this new foundation – an enhanced Convention line-up, more tools for Public Education, more opportunities for Professional Development or Member Education; we will take that famous line out of the movie "Field of Dreams." "If you build it, they will come".

Thank you. I look forward to a great year.