

Peabody Energy Chairman and CEO Greg Boyce Outlines 'Peabody Plan' to Eliminate Energy Poverty and Inequality

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Peabody Energy Chairman and Chief Executive Officer Gregory H. Boyce today outlined a multi-step plan to eliminate energy poverty and inequality by unlocking the power of coal to advance energy security, generate economic stimulus and create environmental solutions. The 'Peabody Plan' was unveiled during a keynote address before the 21st World Energy Congress in Montreal. The Congress is a gathering of global energy leaders from nearly 100 member nations convened every three years.

Boyce called for greater use of coal to expand electrification, propel job creation and global economies, and deploy green coal technologies to achieve environmental goals.

"The greatest crisis we confront in the 21st Century is not a future environmental crisis predicted by computer models, but a human crisis today that is fully within our power to solve. For too long, too many have been focused on the wrong end game," said Boyce.

"For everyone who has voiced a 2050 greenhouse gas goal, we need 10 people and policy bodies working toward the goal of broad energy access. Only once we have a growing, vibrant, global economy providing energy access and an improved human condition for billions of the energy impoverished can we accelerate progress on environmental issues such as a reduction in greenhouse gases."

Boyce noted that there are 3.6 billion people in the world - more than half the global population - who lack adequate energy access. And another 2 billion will require power as the world population grows in the next two decades. This means the world is on a path to have 5 to 6 billion people without adequate access to electricity in as little as 20 years.

"Study after study - and pure common sense - tell us that access to electricity helps people live longer and better. Yet each year, we lose more than 1.5 million people to the effects of energy poverty," said Boyce. "We can no longer turn our heads from these brutal statistics. We must put people first. This is the first value."

Boyce called for recalibrating priorities to:

- Eliminate energy poverty as priority one;
- Create energy access for all by 2050;
- Advance all energy forms for long-term access, recognizing coal is the only fuel that can meet the world's rising energy demand; and
- Deploy advanced coal technologies on a path to near-zero emissions.

The world has approximately 1,000 gigawatts of traditional coal-fueled plants. Boyce observed that replacing these with supercritical plants would drive major global reindustrialization and enormous reductions in carbon dioxide without using carbon capture and storage.

Replacing older plants would create \$4.3 trillion in economic benefits and 21 million new construction jobs during a four-year construction cycle, according to a study by Management Information Services in Washington, D.C. Avoided carbon dioxide emissions would equate to removing more than the entire passenger car fleet in the United States. The Peabody Plan calls for:

1. Working to eliminate energy poverty and propelling global economies by ensuring that at least half of new generation is fueled by coal, the dominant global baseload source of power;
2. Replacing the 1,000 gigawatts of traditional coal plants with supercritical and ultrasupercritical plants, which are more efficient and carbon capture ready;
3. Developing at least 100 major projects around the world that capture,

- store or use carbon dioxide from coal-based plants within 20 years;
4. Deploying significant coal-to-gas, coal-to-chemicals and coal-to-liquids projects around the world over the next 10 years. Such plants are in heavy development in China, and doing so elsewhere would reduce risky reliance on scarce oil and volatile natural gas; and
 5. Commercializing and deploying next generation clean coal technologies to achieve continued environmental improvement and ultimately near-zero emissions.

Coal is the world's fastest-growing fuel, and coal use expanded nearly 50 percent this past decade. "Every tenfold increase in electricity is linked to a stunning 10-year increase in lifespans," said Boyce. "Coal is the only sustainable fuel with the scale to meet the primary energy needs of the world's rising populations and economies."

Peabody's plan would go far to eliminate energy poverty and energy inequality, and ensure full global access to electricity by 2050. Social and economic progress in the developing world is also the task of leaders in developed nations, Boyce said. "Poverty and economic stagnation sting equally, regardless of the color of one's flag."

The World Energy Council was established in 1923 and is a multi-energy organization with member committees in nearly 100 nations. The 2010 Congress has brought together more than 5,000 world leaders in the field of energy from industry, governments, academia, international organizations and industry associations.

Peabody Energy is the world's largest private-sector coal company and a global leader in clean coal solutions. With 2009 sales of 244 million tons and \$6 billion in revenues, Peabody fuels 10 percent of U.S. power and 2 percent of worldwide electricity.

Editor's Note: The full presentation may be downloaded at www.PeabodyEnergy.com.

CONTACT:

Beth Sutton
(928) 699-8243

First Call Analyst:

FCMN Contact: ctaylor@peabodyenergy.com

SOURCE: Peabody Energy

CONTACT: Beth Sutton, +1-928-699-8243, for Peabody Energy

Web Site: <http://www.peabodyenergy.com/>
