Peabody Energy Chairman and CEO Greg Boyce Calls on Energy Leaders to Lift Billions from Poverty and Meet Rapidly Rising Energy Demand

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ST. LOUIS, March 10, 2011 /PRNewswire/ -- Peabody Energy Chairman and Chief Executive Officer Gregory H. Boyce today outlined the scope of enormous long-term global energy demand and called on energy and business leaders to focus on job one: Lifting billions from energy poverty and expanding major energy access with meaningful sources of supply.

'We are at the early stages of a long-term supercycle for global coal demand with hyper growth being driven by soaring energy needs,' said Boyce. 'Rapidly expanding coal use has the ability to lift billions from energy poverty.'

At the 30th CERAWeek conference in Houston, Boyce delivered a keynote calling for global energy access and outlining five key points illustrating why coal is the energy that sustains.

Number One: Energy is as basic as food, shelter, clothing or oxygen. 'Energy access is a human right and a rapidly rising need,' said Boyce. The World Resources Institute concludes every 10-fold increase in energy access brings about a 10-year boost in human life expectancy.

But consider the needs: Approximately half the world's population - 3.6 billion people - lack adequate energy access, and 1.5 billion people have none at all. Another 2 billion will require power as the global population grows over the next two decades.

Number Two: Energy access also means reasonable costs and reliability. 'In 1954, U.S. News stated that solar could provide more power than all the world's coal, oil and uranium. Yet generations later, solar fuels less than 1 percent of power,' Boyce said.

Windmills in England stopped turning this winter and then had to be heated, producing negative electricity. Nuclear power by now was projected to be too cheap to meter. Natural gas has a legacy of volatile prices. Global demand for oil has still not fully recovered from recession, but costs are back to $100 per barrel prices.

'These fuels are all needed,' said Boyce. 'But we cannot look at alternatives with a blind eye toward costs that translate directly into access.'

Costs are equally important in developed economies, he said. In the United States, the delivered cost of coal averages just one-half to one-sixth that of natural gas. 'Expensive energy chokes off economic recovery, punishes family budgets, sends factories overseas and determines winners and losers in global competition,' Boyce said.

Number Three: We are in the early stages of global hyper growth in energy demand. Growth is driven by large, emerging nations such as China, India and Indonesia industrializing and urbanizing. 'We're seeing U.S.-sized populations moving to cities, and buying cars and appliances that need steel to make and power to run,' said Boyce. 'Electricity use and intensity are both increasing, creating an upward demand multiplier.'

By 2050, global gross domestic product is expected to increase 255 percent. Electricity generation will be up some 140 percent. The world population will reach 9 billion, and 6.8 billion people - about 70 percent of the world's population - will live in cities.

Number Four: Coal is the only sustainable fuel, at scale, that can meet the world's growing electricity needs. 'Coal is powering both the largest and best global economies, and this is no coincidence,' Boyce said. 'The correlation between coal-fueled electricity use and economic growth is near-perfect.'

The world has trillions of tons of coal, which make up 60 percent of global energy resources. About 90 percent of coal's 4 billion tons of demand growth by 2030 will come from emerging Asia. Coal-fueled generation is expected to grow 2.5 times in China and 3.5 times in India by 2030, and every four years, China's coal demand growth equals U.S. total demand. Coal is widely dispersed, broadly available, easily transported, dense and affordable.

Number Five: Advanced coal generation is vital to both our economic and environmental goals. There are 429 gigawatts of supercritical and ultrasupercritical power plants in operation or under construction worldwide. China leads this effort, representing more than one-third of the world's advanced coal fleet.

'Replacing the world's older coal plants with supercritical generation would drive major economic growth and enormous reductions in carbon dioxide, even without carbon capture and storage,' said Boyce. 'All these plants would be carbon capture ready when the technology is commercially deployable.'

The benefits are enormous, Boyce explained: The world could realize $4.3 trillion in economic benefits and 21 million new construction jobs just during the construction cycle, according to a study by Management Information Services. Avoided carbon dioxide (CO2) emissions would equal more than the entire U.S. passenger car fleet.

In the United States, replacing older coal plants with advanced generation could create $1.2 trillion in economic benefits and 6 million jobs during construction. Some 440 million metric tons of CO2 would be avoided.

Boyce links the energy, economic and environmental benefits to what he calls the Peabody Plan, which calls for five actions:

One: Work to eliminate energy poverty by ensuring that at least half of new generation is fueled by coal;

Two: Replace older traditional coal plants with advanced coal technologies;

Three: Develop at least 100 major CCS projects around the world within 10 years;

Four: Deploy significant coal-to-gas, coal-to-chemicals and coal-to-liquids projects globally in the next decade; and

Finally: Commercialize next generation clean coal technologies to achieve near-zero emissions.

Coal is the fastest-growing fuel in the world and has been for the last decade. Coal use has grown twice as fast as natural gas and four times as fast as nuclear and oil during this time. The International Energy Agency projects that the growth in coal for electricity generation will exceed the growth of any other fuel by more than double in the next 10 years. Incremental coal for generation is projected to surpass that of gas, oil, nuclear, geothermal and solar combined.

Energy is essential to help people live longer and better, and coal is the sustainable solution. Said Boyce: 'We will ultimately be measured not by our market share of fuels but for how well we helped a growing world live longer and better.'

Peabody Energy

is the world's largest private-sector coal company and a global leader in clean coal solutions. With 2010 sales of 246 million tons and nearly $7 billion in revenues, Peabody fuels 10 percent of U.S. power and 2 percent of worldwide electricity.

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