ST. LOUIS, April 27, 2015 /PRNewswire/ -- At a time when record electricity prices are squeezing families and businesses, Peabody Energy Chairman and Chief Executive Officer Greg Boyce has called on Congress and political leaders to support a five-point plan to help solve the U.S. electricity crisis, put energy policy back on track and accelerate a transition toward a low-carbon economy.

"High electricity costs put pressure on families, forcing what are too frequently becoming painful sacrifices. No parent should ever make the terrible choice of putting food on the table, buying medicine or paying for power, yet these are very real issues for tens of millions of Americans," said Boyce during a global coal plenary address at IHS CERAWeek in Houston. Affordable energy is critical at a time when more than 100 million Americans – nearly one-third of the population – qualify for energy assistance and 45 million live in poverty, he said.

This past year was the most expensive year ever for electricity in the United States, and record prices are continuing in 2015. U.S. electricity rates have increased 53 percent since 2000. Boyce said the increase in power prices has accelerated in recent years largely due to policy actions that have forced utilities to use less coal and take on high renewable mandates, increasing use of the highest-cost form of electricity. Wind and solar also are heavily subsidized, receiving well over $85 billion in incentives during the past 60 years even though they provide only about 5 percent of U.S. electricity.

"The greatest problem we confront is not an environmental crisis predicted by flawed computer models, but a human crisis that is fully within our power to solve," Boyce said. The challenge is even more pronounced globally with 3.5 billion people lacking proper electricity, billions spending their days foraging for biofuel to cook and heat, and billions having no access to clean water or sanitary facilities. "Against this backdrop, the Administration continues forcing a carbon agenda with little regard for the consequences to people, the economy or the rule of law."

"The U.S. Environmental Protection Agency's (EPA) Administrator has said that the Clean Power Plan isn't about 'pollution' but is an 'investment opportunity.' Yet this concept runs afoul of the Clean Air Act, setting the stage for major legal challenges," Boyce said.

Multiple studies also show the EPA's plan will continue to significantly drive up power costs, leaving a legacy of expensive electricity and causing reliability issues. The carbon proposal is likely to create power shortages across the nation in the Great Plains, the Midwest, the Northeast and Texas, according to the North American Electric Reliability Corp.

The EPA has modeled its carbon proposal after California, a state where high renewable mandates and energy taxes have created some of the nation's most expensive power costs. California's power prices are more than 45 percent higher than the U.S. average. The high cost of power has resulted in the loss of 600,000 manufacturing jobs in California since 2000.

Coal fuels about 40 percent of U.S. power, 40 percent of global power, and delivers the lowest cost electricity of any major fuel. Coal is also the world's fastest-growing major fuel and is forecast to surpass oil as the world's largest energy source in the next several years, according to analyst Wood Mackenzie.

"We can achieve our environmental goals. The key is to analyze the system holistically and set goals on a rational time frame. We should not mandate artificial carbon caps, carbon taxes or renewable mandates that will hurt people and cripple economies for negligible environmental benefit," said Boyce. If the EPA power plant proposal is implemented, the average global temperature would be reduced by less than two-hundredths of one degree, offering no material benefit under climate theory. "We can all agree this proposal is ludicrous," he said.

A majority of states are vocally opposing the rule, along with members of Congress, governors, attorneys general, business associations and citizen groups.

"As the Administration attempts to lead the world toward a carbon treaty, we need to stop and take note of valuable lessons," Boyce said. "Jurisdictions like Australia, the European Union and Ontario, Canada, have tried such policies only to see their economies turned upside down."

Australia elected a new government with the mandate to repeal the carbon tax, which cost the Australian economy more than $20 million a day. Europe embraced the world's first cap and trade system. Today Spain's residential power prices are two-and-a-half times higher than the United States and Germany's power prices are three times higher than the United States.

"All of us share the goals of a strong economy and healthy environment. But there is a far better and more practical path," said Boyce. "The solution comes in the form of clean coal technologies that can accelerate the transition toward a low-carbon energy future."

Boyce offered a five-point plan:

1. Recognize the tremendous impact of energy policy on all citizens and the importance of keeping energy available, reliable and affordable. Any new policy recommendation should show how energy access is increased and energy affordability is strengthened.
2. Embrace a true "all of the above" energy strategy that recognizes quantifiable benefits and limitations for each fuel alternative.
3. Support continued investment in clean coal technologies to minimize emissions and drive down costs, which offer a dramatic success story in the United States: Coal used for power has increased 165 percent since 1970 while key emission rates have taken a steep, 90 percent decline.
4. Promote development bank funding to expand broad electricity access in emerging markets. Electrification through coal is an answer to stop degradation of the natural environment and help alleviate energy inequality.
5. Accelerate development of next generation carbon capture utilization and storage (CCUS) technologies that will achieve large emission reductions. Given the world's ambitious carbon goals, CCUS will play an essential role in reducing emissions for both coal and gas. CCUS should enjoy policy parity with other low-carbon energy options.

"Advancing social and economic progress should be our overriding goals. We must put in place a technology path for long-term improvement in carbon emissions that will enable us to use more coal more cleanly delivering major results right now," said Boyce.

Peabody Energy (NYSE:BTU) is the world's largest private-sector coal company and a global leader in sustainable mining, energy access and clean coal solutions. Peabody was named Energy Company of the Year at the 2014 Platts Global Energy Awards. For further information, visit PeabodyEnergy.com and AdvancedEnergyForLife.com.

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