

Press Release

Examining Policies that Preserve Coal in the Generation Mix

ALLISON EDWARDS | JUNE 10, 2021

Coal-fired electricity generation has declined due to market conditions and the relative inefficiency of aging power plants, but some state legislatures have adopted policies seeking to preserve coal-fired generators. These policies risk undermining utilities' ability to operate assets economically and create avoidable costs for consumers, contends AAF's Director of Energy Policy Ewelina Czapla in a new analysis.

Czapla concludes:

Over the decades, coal generation has proven less efficient, more costly, and less flexible than nearly all other modern generation sources. With competing resources, utilities are no longer bound to operate last century's technology. Instead, new modern facilities that are more cost effective can be developed while more costly technologies are retired.

While state legislatures and regulators undoubtedly have a role to play in balancing utility cost-effectiveness with the needs of a local economy, regulating the generation resource mix too inflexibly leads to increased costs ultimately borne by consumers. A more balanced approach involves policies that reduce barriers to developing the resource mix necessary for cost, carbon, and energy-efficient generation.

Read the analysis.