Coal: Our National Treasure

by Richard F. Storm - CEO Storm Technologies, Inc.

Using America's National Treasure of Coal efficiently and cleanly is important, just because it is the right thing to do.

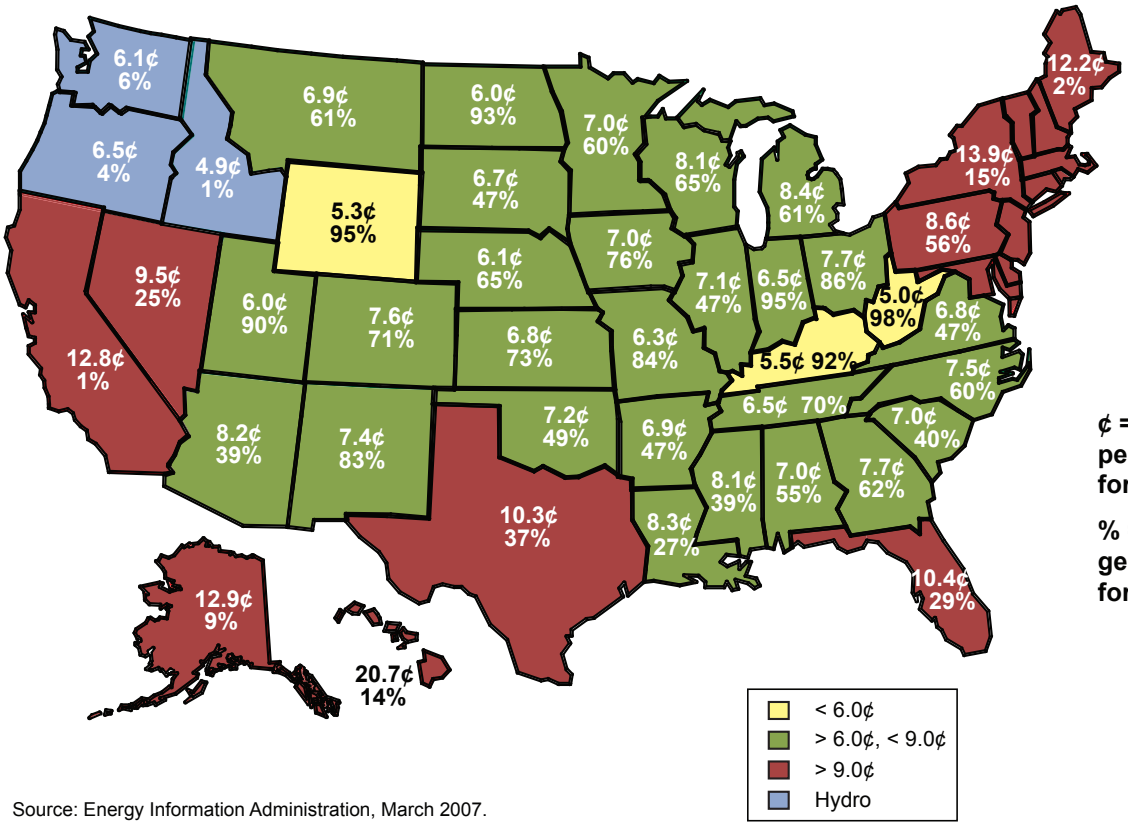
First, let's review why we should all practice Excellence in the Combustion of Coal. Thermal power plants fueled by coal are vital to our Nation's economy, our national security and our high standard of living. Coal fueled power plants produce over 50% of our Nation's electricity. In states where it is used for the highest percentage fuel mix, the electricity production costs are the lowest. I know; all of the readers of this newsletter know these facts. In spite of the facts supporting more coal power and the building of new coal plants and refuting the man-made part of "Global Warming" nearly every non-technical group of well meaning American citizens is misguided about the true facts of why our Nation needs more coal utilization, not less! Many otherwise benign groups, such as the faith based community, including most organized religions (including mine, and I am a Methodist) have applied pressure to politicians, banks and regulators at all levels. Coal at this time, is a fuel our country needs to use more of – for reasons of economic prosperity, reducing the outflow of US dollars, increasing American industry's competitiveness, reducing dependence on foreign energy and to keep our supply of abundant electricity secure and reliable.

I urge everyone in this business and every technically trained individual that is fair and objective, to write your congressman, senators, governor, regulators and candidates for elected office. We need to teach them the truth, because most are inundated with distorted facts, Hollywood

States that Rely on Coal Have Low-Cost Electricity

16 States: 21% from Coal & 12.7 Cents/kWh Average

31 States: 65% from Coal & 7.0 Cents/kWh Average



MA	15.4¢	25%
CT	14.7¢	12%
NH	13.9¢	17%
RI	13.9¢	0%
NJ	11.9¢	18%
VT	11.4¢	0%
MD	10.0¢	60%
DE	9.6¢	69%

¢ = average retail price per kilowatt hour for 2006

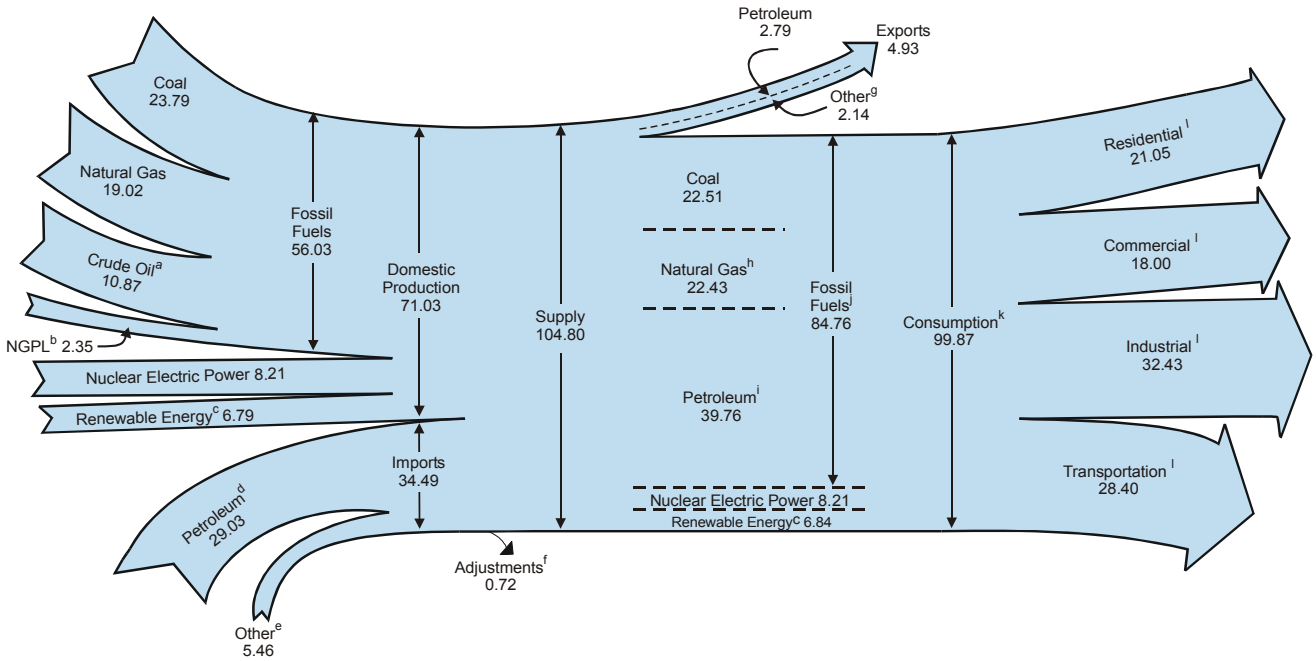
% = percent of total generation from coal for 2006

Source: Energy Information Administration, March 2007.

hyperbola and misguiding information from the liberal big city newspapers. We have at least a generation of citizens that have reached voting age and do not have a clue on where electricity comes from, how it is produced, why low cost fuels are important to promote economic prosperity and just how clean a modern coal fueled power plant can be. We should all meet with our friends and neighbors, school students, local civic clubs and every organization that will provide an audience to spread the truth about the importance of coal energy for America. As I see it, and others knowledgeable in energy industries have told me, they agree. Those of us that understand coal combustion, protection of the environment and the correlation of low cost energy with economic prosperity ….are outnumbered by between 3,000 and 10,000 to one. For every person who really understands clean coal combustion, there are a minimum of 3,000 citizens who do not understand and are influenced by the "anti-coal" movements. I live in a rural county of NC, where the population is about 55,000 and we have about 16,000 employed full-time. About 1,000 are employed in energy related industries and this group probably understands clean coal combustion. So here, those of us that understand coal fueled power plants and power economics are probably out numbered by more like 55 to one.

Help spread the word of how important coal is to our Nation to everyone you know. When we do use coal fuel, we should do it with the highest degree of excellence with regard to efficiency. This is where Storm Technologies, Inc. can help. We can help you to meet the challenges of: best heat rate, lowest emissions, highest capacity factor, high reliability, fuels flexibility and most benefit per dollar in maintenance. If we are going to continue to use America's national treasure of coal energy, let's use it well.

Diagram 1. Energy Flow, 2006
(Quadrillion Btu)



[a] Includes lease condensate.
[b] Natural gas plant liquids.
[c] Conventional hydroelectric power, biomass, geothermal, solar/PV, and wind.
[d] Crude oil and petroleum products. Includes imports into the Strategic Petroleum Reserve.
[e] Natural gas, coal, coal coke, fuel ethanol, and electricity.
[f] Stock changes, losses, gains, miscellaneous blending components, and unaccounted-for supply.
[g] Coal, natural gas, coal coke, and electricity.
[h] Natural gas only; excludes supplemental gaseous fuels.
[i] Petroleum products, including natural gas plant liquids, and crude oil burned as fuel.
[j] Includes 0.06 quadrillion Btu of coal coke net imports.
[k] Includes 0.06 quadrillion Btu of electricity net imports.
[l] Primary consumption, electricity retail sales, and electrical system energy losses, which are allocated to the end-use sectors in proportion to each sector's share of total electricity retail sales. See Note, "Electrical Systems Energy Losses," at end of Section 2.

Notes: • Data are preliminary. • Values are derived from source data prior to rounding for publication. • Totals may not equal sum of components due to independent rounding.
Sources: Tables 1.1, 1.2, 1.3, 1.4, and 2.1a.

Refuting the "Man-made" in Global Warming

Not all scientists agree that man-made CO_2 emissions are the cause of "Global Warming". In fact, it seems to us that the published scientific literature from respected scientists are building a strong argument that man is not causing global warming by producing CO_2.

Now let me make it clear, I think each reader of this newsletter and every individual that I have known in the electric utility business could in fact call him or herself an environmentalist. We all protect the environment in all that we do. We also believe in conservation and not being wasteful. In all that we recommend for our customers efficiency and environmental performance is always taken into consideration. Our problem is with the environmental extremists, the Nimby's, the Banana's and the anti anything groups.

What does Coal use have to do with America's Energy Independence?

America has more coal reserves within our borders than many oil rich nations such as Saudi Arabia has an equivalent heat energy of oil reserves. Ditto for Venezuela. From points of national security and economic prosperity we Americans should use our own energy. The way I see it and the EIA energy flow chart graphically depicts it (see diagram 1 on the preceding page), America uses just a tad over 100 Quadrillion Btu's per year.

So if we can use a greater percentage of coal, nuclear and renewable to satisfy our appetite for energy, then there is that much less requirements for imported oil and gas.

No, I do not see us replacing our imported oil and gas in the near term with coal. Nor do I see us replacing oil and gas with renewables of any and all types. But – more coal energy production combined with new nuclear plants, renewables where practical can definitely reduce the climb of imported oil and gas, as it has escalated from 25% of our imported oil in 1974 to presently about 60% imports.

Coal is a vital part of our energy mix. We know that. My plea to all the readers of this newsletter is, please, as an energy insider, as energy experts that you are, Please tell your friends and neighbors. If we do not educate the public and politicians – then who will? Who else is qualified to do so?

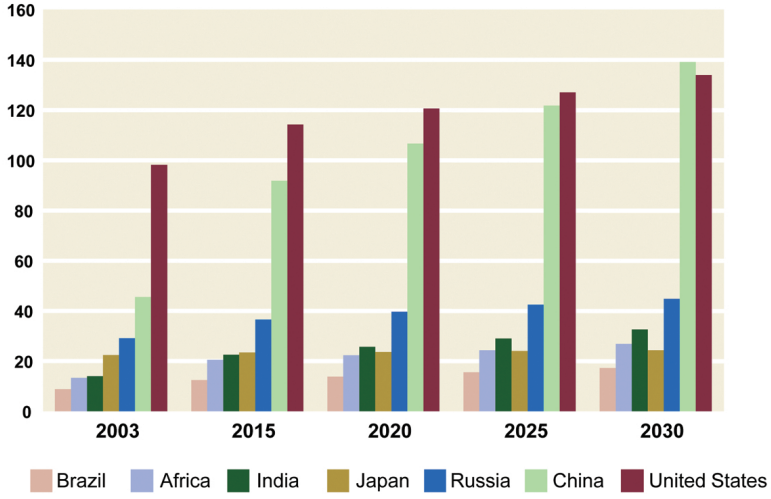
Thank you for considering this request.

Dick Storm

Please see the suggested references and reading list on the next page.

If manufacturing, strength of currency, economic prosperity and energy consumption are related to reasonable cost of electricity, then given the scenario of Asia's rise in energy consumption, which economies are likely to prosper in 2030? Wouldn't you like to see America remain Strong?

Energy Consumption Forecast (Quadrillion Btu)



Suggested References and Reading List

"Climate Confusion: How Global Warming Leads to Bad Science, Pandering Politicians and Misguided Policies that Hurt the Poor" by Roy Spencer (I would add: And Drives American Industry Away).

"Environmental Effects of Increased Atmospheric Carbon Dioxide" Arthur B. Robinson, Noah E. Robinson and Willie Soon
http://www.jpands.org/vol12no3/robinson600.pdf

American Coal Council
http://www.americancoalcouncil.org

Americans for Balanced Energy Choices
http://www.AmericasPower.com

Department of Energy
http://www.energy.gov

Heartland Institute
http://www.heartland.org/Article.cfm?artId=10582

Global Warming Test:
http://www.globalwarmingheartland.org/GWQuiz/Testindex.html

http://www.eia.doe.gov/cneaf/electricity/page/fact_sheets/supply&demand.html

http://www.gmfus.org/doc/SearchingerBiofuelBrief_Final.pdf

http://news.mongabay.com/2008/0207-biofuels.html

Title	AUTHOR
Cool It	Bjorn Lomborg
The Skeptical Environmentalist, Measuring the Real State of the World	Bjorn Lomborg
The Politically Incorrect Guide to Global Warming and Environmentalism	Christopher C. Horner
Shattered Consensus, The True State of Global Warming	George C. Marshall Institute, Edited by Patrick J. Michaels
The Chilling Stars, A New Theory of Climate Change	Henrik Svensmark and Nigel Calder
State of Fear	Michael Crichton
Meltdown, The Predictable Distortion of Global Warming by Scientists, Politicians, and the Media	Patrick J. Michaels
The Satanic Gases, Clearing the Air about Global Warming	Patrick J. Michaels and Robert C. Balling, Jr.
Unstoppable Global Warming, Every 1,500 Years	S. Fred Singer and Dennis T. Avery