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# Argus Coal Daily

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## LATEST NEWS

### Coal plant retirement delays needed: Execs

US generators should consider delaying more coal-fired power plant retirements to ensure electric grid reliability, thermal coal market participants said at an industry conference this week.

Projected load growth from data center developments will require adequate dispatchable generation from coal in addition to natural gas to maintain dependable capacity and affordable electricity prices, panelists at the Miami Coal Forum organized by the American Coal Council and McCloskey by Opis said on Wednesday.

The US Department of Energy expects data centers to draw an additional 74,000MW-132,000MW of electricity by 2028. However, approximately 60,000MW of US coal power is sched-

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Atlantic basin		\$/t
Next 60 days	Price	±
US Gulf coast		
fob New Orleans 6,000 kcal 3%	65.75	-2.00
Mid-sulfur discount \$/lb/mmBtu*	0.26	-0.01
High-sulfur discount \$/lb/mmBtu*	0.06	+0.01
US east coast		
fob Hampton Roads 6,000 kcal <1%	96.64-119.01	-2.16
Latin America		
Colombia (fob Puerto Bolivar) 6,000 kcal <1%	94.50	1.25

\*The mid-sulfur spread is the discount for 3% typical sulfur coal fob New Orleans to coal with less than 1pc sulfur. The high-sulfur spread is between petroleum coke with 4.5% and 6.5% sulfur.

## FORWARD MARKET ASSESSMENTS

OTC prices		\$/st	
		Price	±
CSX <1% sulfur rail 12,000	Mar	72.50	0.00
	Apr	72.50	0.00
	2Q25	72.50	0.00
	3Q25	72.75	0.00
	4Q25	73.00	0.00
	2026	73.75	0.00
CSX <1% sulfur rail 12,500	2027	74.75	0.00
	2028	75.75	0.00
	Mar	76.25	0.00
	Apr	76.25	0.00
	2Q25	76.25	0.00
	3Q25	76.50	0.00
IL basin 3.15% sulfur 11,500	4Q25	76.75	0.00
	2026	77.50	0.00
	2027	78.50	0.00
	2028	79.50	0.00
	Mar	43.45	0.00
	Apr	43.45	0.00
PRB 8,800 rail	2Q25	43.45	0.00
	3Q25	43.95	0.00
	4Q25	44.20	0.00
	2026	44.50	0.00
	2027	45.25	0.00
	2028	46.25	0.00

\*Tables include hyperlinks to those values maintained in the Argus database.

uled to be taken off line by the end of the decade in regions with projected capacity shortfalls starting in the next two years, chief executive of America's Power Michelle Bloodworth said.

While there are currently 2.6mn MW of generation projects in interconnection queues across the US, it has taken a while for projects to be built and actually added to the grids. In addition, the majority of this power will come from wind and solar, which cannot reliably keep up with the losses in dispatchable generation capacity from coal unit retirements, according to Bloodworth.

A report published this week by America's Power, which analyzed the US power grid during the period of abnormally cold weather in mid-January, showed that coal generating resources made up one-third of the 149,000MW of additional electricity demand that was needed on the peak day compared with the average demand in December. Wind and solar fulfilled 3pc and 0.2pc of this incremental demand.

Bloodworth also pointed out that not all of the projects in interconnection queues will be added, and projected that most of the minimal dispatchable generation projects getting built will be natural gas power.

"The natural gas system in the US was not built for this huge amount of growth in power generation," Bloodworth said.

This is because natural gas also competes in other US sectors in addition to generation, including industrial, manufacturing and commercial markets, which could further limit the fuel's availability, Bloodworth stated.

Only 39pc of total natural gas consumed in the US is expected to be used in the electric power sector this year, according to the US Energy Information Administration's latest *Short-Term Energy Outlook*. By comparison, thermal coal is primarily used for the nation's electricity. EIA expects electric power coal use to make up more than 91pc of overall US coal consumption in 2025.

Other speakers at the conference expressed concerns about price swings in natural gas markets and their effect on power prices if less coal generating capacity is available.

"When called upon, natural gas prices will instantly spike," said Adam Anderson, chief executive of Western Fuels Association.

Anderson further stated that coal's competition with gas has kept the fuel's prices "in check," maintaining affordability in the electricity sector, primarily during periods of peak load growth.

For example, average natural gas prices in the PJM Inter-

Argus daily spark spreads				\$/MWh
	Timing	Gas	Coal, peak 10,000	Coal, off-peak 10,000
Indiana	Daily	13.44	12.59	13.69
	Mar	14.80	10.19	2.69
	Spring	18.23	13.24	4.19
PJM	Daily	5.51	11.04	15.07
	Mar	18.37	13.05	4.00
	Spring	20.75	14.35	3.75
Southern Co. N. Illinois	Daily	5.61	5.61	6.32
	Daily	-0.20	7.71	11.73
	Mar	8.51	14.10	4.60
Palo Verde	Spring	9.77	14.90	3.40
	Daily	8.16	10.30	12.80
	Mar	9.80	-3.82	9.63
Mid-Columbia	Q2	17.16	-2.76	2.04
	Daily	26.85	25.40	28.17
	Mar	18.64	18.91	16.31
	Q2	11.06	10.53	3.98

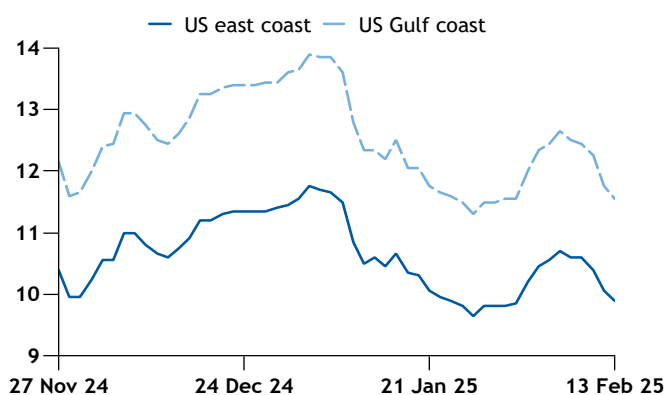
connection increased to almost \$30/mmBtu during the cold snap in the eastern and central US during last month's cold snap from less than \$2/mmBtu in November, the America's Power report showed. Coal prices in the same period averaged \$2.50/mmBtu.

In response to the increased demand and higher gas prices, PJM's day-ahead power prices peaked at an average of \$255/MWh. However, without coal-fired generation, America's Power estimated power prices could have surged to \$400-\$650/MWh.

By Anna Harmon

Panamax freight rates to Rotterdam

\$/st



## MARKET SUMMARY

### CSX prices pause from recent rise

Near-term US thermal coal prices were unchanged in the over-the-counter market on Thursday, holding steady after CSX-origin prices rose on Wednesday.

Prompt month CSX rail-originated coal with 12,500 Btu/lb, which rose by 25¢/short ton on Wednesday, held unchanged at \$76.25/st. March and April shipments of Illinois basin coal with 11,500 Btu/lb were flat with the prior day at \$43.45/st each.

Powder River basin assessments also remained unchanged at \$14.15-\$14.90/st for shipments through calendar year 2028.

No bids, offers or deals were confirmed on Thursday.

Eastern US coal markets were unmoved by continued declines in prices for physical deliveries of coal to Europe. The assessment for prompt two-month deliveries of 6,000 kcal/kg coal to Europe dropped below the \$100/metric tonne mark for the first time in nearly a year, to \$99.79/t cif Amsterdam-Rotterdam-Antwerp, as demand from the wider European energy complex softened. The last time this assessment was below \$100/t was on 27 February 2024 when it was assessed at \$99.30/t.

Still, US natural gas futures rose again on Thursday on forecasts for colder weather next week. Nymex gas for March delivery at the Henry Hub climbed by 6.3¢/mmBtu, or 1.8pc, to settle at \$3.628/mmBtu, the highest prompt month settlement price since 27 January. The 12-month strip increased by 0.8pc to \$4.106/mmBtu.

The weather outlook indicated colder weather next week followed by a burst of normal to above-normal temperatures near the end of the month.

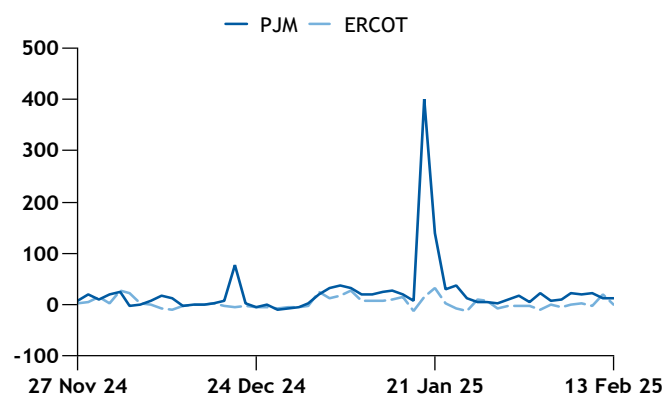
### By the numbers

	Last	±	±%
Nymex natural gas (\$/mmBtu)	3.63	0.06	1.76
Argus Indiana hub power (\$/MWh)	42.00	0.10	0.24
Argus fuel oil 1% New York (bl)	74.73	-0.16	-0.21
Nymex WTI crude (bl)	71.29	-0.08	-0.11
Aus\$ vs. US\$	0.63	0.00	0.00
Can\$ vs. US\$	0.70	0.00	0.00
euro vs. US\$	1.04	0.00	0.00

Below-normal temperatures will cover most of the US this week, according to private forecaster Commodity Weather Group. The coldest weather will move across the central US, spanning the Midwest and the Great Plains states. Temperatures in that region will then rise to near normal or above-normal levels from 22-27 February, the forecaster said.

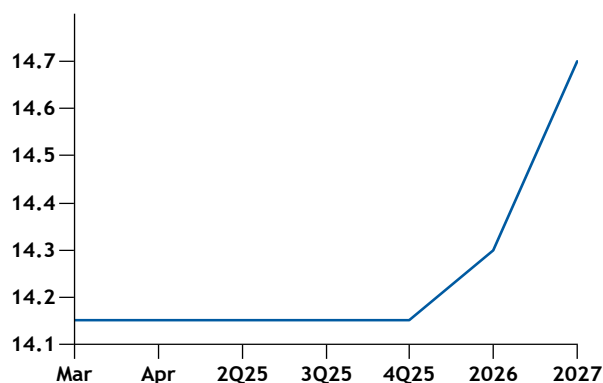
### Day-ahead coal spark spreads

\$/MWh



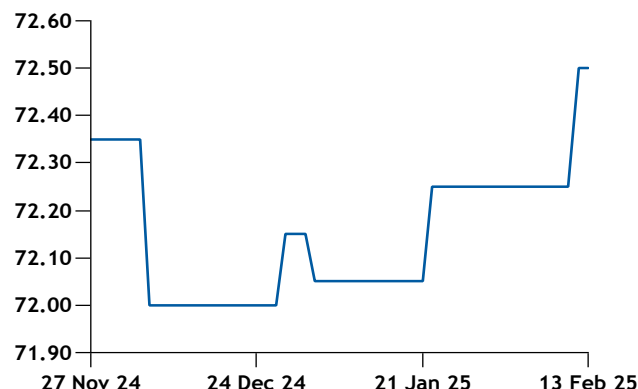
### PRB 8800 forward curve

\$/st



### Prompt CSX 12,000 OTC

\$/st



## NEWS

**Wyoming bill to cut coal severance tax advances**

Legislation that could cut Wyoming's severance tax rate on surface coal mining is advancing through the state's Senate after clearing the House of Representatives at the end of January.

HB 75, which will go through several votes, was passed today by the Senate's Committee of the Whole, made up of the entire chamber, and moved to another hearing. It previously passed the Senate Revenue Committee on 12 February by a vote of 3-1. The legislation passed the state House of Representatives on 27 January.

The bill, which was introduced in December by representative Ken Clouston (R), [would reduce the state's severance tax rate](#) on surface coal mining to 6pc from 6.5pc.

The measure was introduced following a request from the Wyoming Mining Association, which asked legislators in May 2024 to reduce severance tax obligations for coal producers and make the tax for coal the [same as taxes on oil and natural gas producers in the state](#).

If the new bill passes, severance tax revenue is expected to decrease by about \$9.6mn in 2026, by \$8.7mn in 2027, and by \$7.8mn in 2028, according to the bill's fiscal note. These estimates were based on surface coal mining severance taxes projected in the [January 2025 Consensus Revenue Estimating Group \(CREG\) forecast](#).

The Wyoming Department of Revenue collected \$137mn in surface coal severance taxes in fiscal year 2024, the CREG report shows. Projected 2025, 2026 and 2027 fiscal year tax revenues are \$131.7mn, \$123.1mn and \$112.5mn, respectively.

CREG's severance tax assumptions for 2024 used \$15/st as an average gross sales price for all Wyoming surface coal production and 190mn short tons (172.4mn metric tonnes) of total

volume of all surface coal produced in the state.

The state agency also projected that average gross sales prices will decrease to \$14.25/st in 2025 and 2026, and decline to \$13.75/st in 2027. In terms of production from the state, CREG's projections indicate that output will decline to 175mn st in 2026 and 160mn st in 2027, down from 185mn st in 2025.

If the bill passes both chambers and is signed by the governor by 22 February, the new taxes would become effective on 1 July.

*By Elena Vasilyeva*

**Panamax demand cuts Capesizes: 2020 Bulklers**

Capesize tonne-mile demand growth in 2024 faced headwinds from heightened competition over coal cargoes from the smaller Panamax segment, according to dry bulk shipowner 2020 Bulklers.

"Due to the slow Panamax market, the smaller sizes cannibalized the Capesize coal volumes," chief executive Lars Christian said. "The Panamax historical grain and soybean season from east coast South America and the US Gulf did not materialize and thus left the Panamax segment more competitive than Capesizes on coal."

In 2024, the share of coal transported by Capesizes across the world fell by 1.85 percentage points to 16.05pc from the year prior, according to Kpler data. In the same period, the share of coal transported by Panamaxes increased by 4.5 percentage points to 45.3pc in 2024, according to Kpler data.

2020 Bulklers fields a fleet of 6 Newcastlemax bulkers. The average time charter equivalent (TCE) rate achieved by its fleet was \$27,100/d, down by 25.3pc from the \$36,300/d averaged in the last quarter of 2023.

Panamax bulkers competing over traditionally Capesize

## ANNOUNCEMENT

**Argus successfully completes annual losco assurance review**

Argus has completed the 13th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group losco's Principles for Oil Price Reporting Agencies, and losco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website <https://www.argusmedia.com/en/about-us/governance-compliance>

coal cargoes likely contributed to the drop in TCE rates for the shipowner. This is despite tonne-mile demand increasing overall for the larger bulker, driven by increases for other typical Capesize cargoes, according to the shipowner.

Capesize tonne-mile demand grew by 3.1pc in 2024 on the year, supported by strong iron ore and bauxite shipments, according to 2020 Bulkshippers.

“Iron ore and bauxite from Brazil and Guinea are the large drivers of this trend, and a tonne-miles forecast for these two particular trades are anticipated to continue [the] positive trajectory as we’re moving closer to 2025,” the company said.

The shipowner reported a profit of \$5.1mn in the October-December quarter of 2024, down from \$14.8mn in the same period in 2023. The drop in profits mostly aligned with the \$11.4mn drop in revenues generated by the company’s fleet in the fourth quarter of 2024 compared with the same period in the year prior.

By Charlotte Bawol

### Taiwan's Taipower seeks coal for April-June

Taiwanese state-owned utility Taiwan Power Company (Taipower) is seeking 400,000t of thermal coal for delivery to its power plant in April-June, through a tender closing on 24 February.

The tender is open to bituminous coal from Australia, Canada, China, Colombia, Kazakhstan, South Africa or the US. The coal should be shipped on five Panamax vessels.

The coal should have a calorific value (CV) of at least GAR 6,200 kcal/kg. Total moisture should not exceed 15pc on an as-received basis. Sulphur and ash content should be capped at 0.7pc and 14pc respectively and volatile matter should be at least 26pc, all on an air-dried basis. Total moisture can be up to 18pc if the ash content is less than 10pc.

Taipower considers coal with a gross CV above GAR 6,900 kcal/kg to be the same as coal of GAR 6,900 kcal/kg quality.

Sellers can offer one or multiple shipments. Offers should be quoted on fob trimmed and cfr bases. The company will award the contract on either basis.

Bids must be submitted by 17:00 Taiwan time (09:00 GMT) on 24 February to Taipower's fuels department.

By Jinhe Tan

### Morocco's Onee issues 80,000t coal tender

Moroccan utility Onee is seeking 80,000t of coal to be delivered in April-May for its 350MW Jerada power plant.

The tender is for coal with a minimum calorific value

(CV) of NAR 5,600 kcal/kg, which should be delivered in two shipments of 40,000t to the Nador Beni Ensar port. Onee has set the provisional arrival dates for 1 April and 1 May, respectively.

The coal should have a maximum moisture content of 13pc and sulphur capped at 1.5pc, both on an as-received basis (ARB). Ash content should not exceed 20pc and volatile matter should be in a range of 22-40pc, both on an air-dried basis (ADB).

As with Onee's previous tenders, its latest excludes bidders under sanctions and those that have previously had difficulty fulfilling contracts with Moroccan utilities Onee, Taqa, and Safi.

All offers should be made on a cfr basis to Nador Beni Ensar port, in US dollars and on a NAR 6,000 kcal/kg basis. The shipments will have a shipping tolerance of 10pc, and cargoes should only be loaded from the country of origin.

Bids are due by 10:00 Moroccan time (09:00 GMT) on 20 February.

Onee is expected to award this tender at a lower price compared with its cargoes fixed at around \$113/t in December last year, given the collapse of API 2 index prices this week, a trader said.

Around 83pc of the coal delivered to Nador Beni Ensar and Casablanca – where Onee's 300MW Mohammedia plant is located – last year was of US origin, according to vessel tracking data from Kpler. The remaining cargoes were probably reloaded volumes from the UK, Spain, the Netherlands and Germany.

By Bryan Wu

### Workspaces:

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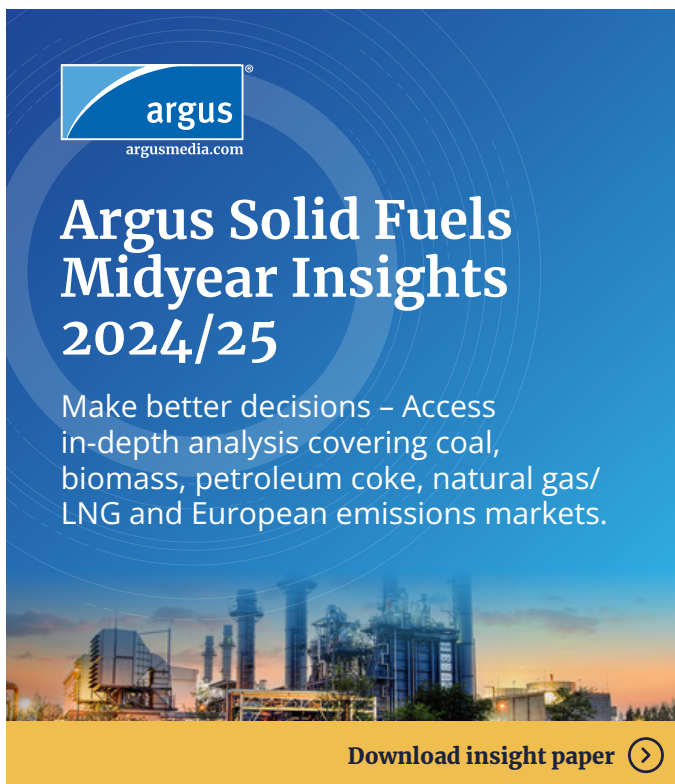
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## ANNOUNCEMENTS

### Argus Coal Daily to change competing fuels table

Following consultation, Argus will use Transco zone 4 as a reference price for natural gas delivered in the US southeast in the "Argus competing fuels analysis table" in *Argus Coal Daily* starting on 19 February. This will replace the current method of adding a previously set fee to the Florida Gas Zone 3 day-ahead price.

To discuss questions associated with this change, please contact *Argus Coal Daily* editor Courtney Schlisserman at [courtney.schlisserman@argusmedia.com](mailto:courtney.schlisserman@argusmedia.com) or +1 202 349 2865.



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