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LATEST NEWS

Producer Alliance maintains 2024 sales outlook

US coal producer Alliance Resource Partners still expects to ship roughly the same amount of coal in 2024 compared with a year earlier, projecting spot international demand could pick up in the second half of the year.

Alliance, which operates in Appalachia and the Illinois basin, maintained previous expectations of selling 34mn-35.8mn short tons (30.8mn-32.5mn metric tonnes) of coal this year. The producer sold 34.4mn st and produced 34.9mn st in 2023.

"While low natural gas prices are suppressing domestic coal demand, we continue to have confidence export market demand will remain available to us this year, supporting our sales guidance" Alliance chief executive Joseph Craft said today.

Over the last quarter the company added about 400,000st to its exports under contract to ship this year, bringing its 2024

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Atlantic basin		\$/t	
Next 60 days	Price	±	
US Gulf coast			
fob New Orleans 6,000 kcal 3%	68.00	-7.50	
Mid-sulfur discount \$/lb/mmBtu*	0.17	-0.12	
High-sulfur discount \$/lb/mmBtu*	0.09	0.00	
US east coast			
fob Hampton Roads 6,000 kcal <1%	101.93-111.05	-4.16	
Latin America			
Colombia (fob Puerto Bolivar) 6,000 kcal <1%	91.50	-8.50	

*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	Jun	67.00	0.00
	Jul	67.00	0.00
	3Q24	67.50	0.00
	4Q24	68.00	0.00
	1Q25	68.25	0.00
	2025	69.25	0.00
	2026	70.75	0.00
CSX <1% sulfur rail 12,500	Jun	71.00	0.00
	Jul	71.00	0.00
	3Q24	71.50	0.00
	4Q24	72.00	0.00
	1Q25	72.50	0.00
	2025	73.00	0.00
	2026	74.50	0.00
IL basin 3.15% sulfur 11,500	Jun	41.35	0.00
	Jul	41.35	0.00
	3Q24	41.85	0.00
	4Q24	42.60	0.00
	1Q25	43.00	0.00
	2025	43.15	0.00
	2026	44.50	0.00
PRB 8,800 rail	Jun	13.50	0.00
	Jul	13.50	0.00
	3Q24	13.60	0.00
	4Q24	13.75	0.00
	1Q25	14.00	0.00
	2025	14.10	0.00
	2026	14.40	0.00
2027	14.40	0.00	

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

committed seaborne coal volumes up to 4.5mn st. At the same time, the amount of coal Alliance committed to selling to US customers slipped by 300,000st, to 28.1mn st.

The decrease in domestic volumes under contract reflected customer negotiations during the first quarter to extend existing contracts into later years, Craft said, adding that utilities' coal inventory levels remained elevated.

Alliance's 2024 sales commitments represent about 93pc of the midpoint of the company's guidance, chief financial officer Cary Marshall said.

"We continue to anticipate most of the sales activity for our unsold coal for 2024 to occur in the back half of the year and be sold in the export market," Marshall said.

Alliance did not say how much coal it exported last quarter. The company shipped 8.67mn st, up from 8.47mn st a year earlier.

The company's Illinois basin coal shipments rose by 4pc on the year prior, to 6.44mn st in the first quarter. That offset a 1.8pc decrease in Appalachian coal sales, to 2.24mn st.

The decrease in Alliance's Appalachian coal sales was primarily because fewer units were operating at the company's MC Mining complex in eastern Kentucky.

Alliance's Appalachian coal sales still were about 2pc higher than they had been in the fourth quarter of 2023, when the Mettiki mining complex in West Virginia had been experiencing "challenging geologic conditions."

Mettiki resumed operations in December 2023 after being offline for much of the second half of 2023.

Alliance expects company coal production to be "more predictable" this year than it was in 2023, having moved past "several adverse geological areas," Craft said.

Alliance produced 9.11mn st of coal January-March 2024, compared with 9.24mn st a year earlier and 7.88mn st in the final three months of 2023.

Argus daily spark spreads				\$/MWh
	Timing	Gas	Coal, peak 10,000	Coal, off-peak 10,000
Indiana	Daily	25.33	5.91	-2.62
	Jun	28.84	11.83	-2.37
	Summer	46.66	34.92	8.27
PJM	Daily	28.23	6.80	-10.05
	Jun	27.26	7.65	-6.40
	Summer	45.64	30.69	3.64
Southern Co. N. Illinois	Daily	13.50	-8.50	-19.41
	Jun	16.34	4.17	-3.54
	Summer	23.33	14.54	0.94
Palo Verde	Daily	41.33	35.39	8.64
	Jun	-0.26	-18.29	-1.31
	Q3	43.26	19.37	5.87
Mid-Columbia	Daily	100.95	81.45	27.30
	Jun	50.03	34.95	34.95
	Q3	24.01	12.53	-0.47
	Q3	95.31	89.86	25.06

The company's average coal sales price in the Illinois basin rose by 5.8pc from a year prior to \$57.58/st in the first quarter. This was offset by a 19pc drop in Appalachian coal prices to \$85.49/st during the quarter, lowering Alliance's total coal sales revenues to \$561.9mn, down by 2.9pc from last year.

This year, Alliance expects to sell 24.5mn-25.8mn st of Illinois basin coal at an average sales price of \$54.50-\$56/st, and 9.5mn-10mn st of Appalachian coal priced at \$80.50-83.50/st.

For 2025, the company has a total of 16.3mn st of coal committed and priced, including 1.1mn st of exports.

Alliance is presently bidding on four different requests for proposals from US utilities for multi-year coal contracts, Craft stated.

At the end of last quarter, Alliance had 14.6mn st of coal under contract to ship in 2025, including 1mn st to export.

By Anna Harmon

ANNOUNCEMENT

Argus successfully completes annual losco assurance review

Argus has completed the 12th 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>

MARKET SUMMARY

Prices hold in limited trading activity

US thermal coal prices remained unchanged in over-the-counter trading on Monday unaffected by an increase in natural gas prices.

Illinois basin 11,500 Btu/lb coal held at \$41.35/short ton for June and July shipments. Prompt month CSX rail-originated coal with 12,500 Btu/lb was unchanged at \$71/st.

Powder River basin coal with 8,800 Btu/lb was flat with recent days' at \$13.50-\$14.40/st for shipments through 2027.

No bids, offers or deals were confirmed, and trading activity appeared to be limited.

Coal prices were unmoved by an increase in natural gas futures. Nymex gas for June delivery rose by 10.7¢/mmBtu, or 5.6pc, to settle at \$2.03/mmBtu, the highest since 5 February. The 12-month strip increased by 2.1pc to \$2.957/mmBtu.

Natural gas futures prices received a boost today from pipeline data indicating that feedgas demand was growing at the 2.1 Bcf/d (59mn m³/d) Freeport LNG export terminal in Texas. Gas flows there have been minimal in recent weeks as the terminal undergoes maintenance.

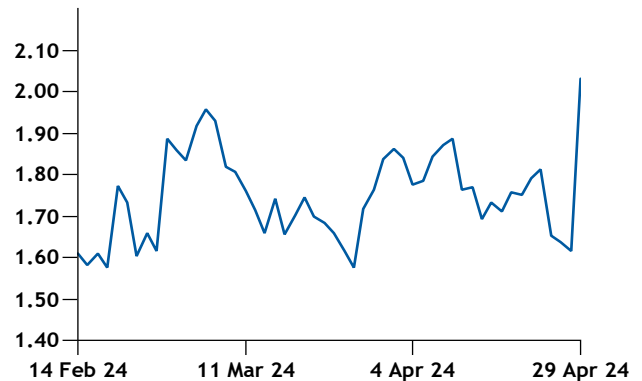
On the other hand, prompt two-month deliveries of 6,000 kcal/kg coal to northwest Europe fell by \$10.69/metric tonne, to \$100.75/t cif Amsterdam-Rotterdam-Antwerp on Monday, the lowest since 27 February.

The outlook for near-term US coal consumption was mixed. Private forecaster Commodity Weather Group projected a marginal increase in colder-than-normal weather across the Pacific northwest during the next two weeks. But above-normal temperatures are expected in the eastern half of the US this week and to expand to the Great Plains states from 4-8 May.

By the numbers			
	Last	±	±%
Nymex natural gas (\$/mmBtu)	2.03	0.11	6.65
Argus Indiana hub power (\$/MWh)	42.25	-0.15	-0.41
Argus fuel oil 1% New York (bl)	90.97	-0.91	-0.99
Nymex WTI crude (bl)	82.63	-1.22	-1.45
Aus\$ vs. US\$	0.66	0.01	1.54
Can\$ vs. US\$	0.73	0.00	0.00
euro vs. US\$	1.07	0.00	0.00

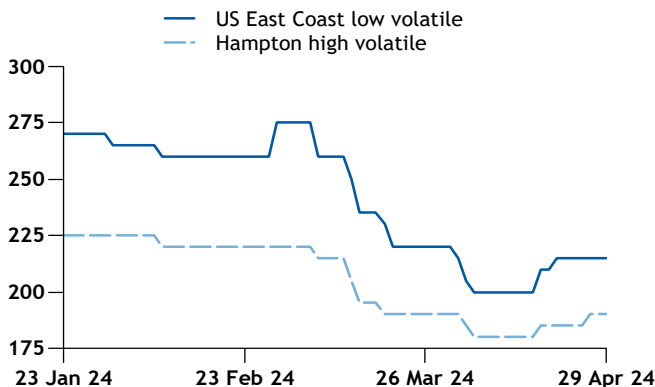
Prompt-month Nymex natural gas

\$/mmBtu



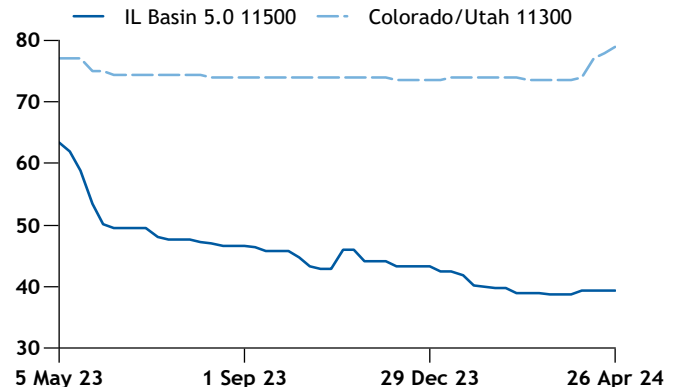
Prompt 90-day fob US coking coal

\$/t



Prompt-quarter Illinois basin

\$/st



TRANSPORTATION

Atlantic Panamaxes slightly down on bunkers

Falling bunker prices in Rotterdam and Zhoushan caused Panamax rates in the north Atlantic to dip on a \$/metric tonne basis on Monday.

Panamax rates were flat on a \$/d basis as limited tonnage matched scarce cargo.

Transatlantic rates change little

Falling bunker prices in Rotterdam reduced rates for Europe-bound Panamaxes by 0.1pc.

The cost of transporting coal on a Panamax from the US Gulf coast to Rotterdam declined by 5¢/t from Friday to \$18.15/t on Monday. The rate also was 5¢/t lower than a week ago.

European grain demand supported Panamaxes and balanced low coal demand on the continent. Charterers and owners were reticent to submit bids and offers, leaving vessel supply and demand as well as \$/d rates unchanged.

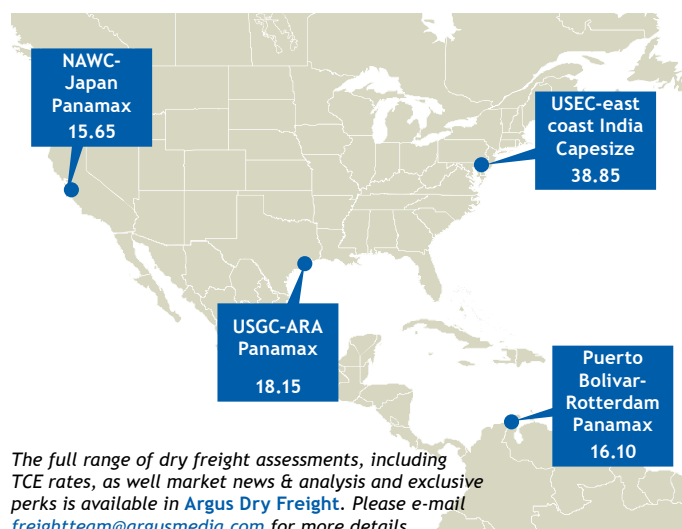
Asia-bound Panamaxes inch downward

Declining bunker prices in Zhoushan pushed rates for Asia-bound Panamaxes down by 0.1pc.

Rates for Panamax voyages from the US east coast to the east coast of India dropped by 5¢/t to \$38.15/t on Monday. The

Coal export freight rates

\$/t



rate was 5¢/t higher than a week earlier.

Ample Capesize tonnage in the north Atlantic put downward pressure on Capesize rates, possibly dissuading charterers from splitting cargoes across multiple Panamaxes.

NEWS

Dominion Energy seeks term coal starting in 2025

Dominion Energy South Carolina is seeking up to 1.35mn short tons (1.22mn metric tonnes) of coal for delivery beginning next year.

The utility today issued a solicitation to take up to 450,000st/yr of coal starting 1 January 2025 and lasting for as much as three years. Suppliers may submit bids for all or a portion of the requested coal volume.

Dominion will consider rail coal delivered on CSX or Norfolk Southern (NS) lines as well as coal imported from other countries. Coal that can move between CSX and NS railroads will have added value.

The coal must have a minimum heating value of 12,500 Btu/lb, a maximum 1.6-3lb SO₂/mmBtu, 6pc-8pc moisture and 12pc-15pc ash.

Proposals must be submitted by 5pm ET on 15 May by email to nita.jackson@dominionenergy.com, and all bids must remain firm for 30 days after receipt.

Dominion's three coal plants in South Carolina -- Cope, Wa-

teree and Williams -- received a combined 1.85mn st of coal in 2023, supplied by Kentucky and West Virginia mines, according to US Energy Information Administration fuel receipts data.

By Anna Harmon

Colombia ordered to pay Glencore over coal port

The Colombian government has been ordered to pay Switzerland-based commodities giant Glencore 37.8bn pesos (\$9.7mn) in a dispute over the cost of dredging an access channel at the 21mn t/yr Puerto Nuevo coal export terminal.

The World Bank's International Centre for Settlement of Investment Disputes (Icsid) ruled in favour of Glencore and ordered the government to pay the amount without interest, but dismissed Glencore's original claim for Ps252bn, Colombia's national agency for legal defense said.

Colombia will appeal against the decision and seek for it to be annulled.

The ruling found that Colombia did not regulate the equitable distribution of expenses related to the construction and

maintenance of the access channel among its users, the legal defense agency said. Glencore filed a claim in June 2019 seeking \$70mn for carrying out the dredging of the access channel at Puerto Nuevo on the basis that it benefited others, including Drummond, Colombia's largest coal mining firm, whose Puerto Drummond terminal is situated next to Puerto Nuevo.

"Glencore alleged that... Colombia had allowed the multinational Drummond to benefit from an anticompetitive situation that allowed it to take advantage of an access channel, without paying for its construction or use," the legal defense agency said.

This is the second lawsuit that Glencore has won against the Colombian government. In 2019, the government was ordered to repay a fine that it had imposed on Glencore in a dispute over mining royalties in 2015, amounting to \$19.1mn plus interest.

Glencore has brought four lawsuits overall against the Colombian government. In 2021, it challenged a ban that prevented coal mining firm Cerrejon from developing its La Puente pit. And in November 2023, it filed a lawsuit against the government's decision to refuse it permission to halt operations at its Prodeco asset for four years.

By Diana Delgado

STB chair to leave rail agency on 10 May

US Surface Transportation Board (STB) chairman Martin Oberman (D) said on 26 April that he would retire in two weeks, though a replacement has not been named.

Oberman informed President Joe Biden of his decision in a letter on 26 April.

Oberman said in mid-November 2023 that he would [exit the agency in early 2024](#). His five-year term expired on 31 December but he continued to serve into his one-year holdover term.

No additional details have been announced, but vice chairman Karen Hedlund (D) is expected to lead the rail regulator until a formal appointment has been made.

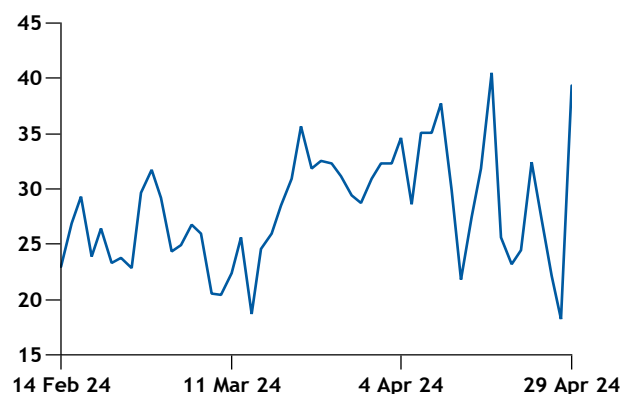
Chairman Oberman's "commitment to exploring all sides of an issue was pivotal in helping to find solutions for stakeholders," Freight Rail Customer Alliance executive director Ann Warner said.

National Grain and Feed Association chief executive Mike Seyfert said pointed to Oberman's actions in working toward significant regulatory milestones for agricultural shippers and railroads.

Under Oberman's leadership, STB has moved forward

PJM day-ahead electricity prices

\$/MWh



on long-standing proposal to allow reciprocal switching.

The switching plan would allow a shipper served by a single railroad to request that its freight be transferred to another major railroad at a designated interchange point.

STB is expected to act on reciprocal switching as early as this month, after introducing a [plan tied to railroad service performance](#) in September 2023.

His term was also highlighted by several major industry events, such as the Covid-19 pandemic, the merger of Canadian Pacific and Kansas City Southern and the 2022 rail service crisis.

Oberman was nominated by former US president Donald Trump in July 2018. His appointment was confirmed by the US Senate in January 2019 and he was appointed chairman by President Joe Biden in January 2021.

By Abby Caplan

US offers \$6bn of coal community project credits

US agencies are preparing to allocate about \$6bn in tax credits under the expanded 48C Qualifying Advanced Energy Project Credit program.

The US Treasury Department and Internal Revenue Service (IRS) today issued guidance for the 2024 allocations.

The agencies expect the US Department of Energy to open a portal by 28 May for project operators to apply for the credits. The Energy Department will evaluate the applications and make recommendations to Treasury and the IRS.

The advanced energy funding program offers an investment tax credit of up to 30pc for a variety of projects. Eligible projects include the manufacture of fuel cells and components for geothermal electricity and hydropower, as well as equip-

ment for carbon capture, and processing facilities for critical minerals. The agencies expect to allocate about \$2.5bn of the 2024 credits to projects in communities around coal mines and coal-fired power plants that have closed since 1999 and 2009, respectively.

This is the second and likely final round of credits awarded under the expanded program. The Inflation Reduction Act, which was signed into law in August 2022, provided \$10bn for [expanding the Qualifying Advanced Energy Project Credit](#). The agencies announced last month that they had awarded \$4bn in credits to more than 100 projects that had applied in round one.

By Courtney Schlisserman

Carrejon railway blocked by indigenous groups

Colombian indigenous groups in the northern La Guajira province have resumed blockades along coal producer Carrejon's railway, delaying shipments between the mining complex and Puerto Bolivar.

Indigenous Wayuu groups blocked the 44km mark of the railway from 25-28 April and started it again today. Groups also intermittently blocked the railway earlier this month. The Wayuu are requesting security for the roads, transportation for children, and traffic fines be removed. Carrejon, Colombia's

second-largest miner, has recorded more than 100 blockades so far this year, compared with the 230 blockades reported in all of 2023, the company said.

The latest obstructions have slowed vessel loadings and departures at Puerto Bolivar, according to maritime authority Dimar. The last vessel to depart Puerto Bolivar was the *Western Marine*, a baby Capesize vessel that left on 28 April, according to data analytics firm Kpler.

The port was expected to start loading one vessel later today with coal that arrived in the afternoon and evening of 28 April, but the new blockade today is preventing additional coal supply from arriving at the port, the captain of Puerto Bolivar said.

There are currently five vessels anchored outside of Puerto Bolivar, according to Dimar.

Carrejon called on authorities to carry out procedures to prevent further blockades.

"Although the company respects the right to social protest and has always shown its commitment to dialogue and open and peaceful collaboration with communities, it rejects de facto actions because they put at risk the stability of the company, its workers and the normal economic and social performance of the department," Carrejon said.

By Diana Delgado



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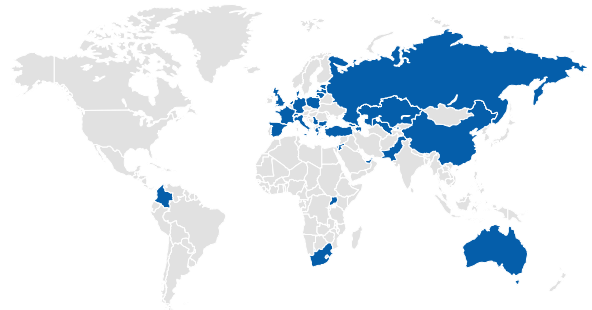


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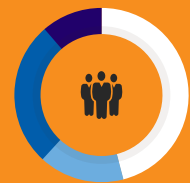
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