Department of Energy
Washington, DC 20585

January 26, 2005

The Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Nober:

The enclosed analysis responds to your letter of December 21, 2004, requesting that the Energy Information Administration (EIA) use the National Energy Modeling System (NEMS) to run a sensitivity analysis of the impacts of specified changes in coal transportation rates on power plant emissions. Overall, using transportation rate adjustments provided by Surface Transportation Board staff, EIA found very small changes in total coal production, coal consumption, coal-fired electricity generation and electric power sector emissions. There were small changes in regional projections of coal production, but the aggregate amount of coal used and the emissions associated with its use in each consuming region were nearly unchanged from reference case levels.

The results of this analysis likely give a reasonable indication of the magnitude and direction of the expected emissions changes resulting from the specified transportation rate adjustments. However, NEMS operates at a relatively aggregate regional level and does not represent the costs of transporting coal over specific rail lines.

If you have further questions, please do not hesitate to contact me on (202) 586-4361. Alternatively, your staff can contact John J. Conti, Director, Office of Integrated Analysis and Forecasting, at (202) 586-2222.

Sincerely,

Guy F. Caruso
Administrator
Energy Information Administration

Enclosure

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