

2013 ANNUAL REPORT

SIERRA CLUB'S **BEYOND COAL** CAMPAIGN



2013

A YEAR OF OPTIMISM

During a recent interview, a reporter asked why the Sierra Club's Beyond Coal campaigners express so much optimism about our ability to win, even as devastating superstorms, tsunamis, and fires spurred by climate change have claimed millions of victims. When it comes to climate change, we can't afford to let ourselves be overcome by despair—there is just too much at stake. Besides, you don't have to look far to find inspiring stories of regular people doing heroic things that add up to real progress against climate disruption.

In Nevada, activists successfully pushed for the planned shutdown of the Reid Gardner Generating Station, as the Native American community that has been made sick by that plant for decades is creating the nation's largest solar installation on native land. Oklahoma also took a big step forward when American Electric Power, after a settlement with the Sierra Club, announced it would add enough wind energy to power 200,000 homes.

Just a few years ago, we were optimistic about a clean energy future. Today, we are experiencing a clean energy reality—right here, right now. In 2013, installation of renewable energy capacity outpaced the growth of coal, oil, and nuclear combined.

We're making an impact at the federal level, too. More than 2,000 activists nationwide showed up to U.S. Environmental Protection Agency (EPA) hearings to increase protections on carbon. Hundreds of thousands

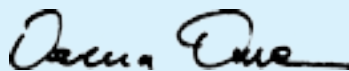
more sent letters and emails. These standards will help level the playing field for cleaner, sustainable technologies. Moreover, President Obama's climate plan, announced in June 2013, represents a pivotal moment in the climate change fight and a great boost for the clean energy economy.

And finally, we recently achieved a tremendous milestone: 30 percent of all the coal plants in the United States are slated to retire.

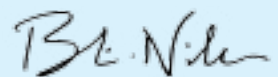
There's plenty to be optimistic about. The Bush-Cheney coal rush is over. Clean energy is here. But there is much left to do: More than 350 coal-fired power plants still operate in the United States, and coal investors are looking to export what is too dirty to burn here at home. With our successes in 2013, we are confident that our momentum will lead to even more good news in the years to come. Onward!



MARY ANNE HITT
Campaign Director



VERENA OWEN
Campaign
Volunteer Co-Lead



BRUCE NILLES
Senior Campaign
Director



FORMER NEW YORK CITY MAYOR MICHAEL BLOOMBERG AND FORMER EPA ADMINISTRATOR LISA JACKSON VISIT OUR NATIONAL HEADQUARTERS

THE SIERRA CLUB'S BEYOND COAL CAMPAIGN WORKS TO ACHIEVE THREE PRIMARY GOALS:

1. **Stop the construction of new coal-fired power plants.**
2. **Retire existing coal plants and replace them with clean energy by 2030.**
3. **Keep coal in the ground and out of international markets.**

These goals support our vision for an America free of pollution and powered by clean energy. In communities from coast to coast, we're slashing carbon pollution, saving lives, and fighting climate disruption. With the strength of more than 100 allied organizations and millions of supporters, the Beyond Coal Campaign takes our hopes for America's energy future and makes them a reality every single day.

This report highlights our signature 2013 victories, showing how they set us up for success in 2014 and beyond.

“The Sierra Club
never sleeps.”

—Jim Thompson

Director for IHS Coal, IHS Coal Markets
Expert, and editor of US Coal Review



CHICAGO MAYOR RAHM EMANUEL WITH THE LOCAL COAL TEAM



EPA HEARINGS LISTENING SESSION IN CHICAGO

1. PREVENT NEW COAL PLANTS

A decade ago, the Bush-Cheney administration and its fossil-fueled allies laid out a vision for a coal-fired future, which centered on more than 200 proposals to construct brand-new coal plants across the nation. We've stopped those plans one by one, and we're happy to announce: **The coal rush is over.**

STOPPING SUNFLOWER SIGNALS ERA'S END

We secured victory in one of our longest-running and hardest-won campaigns: the fight against Sunflower Electric's plans to build new coal operations near Holcomb, Kansas. Since 2007, we contended with backdoor deals and legal machinations designed by Sunflower and its political allies. The saga included the governor firing Rod Bremby, head of the state health and environmental agency—and the first state regulator

to block a coal plant permit by citing carbon pollution as a public health hazard—after Bremby rejected the air quality permit for the coal plant.

We confronted these challenges every step of the way, organizing everything from grassroots letter-writing campaigns to public education efforts and legal actions. Our work culminated in two momentous court rulings. In

May 2013, the D.C. circuit court demanded that Sunflower conduct a full environmental impact statement to receive federal loan guarantees for its proposed plant. Five months later, the Kansas Supreme Court remanded the plant's air permit. Thanks to the efforts of our organizers, the Sierra Club's Environmental Law Program, and allies like Earthjustice, one of the last fights over a major proposed coal plant has finally been won.

PROPOSED EPA PROTECTIONS WOULD SEND COAL PACKING

In September, the EPA hit the first milestone of President Obama's new climate action plan when it issued the second draft of carbon pollution standards for new coal plants. These new standards are historic, setting the first uniform national limits on the amount of carbon pollution that future power plants will be allowed to emit. Because they entail operating costs that are far greater than generating clean energy like wind or solar, **these protections would make it impossible to build a conventional coal plant in the United States.**

This second draft of EPA standards came after the Sierra Club and our allies in the Climate Action Campaign demonstrated tremendous public support for the first version of the carbon protections. As a coalition, we submitted a record 2.67 million comments to the

agency—the most comments for any EPA standard in history. (Sierra Club supporters contributed 840,000 of those comments.)

The EPA also announced a timeline for setting carbon standards for existing plants, with plans to release a draft in 2014 and a final rule in 2015. In October and November, the coalition turned out more than 2,000 people to EPA listening sessions in 11 cities. The Sierra Club alone was responsible for 1,130 of those attendees, representing a broad cross-section of affected communities—from ranchers in Montana to low-income Michigan residents living in the shadow of the River Rouge coal plant. After the opposition bussed in coal supporters to two of the early sessions, we redoubled our efforts and dominated the remaining sessions in places like Chicago, Dallas, and Lenexa, Kansas.

We expect the final carbon standards for new plants to be released in late 2014 or 2015, and so will continue to support President Obama and the EPA against opposition from the coal industry and utility operators. Over the next two years, we will enact our comprehensive plan to support both rulemakings, including administrative policy advocacy at state and federal levels, turning out supporters to hearings, generating comments, and engaging new allies.



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NEW COAL PLANTS STOPPED SINCE THE BEGINNING OF THE BEYOND COAL CAMPAIGN



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NUMBER OF CONVENTIONAL COAL PLANTS THAT WOULD MEET THE EPA'S PROPOSED CARBON STANDARDS FOR NEW PLANTS



74%

VOTERS IN SWING STATES WHO FAVOR THE EPA'S PROPOSED CARBON REGULATIONS



BRAYTON POINT MARKED THE 150TH COAL PLANT RETIRED SINCE 2010

2. RETIRE EXISTING COAL PLANTS

When we began our efforts to retire the legion of coal plants stretching from the Chesapeake Bay to the California coast, critics said our goals were too bold. “Coal is too powerful.” “The economy depends on coal.” “Clean energy just isn’t ready.” We knew they were wrong, and we turned the corner in 2013: Since 2010, 30 percent of all coal plants in the United States have announced their retirement.

A MILESTONE IN MASSACHUSETTS: 150 PLANTS RETIRED

The Sierra Club and our allies made history in October, when Energy Capital Partners announced it would close the Brayton Point Power Station in Somerset, Massachusetts—marking the 150th coal plant slated for retirement in the United States since 2010.

Verena Owen, volunteer co-lead for the Beyond Coal Campaign, who has been on the frontlines since the very beginning, said it best: “Our coalition of environmental, conservation, public health, and civil rights groups has achieved a milestone that few thought possible. In 2010, analysts expected about 30,000 megawatts (MW) of coal would retire over the next decade. But in less than three years, the campaign has nearly doubled these

predictions and secured the retirement of more than 58,000 MW—more than one sixth of the entire nation’s coal capacity and more than one fourth of all coal plants in the country. Through grassroots activism and the power of passionate Americans across the country, we are telling the dirty, outdated, and deadly coal industry that enough is enough.”

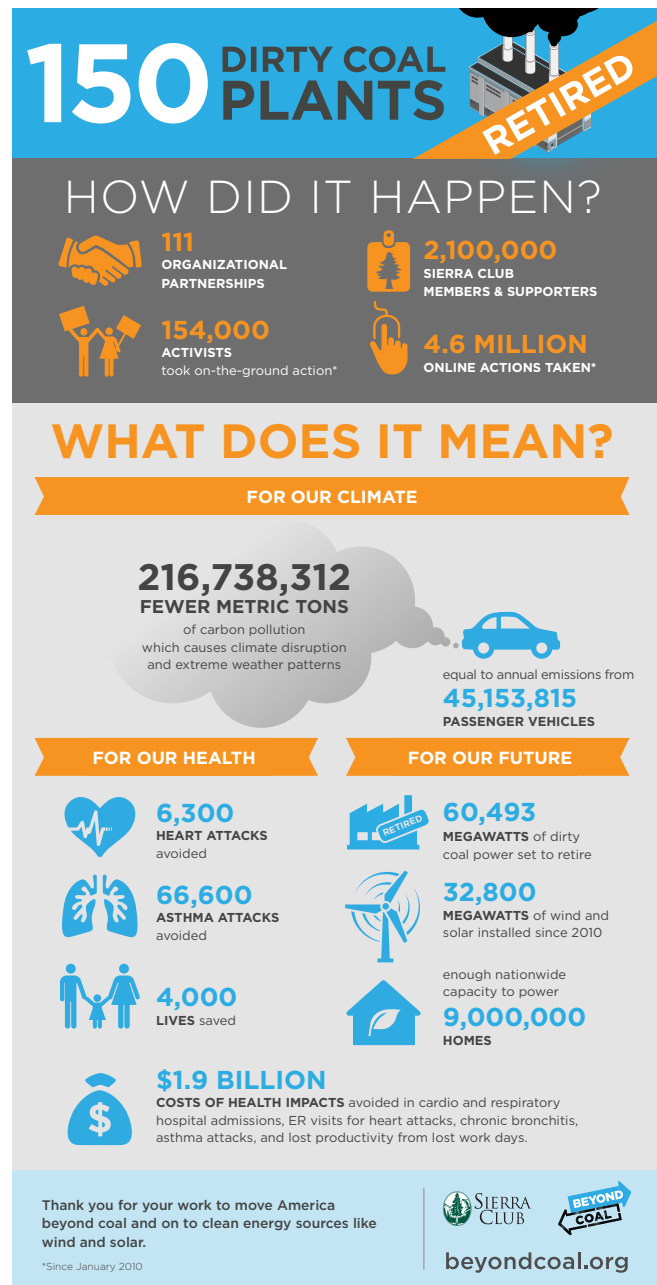
The Brayton Point plant will close its doors in 2017, marking a historic step on our path to move America beyond coal by 2030.

CRUCIAL RETIREMENTS IN THE HEART OF COAL COUNTRY

The Tennessee Valley Authority (TVA), our country’s largest public utility, made monumental news in November when it announced that it will retire nine coal units, totaling 3,308 MW, at three of its coal plants in Alabama and Kentucky. This closure will provide immense benefits to local residents. For example, the Colbert coal plant in Alabama—the smallest of the three plants—has been estimated to contribute to 936 asthma attacks, 83 heart attacks, and 57 deaths per year. These retirements also mean significant reductions in carbon pollution and new opportunities for clean energy in the region.

TVA has long relied on coal to produce the majority of its energy, but we have been working for years with our allies in the region—including the Southern Environmental Law Center, Southern Alliance for Clean Energy, Earthjustice, Environmental Integrity Project, Our Children’s Earth Foundation, and National Parks Conservation Association—to compel the utility to provide affordable, reliable, clean power.

This announcement shows that even the largest and most powerful energy interests in the country realize that coal is a thing of the past. Moving forward, we will continue to push TVA to ensure that the retirement process provides a responsible transition for affected employees and communities while making significant new investments in clean energy and energy efficiency.



WE CELEBRATED THE BEYOND COAL CAMPAIGN’S 150TH COAL PLANT RETIREMENT WITH MAJOR PRESS, DIGITAL STRATEGIES, AND SUPPORTER OUTREACH. AS PART OF THE ANNOUNCEMENT, WE CREATED THIS INFOGRAPHIC FOR SIERRA CLUB CHAMPIONS TO SHARE THROUGHOUT THEIR SOCIAL NETWORKS VIA EMAIL, TWITTER, FACEBOOK, AND PINTEREST.



CAMPAIGN DIRECTOR MARY ANNE HITT AT AN EXPORT RALLY

3. STOP MINING AND EXPORT OPERATIONS

Stopping domestic coal plants only solves part of the coal pollution problem, if we continue to export American coal to be burned overseas. In 2013, we turned the corner in our work to keep coal in the ground and out of international markets.

HALFWAY TO STOPPING NORTHWEST COAL EXPORTS

The coal industry has also turned its attention to international markets. Companies have put the biggest bull's-eye on the Pacific Northwest, seeking to build six new export terminals to send millions of tons of American coal overseas. Given the demand in Asian markets,

halting these six projects would have the equivalent carbon impact of stopping 105 new coal plants. As part of the leadership of the Power Past Coal coalition—an alliance of more than 100 health, environmental, business, clean energy, faith, and community groups—the Sierra Club made tremendous progress in 2013 against these new coal export terminals.

This October, we worked with our allies to turn out more than 3,000 people to a series of five public hearings for the proposed terminal in Longview, Washington. Attendees included tribal members, parents, doctors, nurses, business owners, faith leaders, teachers, and public officials—all of whom spoke out against coal exports. All told, a staggering 13,000 people have attended Washington and Oregon coal export hearings in the past 18 months. Moreover, the number of comments received on the Longview proposal alone has surpassed 200,000.

Our organizers have also moved opinion among local leaders, and growing numbers of public officials have joined our cause. Regional leaders calling for thorough review of these export projects include Oregon Governor John Kitzhaber, Washington Governor Jay Inslee, U.S. Senator Jeff Merkley, and U.S. Representatives Adam Smith and Jim McDermott. Governor Inslee even went a step further in August, urging the Northwest Planning and Conservation Council to set a date for making the Northwest's electric sector completely carbon free.

So far we have succeeded in stopping or stalling three of the six export projects: Coos Bay and Port of St. Helens in Oregon and Grays Harbor in Washington. In 2013, Washington also announced that its official review of the largest proposed coal export terminal will be unprecedented in scope, and will include not only the health and environmental effects of the project, but also the climate impacts of burning the coal in Asia.



“The pushback from anti-coal groups is surreal.”

—Lauri Hennessey
Spokeswoman for Alliance for Northwest Jobs & Exports

NO PROGRESS WITHOUT OUR PARTNERS

The Sierra Club does not work alone. Our strength comes from our ability to convene partners from communities in each and every state and focus our power to tackle the challenges at hand. In fact, none of our 2013 victories would have been possible without strong collaboration with a wide range of allies. Our partners throughout the country include other environmental organizations, business leaders, organized labor, social

justice advocates, faith groups, health organizations, and clean energy developers, among others. Whether planning a rally outside a coal plant, launching a public education campaign, or taking a lawsuit all the way to the Supreme Court, the Sierra Club's work to move beyond coal depends on a broad, diverse network of friends, supporters, and allies.

CLEAN ENERGY IS HERE

For years, the talk in environmental circles was about a “clean energy future,” a time when we’d have the technology and public support to realize our goals. As of 2013, we no longer need to look to the horizon: We have a clean energy reality, right here and right now—and the future looks even brighter.



INSPIRING DEVELOPMENTS IN CLEAN ENERGY

2013 continued America’s record-setting pace for the development of clean energy. The year was one for the books, as communities and states across the country are turning to clean energy solutions.

Colorado took a major step toward elevating clean energy in the Rocky Mountains, when Governor John Hickenlooper signed into law new legislation that will double the state’s renewable energy standard. That means 20 percent of the state’s energy will come from clean sources.

As wind power prices sustained their dramatic decline, utilities continued to invest in wind farms at previously unheard-of prices—as low as \$0.02/kWh—resulting in consumer savings. When it reached a settlement with the Sierra Club, American Electric Power (AEP) announced it would add enough wind energy to power 200,000 homes in Oklahoma. Then AEP decided to increase its investment after seeing how wind “would provide substantial savings to our customers.”

California is known for many things, perhaps most of all the sunshine that beams down on rooftops in the Golden State throughout the year. The state’s abundant sunshine has been a boon for local clean energy generation like rooftop solar power. In June, California’s growing solar industry reached a major milestone when it was announced that more than 150,000 homes and businesses in the state had installed rooftop solar.

LOS ANGELES MOVES BEYOND COAL

Last March brought historic clean energy news for America’s second-largest city when Mayor Antonio Villaraigosa announced that Los Angeles will go completely coal-free, ending its contracts with the two coal plants that provide 40 percent of the city’s power.

By taking a city of almost four million people beyond coal, L.A. makes huge strides to combat climate disruption. The Los Angeles Department of Water and Power will slash its carbon emissions to 60 percent



MAYOR VILLARAIGOSA, AL GORE, AND MICHAEL BRUNE CELEBRATE LOS ANGELES MOVING BEYOND COAL

below 1990 levels by 2025. Furthermore, the city's overall carbon emissions will drop by 40 percent, an achievement unmatched in the nation. As former Vice President Al Gore exclaimed at the press conference for the mayor's announcement, "This is a really big deal!"

Clean energy made this victory possible. To replace the power from these coal plants, L.A. is moving forward with the largest urban rooftop solar program in the nation—a program projected to bring 4,500 jobs and half a billion dollars in economic development to the city in just the first phase of the program. Meanwhile, the utility is investing a quarter billion dollars in energy-efficiency programs over the next two years alone. At the heart of the program is an effort to train new union members in energy-efficiency work that focus on small businesses and low-income communities. This renewed efficiency program was covered last fall in a feature for *Sierra* magazine.

This development comes after years of work by the Sierra Club and a broad range of allies in the L.A. area, including Los Angeles Alliance for a New Economy, International Brotherhood of Electrical Workers Local 18, Strategic Concepts in Organizing and Policy Education, Los Angeles Business Council, Communities for a Better Environment, NRDC, Global Green, Environment California, and many other local community groups.

“Wind power is simply the cheapest resource available right now.”

—Ben Fowke

*Chairman of the Board, President,
and CEO of Xcel Energy*

A WINNER FOR WIND

Iowa is already a leader in wind energy among U.S. states, but we helped push the Hawkeye State even further down the path of clean power. In 2012, the Sierra Club notified MidAmerican Energy—owned by Warren Buffett—that it was violating the federal Clean Air Act by emitting more pollution than allowed by permits at its Walter Scott, Riverside, and George Neal coal plants. In January 2013, we reached a landmark settlement with MidAmerican that requires the utility to phase out coal burning at seven coal-fired boilers (768 MW in total), clean up two other coal-fired boilers, and build a large solar installation at the Iowa State Fairgrounds. Following our settlement, MidAmerican announced even bigger clean energy plans this summer, committing to spend \$1.9 billion to build 1,050 MW of additional wind farms. Lieutenant Governor Kim Reynolds described this as the “largest economic development investment in Iowa’s history.”

CORNHUSKERS GET IN THE CLEAN ENERGY GAME

After a year-long campaign by our Nebraska team, the Omaha Public Power District (OPPD) made the state’s largest-ever single wind energy investment: The utility agreed to purchase 400 MW of wind power capacity from the Grande Prairie Wind Farm near O’Neill, Nebraska.

This victory comes after our successful statewide “Get in the Game” media campaign, where we tapped into Nebraska Cornhusker pride by using creative radio advertising weekly to play up Nebraska’s wind energy ranking among neighboring states—and football rivals—as well as our massive organizing efforts targeting the OPPD. Sierra Club staff attended every monthly OPPD board meeting over the past year and a half, and we frequently met with utility staff and board members. Additionally, we delivered more than 900 petitions to the OPPD calling for a phase-out of the coal-fired North Omaha Station. Our petition efforts were widely covered by news media, and influential philanthropist Dick Holland published an op-ed urging Nebraska to get serious about wind energy development.



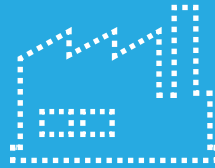
The OPPD has now added 600 MW of clean energy since we started organizing in the state, and this latest addition of 400 MW puts the utility on the path to generating 30 percent of its energy from renewable sources by the end of 2015. It is also estimated that the decision will save OPPD customers money while creating 60 permanent jobs over the next 20 years.

SPOTLIGHT ON ENVIRONMENTAL LAW PROGRAM

The attorneys and staff of Sierra Club's Environmental Law Program (ELP) integrate legal advocacy with grassroots organizing, media efforts, and digital strategies. Since 2010, the ELP has initiated more than 300 legal actions to target the wrongs of the coal industry. Here are some highlights from 2013.



100+
LEGAL ACTIONS FILED



0
NEW COAL PROJECTS
BROKE GROUND IN 2013



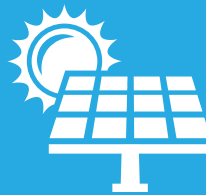
TARGETING
50,000+
MW OF OLD COAL PLANTS



75
LEGAL ACTIONS FILED
ADVOCATING FOR DISTRIBUTED
GENERATION, EFFICIENCY, WIND,
STORAGE, AND OTHER RENEWABLE
AND DEMAND-SIDE RESOURCES



90%
OF PROPOSED NEW COAL
PROJECTS ENGAGED IN
LEGAL CONTESTS



10
SIGNIFICANT VICTORIES RESULTING
IN SUBSTANTIAL INVESTMENTS
IN OR REMOVAL OF MARKET
BARRIERS FOR RENEWABLE
ENERGY AND ENERGY EFFICIENCY



250+

LAWYERS AND EXPERTS TRAINED IN ENVIRONMENTAL AND ENERGY
LITIGATION TOPICS THROUGH EVENTS, WEBINARS, AND EMAIL LISTS.



NEXT STEPS FOR SUCCESS

2013 may be over, but our work is far from done. We still have coal plants to retire, clean energy solutions to put in place, pollution to clean up, and partners to engage every step of the way. For 2014, the Beyond Coal Campaign has a plan to keep the momentum going.

RETIRE COAL POWER AND REPLACE IT WITH CLEAN ENERGY

We will maintain the intensity and focus of our work to retire and replace the most vulnerable coal plants with clean energy. The coal industry is reeling, and its allies are hitting back at both the federal and state levels with everything they've got. We are on track to meet our

targets, but many protracted fights remain. To meet our 2015 goal, we will continue our state-based advocacy to retire the remaining 40,000 MW of coal plants that we have targeted, and replace them with clean energy like wind and solar.



Total clips: **4,647**



Print clips: **2,644**



TV clips: **272**



Radio clips: **472**



Online clips: **1,259**

GETTING THE WORD OUT

Sierra Club's communication team does an unparalleled job spreading the message about our campaign and victories. Through traditional media like print and television to cutting-edge digital efforts via Twitter and YouTube, the Beyond Coal Campaign shares our stories and grows the movement every single day. In 2013 the Sierra Club was featured in 4,647 total clips about coal across media channels. As these numbers clearly demonstrate, we are putting the beyond coal story squarely at the center of the American energy conversation.

Some of the most promising clean energy opportunities in the coming year include:

- Expand distributed generation (namely solar) in California and create the next wave of rooftop solar states in the upper Midwest, Texas, Southeast and Rocky Mountain West.
- Launch state-by-state carbon-free electricity campaigns in California, Oregon, Washington, and the Northeast.
- Enforce existing energy-efficiency standards in Ohio, Pennsylvania, and other coal-heavy upper Midwestern states.
- Get the first offshore wind projects moving forward in the Great Lakes and on the Atlantic Seaboard.

EPA ADVOCACY

One of our highest priorities is demonstrating overwhelming support for the EPA to finalize the proposed carbon pollution standards for new coal plants (see page 3 for details). In turn, this will set the stage for the Obama administration to issue strong carbon standards for existing plants. We also will continue our push for strong standards for toxic water pollution, coal ash, smog, mining waste, sulfur dioxide, and nitrogen pollution—all of which are currently in progress in the executive branch.

BLOCK COAL EXPORTS

As coal companies increasingly look for overseas markets, we will continue our work to hold the line against new coal export facilities in the Pacific Northwest—and step up our advocacy to stop new export terminals on the Gulf of Mexico.



FINANCIAL UPDATE

The Sierra Club's Beyond Coal Campaign owes our success to the generosity of our funders.

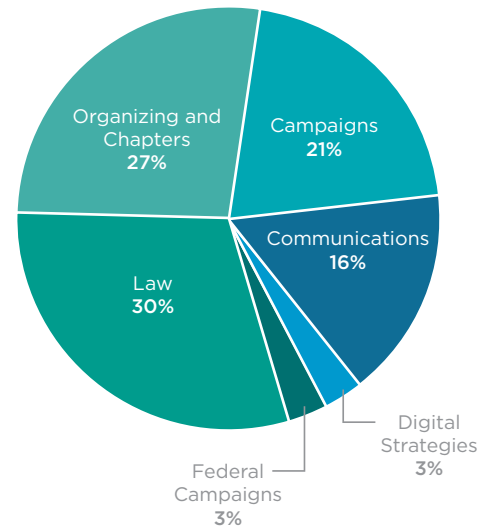
It is only with their support that we are able to move America past the fossil fuels of yesterday to the clean energy of today.

In 2013, our donors provided the power for the Sierra Club and dozens of our allies to make this work possible. As we look ahead to 2014, their commitment will be essential to ensure that we are pushing hard in every venue where decisions are being made about retiring coal plants, tackling coal pollution, and scaling up clean energy.

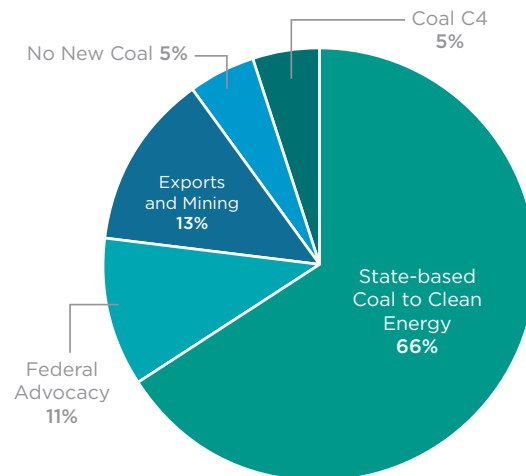
In 2013, the Beyond Coal Campaign maximized each of its capacities and spent \$30,038,659 across multiple strategies to help America move towards a clean energy future.

2013 BEYOND COAL BUDGET

Summary by Capacity



Summary by Outcome



JOIN THE MOVEMENT

LETTER FROM ONE OF OUR FUNDERS

As one of the nation's largest foundations, the Hewlett Foundation has always pursued big-picture goals to solve social and environmental problems at home and around the world. Our founders, William and Flora Hewlett, recognized the importance of protecting the environment, and we understand today that climate change poses one of the greatest threats of our time—to both human health and the environment.

One of the ways the Hewlett Foundation is committed to mitigating climate change is through funding work designed to reduce heat-trapping emissions. Coal is the fastest-growing contributor to such emissions, raising global temperatures and generating pollution that causes thousands of premature deaths every year in the United States alone. We simply cannot protect our people and our planet without reducing our dependence on coal.

This is why the Hewlett Foundation supports The Sierra Club Foundation and the Sierra Club's Beyond Coal Campaign.

With the vision and commitment of leaders like Michael Brune, Bruce Nilles, Mary Anne Hitt, and Verena Owen—as well as a nationwide legion of dedicated staff, volunteers,

and activists—we value the Sierra Club's people power. We also endorse the Club's thoughtful strategy of stopping coal plants, mining, and export operations while also supporting clean energy solutions. From moving Los Angeles past coal power to helping secure the retirement of 30 percent of the coal plants in the United States, the Beyond Coal Campaign has demonstrated that it can establish and accomplish ambitious goals.

Of course, there is still a lot of work to do. The Sierra Club Foundation's efforts are an integral part of the transformation to clean energy economies happening in the United States and around the world.

We hope you will join us in supporting these exciting endeavors.




A handwritten signature in black ink, appearing to read 'Tom Steinbach'.

TOM STEINBACH

Program Director, Environment Program
The William and Flora Hewlett Foundation





“We’re on the cusp of a major transition where the age of coal has clearly ended. If CEOs of utilities companies had not already planned to retire their coal plants, it may not make sense now to pour in capital to retrofit them. It’s only a matter of time before they’re phased out.”

—Andrew Weissman

Senior Energy Advisor at international corporate law firm Haynes and Boone

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