



CLOUD PEAK
ENERGY®

Colin Marshall

President and Chief Executive Officer

February 25, 2015

The Honorable Heidi Heitkamp
United States Senator
SH-502 Hart Senate Office Building
Washington, DC 20510

Subject: *Advanced Clean Coal Technology Investment in Our Nation Act*

Dear Senator Heitkamp:

I would like to take this opportunity to express Cloud Peak Energy's support for the *Advanced Clean Coal Technology Investment in Our Nation Act*, and to let you know we appreciate your leadership on this important and timely issue.

By way of background, Cloud Peak Energy Inc. (NYSE:CLD) is headquartered in Gillette, Wyoming, and is one of the largest and safest U.S. coal producers. Cloud Peak Energy (CPE) specializes in the production of low-sulfur, subbituminous coal, nearly all of which is leased federal coal. The company owns and operates three surface coal mines in the Powder River Basin (PRB) which produced approximately 86 million tons of coal last year. With approximately 1,700 employees, the company is widely recognized for its exemplary safety and environmental performance.

At present, the Administration's proposed changes to the Clean Air Act, sections 111(b) and 111(d) related to power plants, jeopardize development and application of clean coal technology and carbon capture, utilization and sequestration (CCUS). Coal remains an integral part of America's energy supply, and it will continue to do so for decades to come. It is critical that both of the proposed rule changes be altered to ensure that technology solutions such as those advanced in your Bill, including CCUS, remain feasible from both an economic and regulatory perspective.

With the U.S. Department of Energy's Energy Information Administration projecting that coal will remain a major source of America's electricity for decades, it is vital that significant research and development be directed at advanced clean coal and CCUS projects. The International Energy Agency (IEA) estimates that coal will overtake oil as the world's leading fuel source as early as 2017. IEA also reports that 75 percent of power plants being built in Southeast Asia are coal-fueled. Given this growth in coal consumption, government financing to develop economically viable CCUS systems can not only help address concerns about emissions and climate but can create thousands of green jobs and allow U.S. technology leadership in the field.

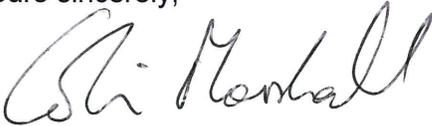
We believe that carbon capture, utilization and sequestration is a key technology that will allow for meaningful CO₂ reductions and for the continued use of economic carbon-based fuels without economic harm to the nation. Counter to claims that CCUS is already

commercially viable, deployment of the technology at commercial scale is still years from becoming a reality. If there is a genuine concern about the impact of emissions on climate, and if there is a rational understanding that fossil fuels will continue to be an energy source for decades to come, then the only logical conclusion is that technologies that limit CO2 production and that successfully capture, use, and store CO2 must be a part of the solution. Further, if, as the President, many world leaders, the UN and other organizations claim, CO2 impact on climate represents one of the greatest challenges facing the world, then spending a fraction of the money that has been spent over the last few decades subsidizing renewable energy sources that today remain economically marginal, is an absolute imperative. Until CCUS is commercially viable, the emissions regulations envisaged in the Clean Power Plan appear to be more focused on satisfying a political base rather than developing meaningful solutions.

Cloud Peak Energy continues to advocate for coherent federal legislation that will allow the U.S. to continue to enjoy the long-term benefits of safe, reliable and low-cost energy, while addressing environmental concerns in an achievable time frame. Your legislation is an important step in ensuring that Advanced Clean Coal Technology and CCUS are developed on a commercial scale so that this technology can eventually be deployed both domestically and around the world. We will continue to push for a true "all of the above" energy policy that aims to balance the benefits of low-cost electricity with environmental goals.

We look forward to continuing dialogue with you and applaud your leadership in ensuring this critical technology is finally developed. I also invite you and members of your staff to tour one of our Powder River Basin surface coal mines. Seeing a mine firsthand provides an understanding of the process from permitting through reclamation and can dispel many misconceptions promoted by opponents of coal mining.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Colin Marshall". The signature is fluid and cursive, with the first name "Colin" written in a larger, more prominent script than the last name "Marshall".

Colin Marshall