

2018 Midterm Election Update

Heath Lovell - Vice President - Public Affairs Alliance Resource Partners, L.P. October 25, 2018

Regulations, Policies and Issues

Wholesale markets/coal fleet attributes	Ongoing 2018-2021		
ACE (CPP Replacement)			
CCR	2018-2019		
ELG	2018-2019		
NSR	2018-2019		
Federal O & M Tax Legislations	2018		
Regional Haze	Ongoing		
NSPS	2018-2019		
MATS technology review	2018-2020		
Startup, shutdown & malfunction	2018-2019		
State tax credits	TBD		

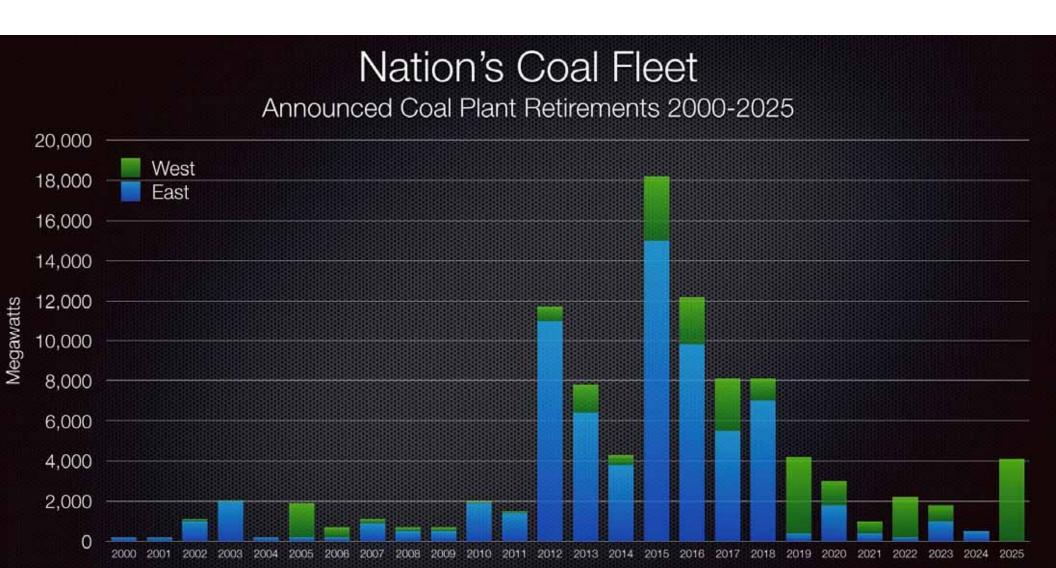


Regulations, Policies and Issues

ccus	Ongoing		
Co-benefits	2018-2019		
Small modular coal units	2018-2022		
Social cost of carbon	TBD		
State integrated resource plans	TBD		
Carbon Tax	TBD		
Ozone Standard	2020		
PM _{2.5} Standard	2022		

Nation's Coal Fleet

- · Coal generation capacity totaled 316 GW in 2011
 - 68 GW was retired from 2012-2017
 - · An additional 51 GW is planned for retirement
- 26 GW scheduled between 2018-2020*
- 25 GW scheduled after 2020
- · Average capacity factor 53.5% (68% in 2010)
- · Average age 42 years
- Opportunity: attributes, especially on-site fuel, important for reliability and resilience





2018 Midterm Elections

The Good News:

- Strong economy
- Tax reform
- Disdain for legislative gridlock
- Independents not flocking to Democratic support
- Speaker Ryan: GOP base 'definitely animated' following Kavanaugh confirmation fight
- Multiple Democratic primaries pushed far to the left
 - Democratic National Committee banned donations greater than \$200 from workers in fossil fuels
 - Citing a disconnect with liberal activists in the state, the California Democratic Party did not endorse moderate Dianne Feinstein, the sitting Senior Senator
 - Self-styled 'democratic socialist' Alexandria Ocasio-Cortez defeated incumbent Joe Crowley in New York's 14th Congressional District
- Democratic messaging & platform is unclear
 - In 2016, Republican platform was clear Where are the jobs?; Repeal and Replace
 - Minority House Leader Nancy Pelosi is widely unpopular
 - 21% of democrats have positive views
 - On the record for repealing tax plan
 - Supports single-payer healthcare



2018 Midterm Elections

The Bad News:

- Generic ballot shows Democrats +7 points
- Lackluster job approval
 - 47% approval rating as of October 22, 2018
- Historically, midterms are bad for President's party
 - The President's party has lost House seats in 18 of the past 20 midterm elections, with an average loss of 33 seats - Gallup
 - Presidents with <50% job approval lose an average of 40 seats
- Energized Democratic base
- More seats on defense in traditionally Blue states
 - In California, New Jersey and New York, 11 Republican-held House seats are considered at-risk
 - In Pennsylvania, Democrats likely to pick up three seats due to redistricting
- 72% of people disapprove of the current Congress
- Pattern of trouble in special elections
 - Alabama Senate, PA-18, Wisconsin Supreme Court, Virginia Governor & State Legislature



Midterms are Hard on the Party in Power

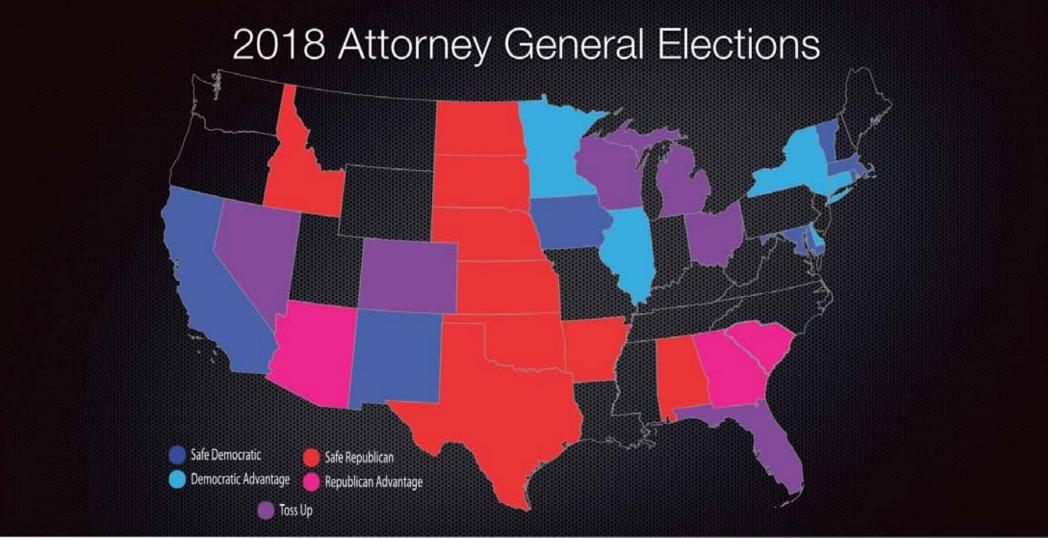
PRESIDENT & YEAR OF 1ST MIDTERM	NET POTUS JOB APPROVAL	HOUSE SEATS	SENATE SEATS	GOVERNORSHIPS	STATE LEGISLATURE
Truman (1946)	-19	-55	-11	-2	-456
Eisenhower (1954)	+35	-18	-2	-8	+483
Kennedy (1962)	+36	-5	+4	0	-76
L. Johnson (1966)	+3	-47	-3	-8	-762
Nixon (1970)	+31	-12	+1	-11	-288
Carter (1978)	+13	¥15	-3	-5	-357
Reagan (1982)	-6	-26	0	-7	-201
G.H.W. Bush (1990)	+26	-7	-1	-1	+32
Clinton (1994)	0	-54	-8	-10	-514
G.W. Bush (2002)	+33	+8	+2	-1	+127
Obama (2010)	-3	-63	-6	-6	-708
Trump (2018)	-2	TBD	TBD	TBD	-8 (From 27 Chances)



2018 Attorney General Elections

- There are 30 Attorneys General elections in 2018
- Currently Republicans hold 18 of the offices up for election in 2018
- Republican AGs have been instrumental in unraveling policies enacted by the previous Administration:
 - EPA's Clean Power Plan
 - · Waters of the US
 - DOL's overtime rule
 - CFPB's Arbitration Rule
- Indiana's Curtis Hill leads a coalition intended to bar California from dictating national energy policy:
 - "While today California cities sue energy manufacturers to make up for massive deficits, tomorrow
 we could see suits against other job creators. Our amicus brief should send a loud message that
 the rest of the nation will not stand idle while California tries to become its own regulatory empire."





2018 Gubernatorial Elections





The Value of Republican Governors

GOVERNORS AND TAX REFORM

\$116 BILLION INCREASES BY DEMOCRATS SINCE 2011

\$62 BILLION CUTS BY REPUBLICANS SINCE 2011

Case Study - Florida Governor Rick Scott

- Taxes down \$10 billion
- Cut 20% of regulations
- Created 700,000 jobs
- Only state with academic gains in each grade K-12
- Higher education spending tied to outcomes

2018 Gubernatorial Elections

- There are 36 Gubernatorial elections in 2018
- Parties in control during 2021 will determine the redrawing of House district maps based on the 2020 census
- Former President Obama and Former Attorney General Eric Holder have formed a group focused on redistricting reform; could result in the loss of 36 Republican seats in the House

State (Current Hold)	Current (R-D)	If Dems Win (R-D)	Dem Gain
Arizona (R)	5-4	2-7	+3
Arkansas (R)	4.6	2-2	+2
Colorado (D)	4-3	2-5	+2
Florida (R)	17-10	12-15	+5
Georgia (R)	10-4	8-6	+2
Maine (R)	1-1	0-2	+1
Michigan (R)	9-5	6-8	+3
Nevada (R)	\$4	1-2	+2
Ohio (R)	12-4	9-7	+3
Pennsylvania (D)	16.5	9-9	+4
South Carolina (R)	6-1	4-3	+2
Texas (R)	25.11	20-16	+5
Wisconsin (R)	5-3	3-5	+2

2018 Gubernatorial Elections Republicans must defend 13 governorships without an incumbent running; only 4 for Democrats Note: Hawaii is rated Safe Democratic Safe Republican as Safe Democratic Democratic Advantage Republican Advantage and Alaska is rated as Lean Republican. Toss Up

2018 Gubernatorial Elections

Solid D	Likely D	Lean D	Toss Up	Lean R	Likely R	Solid R
CA-Brown*	MN-Dayton*	CO-Hickenlooper*	CT-Malloy*	AK-Walker (I)	AZ-Ducey	AL-Ivey
HI-lge	PA-Wolf	RI-Raimondo	OR-Brown	OK-Fallin*	MD-Hogan	AR-Hutchinson
NY-Cuomo	IL-Rauner	MI-Snyder*	FL-Scott*		NH-Sununu	ID-Otter*
		NM-Martinez*	GA-Deal		SC-McMaster	MA-Baker
			IA-Reynolds		TN-Haslam*	NE-Ricketts
			KS-Colyer**			TX-Abbott
			ME-LePage*			WY-Mead*
			NV-Sandoval*			VT-Scott
			OH-Kasich*			
			SD-Daugaard*			
			WI-Walker			

^{* -} Retiring or Term-Limited ** - Colyer lost primary to Kobach

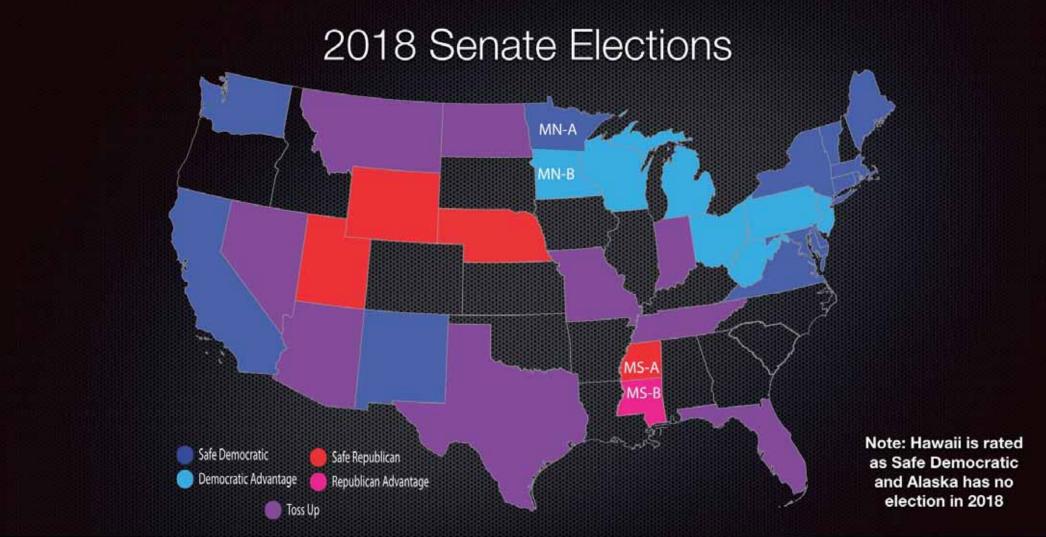


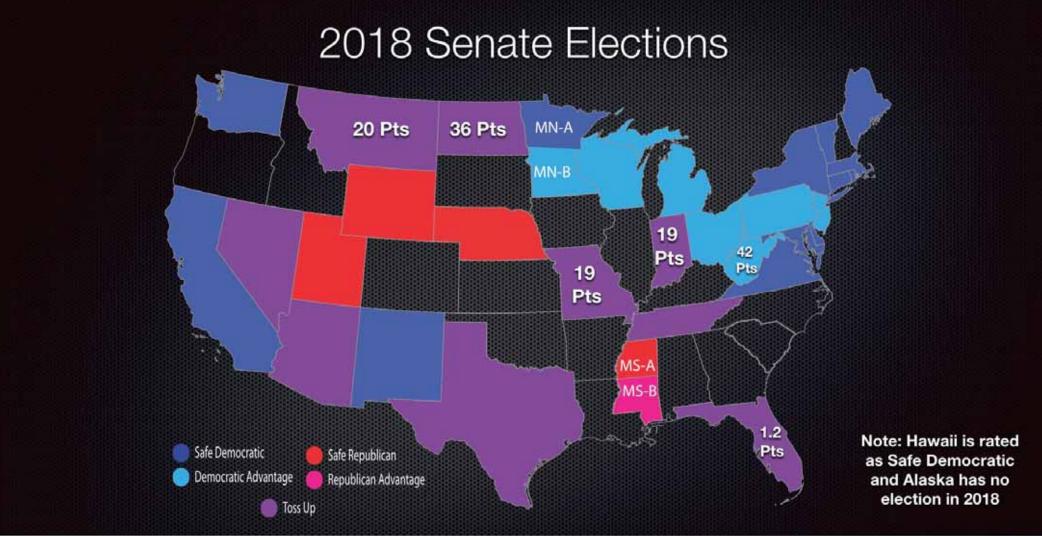
115th Congress - Breakdown by Party





Republican	51	236
Democrat	47	193
Independent	2	-
Vacant	-	6





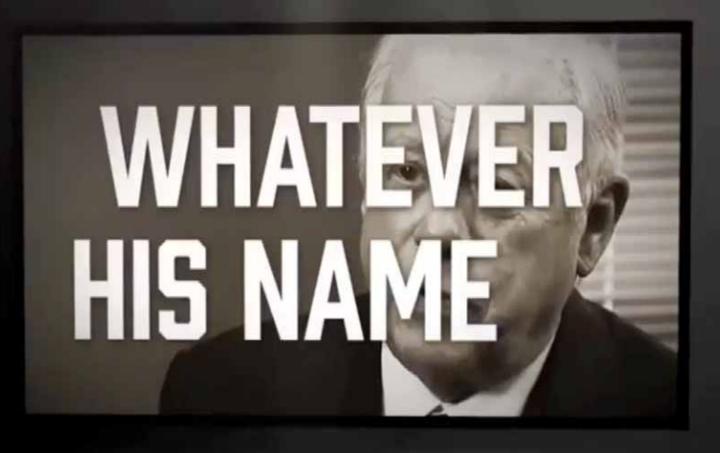
2018 Senate Elections

Solid D	Likely D	Lean D	Toss Up	Lean R	Likely R	Solid R
CA-Feinstein	MI-Stabenow	MN-Smith	FL-Nelson	MS-Hyde-Smith		MS-Wicker
CT-Murphy	OH-Brown	NJ-Menendez	IN-Donnelly			NE-Fisher
DE-Carper	PA-Casey	WV-Manchin	MO-McCaskill			UT-Open
HI-Hirono	WI-Baldwin		MT-Tester			WY-Barasso
MA-Warren			ND-Heitkamp			
MD-Cardin			AZ-Open			
ME-King			NV-Heller			
MN-Klobuchar			TN-Open			
NM-Heinrich			TX-Cruz			
NY-Gillibrand						
RI-Whitehouse						
VA-Kaine						
VT-Sanders						
WA-Cantwell						

2018 Senate Elections

- · Crucial Races
 - Arizona D +1.8%
 - · Florida D +2.2%
 - Missouri D +1.4%
 - McCaskill supports semi-automatic rifle ban
 - Previously quiet on views due to strong Trump support outside of metro areas
 - · North Dakota R +3%
 - Sentiment that Heitkamp's vote against Kavanaugh may energize deep-red state to elect Kevin Cramer
 - · West Virginia D +8%
 - Sentiment that Manchin's vote for Kavanaugh's confirmation was political move to cater to Trump supporters in WV





PAID FOR BY NRSC. NOT AUTHORIZED BY ANY CANDIDATE









Get Involved www.thecoaltruth.com



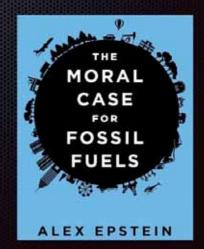
American Coalition for Clean Coal Electricity www.americaspower.org





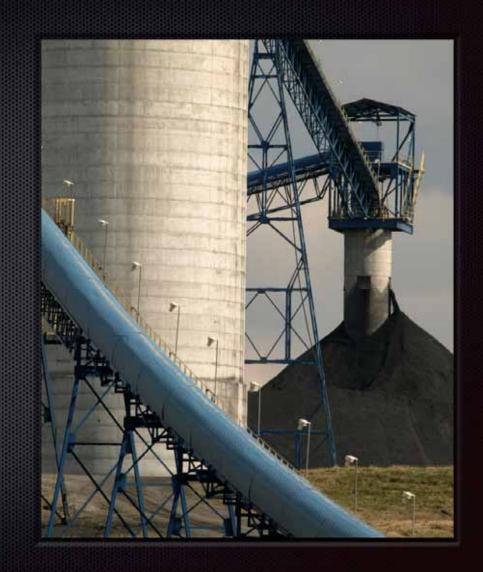
The Moral Case for Fossil Fuels
by Alex Epstein
available at
amazon.com & bn.com

Alex Epstein Talks at Google https://youtu.be/s6b7K1hjZk4



Heath Lovell

Alliance Coal, LLC
Vice President - Public Affairs
E-mail: heath.lovell@arlp.com
Office: (270) 389-6701



Paul Gosar is not working for you



