Trump Administration’s Push to Classify Coal as a Critical Mineral

November 8, 2025 • vajiramandravi.com

What’s in Today’s Article?

Trump Administration Latest News

- In a bid to boost coal production in the United States, President Donald Trump has designated the carbon-based fuel as a “mineral”.

Background

- In April 2025, President Donald Trump signed an executive order to explore the classification of coal, particularly coking coal used in steelmaking, as both a “critical mineral” and a “critical material.”
- Under the **US Energy Act of 2020**, a critical mineral is one essential for economic or national security and vulnerable to supply disruptions.
- By potentially including coal in this category, the administration seeks to prioritize its extraction projects and bolster domestic production, a move that aligns with Trump’s push for manufacturing resurgence and energy independence.

The Strategic Energy Rationale

- One of the key justifications for this decision is **coal’s perceived role in stabilizing the power grid, especially with the rising energy demand from AI data centres**.
- Renewable sources like wind and solar are variable, making them less suitable for continuous power supply.
- In contrast, coal-fired power plants offer a reliable “baseload” capacity.
- As per the executive order, coal is “abundant and cost-effective” and can meet the increasing electricity demands due to growth in AI technologies and domestic manufacturing.
- These sentiments echo broader global trends, with coal usage rising in India and China for grid balancing.

Regulatory Rollbacks and Industrial Impact

- In line with this vision, the Trump administration has relaxed several environmental regulations.
- It has removed mandates for emissions-control technologies in coal plants and cut bureaucratic hurdles around coal mining permits.
- These steps are intended to resuscitate a sector that saw its share in the US energy mix fall from 40% in 2014 to 15% in 2024.
- Such deregulation is seen as a boon for industries like steel and cement, which rely heavily on coking coal.
- The idea is to strengthen domestic supply chains and reduce import dependence, a notion also gaining traction in countries like India, where a NITI Aayog-backed study has recommended classifying coking coal as a critical mineral.

Global Energy Dynamics and AI Demand

- The push for coal is also tied to concerns about rising electricity consumption due to AI-related activities.
- The **International Energy Agency (IEA) forecasts that data centre electricity usage could double by 2026**.
- While companies like Google and Microsoft are shifting towards nuclear energy contracts, the government is exploring all stable and scalable options, including coal.

- In this context, coal is seen as a transitional fuel that can bridge the gap until large-scale energy storage solutions for renewables become commercially viable.

Environmental and Climate Concerns

- Despite the economic rationale, the move has sparked concerns about environmental sustainability.
- Coal remains the most carbon-intensive fuel, and reviving its usage could significantly derail national and global net-zero targets.
- Critics argue that without parallel investment in clean technologies, such as carbon capture and storage (CCS), this coal-centric approach could reverse years of progress on emissions reductions.
- Trump's administration has downplayed these concerns, labelling emissions standards as burdensome and technologically premature.

The Global Perspective on Critical Minerals

- Globally, there's a growing effort to secure essential resources for energy transitions.
- The European Union already includes coal in its list of "critical raw materials." If the US officially classifies coal under the same, it would join a small but growing club of nations re-evaluating coal's strategic relevance.
- India, too, has acknowledged the importance of coking coal in national planning documents.
- The move underscores a broader trend where nations prioritize energy security even as they face environmental trade-offs.

Conclusion

- President Trump's attempt to rebrand coal as a "critical mineral" signals a strategic pivot in American energy policy.
- While it may help address immediate power supply and industrial demands, it raises serious concerns about climate commitments.
- The global energy landscape is at a crossroads, and how nations balance energy security with environmental sustainability will shape the next decade.

Trump Administration Classify Coal as Critical Mineral FAQs

Q1. Why is the Trump administration classifying coal as a critical mineral?

Ans. To prioritize coal extraction and support industrial revival, especially steel manufacturing and AI data centers.

Q2. What defines a 'critical mineral' in the US?

Ans. A material essential for economic or energy security and vulnerable to supply disruptions.

Q3. What are the environmental concerns associated with this move?

Ans. Coal is a leading source of greenhouse gas emissions, and the rollback of emissions regulations could harm climate targets.

Q4. How does this policy affect global energy dynamics?

Ans. It may influence other countries like India to reevaluate coal's strategic role amid rising electricity demand.

Q5. What industries are expected to benefit from this decision?

Ans. Steel, cement, and AI data infrastructure sectors are likely to benefit from increased coal availability.

Source: IE
