Coal’s Delayed Retirements Are Creating a Multi-Billion-Dollar Unfunded Equipment Capital Requirement

The Unretirement Economy” finds 71% of coal operators running production-critical equipment beyond design life as power plant retirements stall.



First National Capital Logo

IRVINE , CA, UNITED STATES, September 16, 2026 / EINPresswire.com/ -- First National Capital Corporation (FNCC) recently released The Unretirement Economy: Capital Requirements for Coal’s Extended Runway, a research report examining the capital consequences of a planning assumption that broke in 2025: the scheduled decline of the American coal fleet.

Drawing on surveys of 140 coal mining executives and equipment decision-makers conducted with Secured Research, alongside federal energy data, the report documents an industry asked to produce for years longer than its capital plans assumed. U.S. power operators planned to retire 8.5 gigawatts of coal capacity in 2025 and retired just 2.6, the least since 2010, as Department of Energy emergency orders and data-center-driven load growth postponed closures. Meanwhile, U.S. coal exports are forecast to reach 102 million short tons in 2026, led by metallurgical shipments that rose year-over-year in every month of the first half.

The equipment behind that production was capitalized for a wind-down that is no longer arriving on schedule. Among the report’s findings: 71% of surveyed operators report at least one production-critical asset operating beyond its original design life, and two out of three identify capital availability, not equipment economics, as the binding constraint on fleet renewal. Federal data confirms the operational cost, with coal mining productivity per employee hour down 7.6%.

“The strongest balance sheets in coal’s modern history are facing the thinnest lending market in American industry,” said Darren Higuchi, Chief Credit Officer, First National Capital Corporation. “Bank retreat from this sector is a matter of institutional mandate, not credit judgment, and it is not reversing. Operators planning for the extension need capital partners who understand what

a rebuilt dragline or a staged longwall system is actually worth. That is a capability question, and it is the question our research puts squarely on the table."

The report details where extension-era capital is concentrating, from haul truck frame-up rebuilds running 40% to 60% of new-unit cost, to preparation plant modernization programs supporting export quality, to the condition monitoring systems that make extended asset lives manageable. It also examines the financing structures suited to the moment, including sale-leasebacks that unlock liquidity from coal's unusually unencumbered fleets, residual-based lease structures built on genuine secondary market analysis, and usage-aligned payments that flex with production.

The Unretirement Economy is the first report in FNCC's mining research program and is available for download at It joins FNCC's 2026 research series spanning manufacturing, oil and gas, aviation, and private equity.

About First National Capital Corporation

First National Capital Corporation is an independent equipment and project financing firm headquartered in Irvine, California. Known as The Architects of CapEx Capital, FNCC has funded more than $4.5 billion in transactions across manufacturing, energy, aviation, marine, mining, and technology, with transaction capacity from $500,000 to $250 million and above. FNCC provides creative, sophisticated private credit funding that reaches beyond the limitations of traditional lending. Learn more at firstncc.com.

Keith Henry
Sawbux Marketing
+1 8592296715
email us here

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