### WEST VIRGINIA COAL IN BRIEF (2015 est.)

<table>
<thead>
<tr>
<th>Production</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underground</td>
<td>87,450,619</td>
<td>88,409,670</td>
<td>87,848,079</td>
<td>n/a</td>
</tr>
<tr>
<td>Surface</td>
<td>44,706,046</td>
<td>31,933,176</td>
<td>29,052,071</td>
<td>n/a</td>
</tr>
<tr>
<td>Total Production</td>
<td>132,156,665</td>
<td>120,342,846</td>
<td>116,900,140</td>
<td>109,500,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mines</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Underground</td>
<td>132</td>
<td>107</td>
<td>86</td>
<td>70</td>
</tr>
<tr>
<td>Surface</td>
<td>84</td>
<td>67</td>
<td>60</td>
<td>64</td>
</tr>
<tr>
<td>Number of Mines</td>
<td>216</td>
<td>174</td>
<td>145</td>
<td>136</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Underground</td>
<td>17,229</td>
<td>14,811</td>
<td>14,073</td>
<td>12,133</td>
</tr>
<tr>
<td>Surface</td>
<td>5,861</td>
<td>4,621</td>
<td>4,086</td>
<td>2,798</td>
</tr>
<tr>
<td>Coal Handling Facilities</td>
<td>2,150</td>
<td>2,050</td>
<td>1,940</td>
<td>1,550</td>
</tr>
<tr>
<td>Direct Coal Employment</td>
<td>25,240</td>
<td>21,482</td>
<td>20,099</td>
<td>16,481 (14,850 this month)</td>
</tr>
<tr>
<td>Contractors</td>
<td>29,375</td>
<td>29,000</td>
<td>28,940</td>
<td>n/a</td>
</tr>
<tr>
<td>Total Employment</td>
<td>54,615</td>
<td>50,482</td>
<td>49,039</td>
<td>n/a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic Impact</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Annual Coal Wage</td>
<td>$1,817,280,000</td>
<td>$1,546,704,000</td>
<td>$1,447,128,000</td>
<td>$1,186,632,000</td>
</tr>
<tr>
<td>Coal Severance Collected</td>
<td>$451,800,000</td>
<td>$407,300,000</td>
<td>$314,900,000</td>
<td>$279,200,000</td>
</tr>
<tr>
<td>Estimated Production Value</td>
<td>$7.75 Billion</td>
<td>$7.10 Billion</td>
<td>$6.87 Billion</td>
<td>$5.6 Billion</td>
</tr>
<tr>
<td>Share of WV GDP</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>12%</td>
</tr>
</tbody>
</table>
Coal Taxes to Counties and Schools

2014

Non-Coal Producing Counties Distribution -- $6.6 million
Coal Producing Counties Distribution -------- $25.7 million
Total Coal Severance Payments Distributed ---- $32.3 million
Infrastructure Revolving Fund ---------------- $23 million
Property Taxes -------------------------------- $151 million
West Virginia Coal --- 2014 - 2015

- Association --95% WV’s coal production
  - 250 member companies
- 24 (28) coal-producing counties (of 55 total)
  - Marshall #1 (16.9M); Marion #2 (13.2M)
- #2 coal-producing state
  - 26 states mine coal
  - We ship to 26 domestic states
- #1 underground-coal producing state
- #1 coal-export state (@ 50%)
  - Shipped to 37 foreign countries
- 26 million tons = 97% WV’s electricity
  - 63% WV coal (9.5 million tons)
- 10 coal-fired plants = 86% compliant
  - 56% WV electricity – exported
- 33% Appalachian “Demonstrated Reserves”
  - WV Geological Survey --- 50 Bt
  - EIA --- 31.7 Billion Tons (13Bt-met)
  - Mined in past 150 years --- 14 Bt
  - America has more coal
West Virginia Coal: Energy Forecast

WORLD COAL RESERVES
Proven recoverable coal reserves reported to the World Energy Council by the top-ten coal-producing countries at the end of 2008. Coal of higher quality (bituminous including anthracite) is being depleted most quickly.

GLOBAL TOTAL
861 BILLION TONNES
Challenges and the War on Coal

- **EPA protest letter-Mingo County operation**
  - Inauguration day 2009 (still not issued)
- **EPA veto of issued permit for Spruce**
- **MOU/IAP “Blueprint” for Appalachian Coal**
- **Conductivity guidance document**
- **Mercury MACT** (72 GW/360 GW – coal fleet)
  - Most expensive rule before CPP ($100 Billion)
  - Albright, Rivesville, Willow Island, Sporn, Kammer, Kanawha River (3 GW-18% of total capacity)
- **CAIR/CSAPR**
- **Ozone regulations** (Dave to address)
- **CPP- Carbon regulations-new and existing** (final last Friday)
- **Stream Protection Rule** (comments due yesterday)
  - 52%-92% reduction in Appalachian coal production
  - Eliminates longwall mining
- **WOTUS** (stay issued)
- **Low-priced natural gas**
- **World and America’s economy**
- **Subsidies & incentives for alternative energy**
The War on Coal

The EPA Regulatory Train Wreck:
Regulatory Timeline for Coal-Fueled Power Plants

[Diagram showing timeline and key events related to coal regulations, such as Ozone, SO2/NO2, CAIR, Water, Ash, PM2.5, Hg/HAPS, CO2, and other related issues.]

Friends of Coal
Assets & Opportunities

- **Best coal miners & managers in the world**
  - Trained & ready to work!
- **Best “environmentalists” in the world!**
- **Best (quality) coal in the world**
- **Infrastructure in place**
  - Need help from shippers
- **3rd “Most Forested” State (CO₂)**
- **There’s “no substitute”** - Coal “fastest growing”
  - 19% world population – NO electricity
  - We and WV MUST BE READY to take advantage!
- **Recognize Advancements in Air Quality**
  - Current U.S. CO₂ emissions – 23% below 2005 levels!
  - Legislative approval of State Implementation Plan (SIP) – HB 2004
  - Since 1980 – 90% emission reduction (170% coal fired)
  - Protect our generation assets and electric grid
    - (reliability-save old plants with NSR “relief”-PSC)
Assets & Opportunities

- **Cooperative State Administration, Legislature & Attorney General**
  - Reduce costs (laws, regs, policies, practices, taxes)
    - SB 357 – (“Coal Jobs & Safety Act”)
  - AG’s multi-state suits against EPA – federal government
  - Maintain environmental protection & safety with a “level” playing field -- innovation

- **Encourage Mining & Business Development**
  - **Solicit** mining development & power plant construction (like the “cracker”)—**must compete for mining** today
  - DoD–National Guard (“Joint Base West Virginia”)
  - Agriculture projects (bees, pork, beef, greenhouses) - Veterans
  - Highways (Coalfield Expressway – King Coal Highway)
  - Diversify with our talents and strengths (rebuild)
  - Water use v. treatment
Sustaining for the Future
Development & Diversification

- MINING can “help build a new West Virginia”

- DEVELOPED SITES
  - Joint Base West Virginia – Tyler-Morgan, Fola, Logan & Mingo (DoD/National Guard)
  - Agriculture – Beekeepers/Cattle/Veterans
  - Bechtel Summit Boy Scout Complex – Fayette
  - Mingo Central High School
  - Earl Ray Tomblin Conference Center-Chief Logan
  - King Coal Highway & Coalfield Expressway
  - Mingo & Logan Counties’ Regional Airports
  - Twisted Gun Golf Course
  - Hatfield-McCoy Trail System
  - The City of Weirton
  - Pete Dye golf course
  - Mount View High
  - Independence High School
  - Regional jails and federal prisons
  - Anker Sports Complex
  - Beckley YMCA Soccer Complex
  - FBI Complex
  - Mylan Park
  - Bright Mountain Subdivision
State & Federal Needs

- **State comprehensive energy plan**
  - *RECOVERY* -- Using West Virginia coal – oil & gas -- forestry
- **Level “playing field” among energies**
  - Subsidies-permits-taxes (equality)
- **Oppose EPA –OSM and regulatory overreach**
  - 32 states against – 28 AG’s in suit re: 111(d)
  - Stream buffer zone – complete rewrite
- **Pass ARENA bill** *(Affordable Reliable Electricity Now Act)*
  - Puts control on EPA’s CPP implementation (technology)
- **Congressional Review Act for CPP - WOTUS**
- **Truth** on EPA’s Clean Power Plan
  - If *entire U.S. coal fleet* “shuts-down” by 2050:
    - Decrease world CO₂ by 1%
    - Decrease “temps by 0.03 degrees C”?
    - Decrease sea level by 1.1mm *(a dime is 1.35mm thick)*
We need **HELP** to **Compete**

- **Highest severance tax of all surrounding states and IL & IN**
  - 5% selling price w/ thin seam reduced rate--2014 was $3.48/ton
  - Additional severance tax of $0.56/ton – workers’ comp legacy
  - PA, IL & IN have no severance tax ($4/ton advantage in PA)

- **Paid more severance tax in last 11 years than previous 30 years**
  - $4.6 Billion
  - Always “stepped up”
    - Workers’ comp- “Rainy Day Fund” – wars- industrial & information revolutions

- **Property taxes on mineral and equipment**
  - Complicated formulas –
  - $1.28/ton in 2014 -- 1/3-mineral and 2/3 equipment
  - Idled equipment – un-mineable reserves need attention

- **Enhance dispatch of electricity**
  - Lower “government impositions” – lower priced fuel
• Get/keep our WV operations – competitive
  • Maintain Safety – Stewardship
  • Legislation – Regulation – Policy – Practices

• Re-establish “Respect” for our miners and managers!

• Keep our people working – Everyday -- in West Virginia!