Governor Tomblin’s Energy Summit
Stonewall Resort
October 6, 2016

“EPA’s Impact on WV’s Economic Assets”

Eugene M. Trisko, Esq.
On behalf of
United Mine Workers of America
emtrisko@earthlink.net
Focus Issues

• Impacts of Clean Power Plan on WV coal production, state output, jobs, and household earnings.

• Potential impacts of “Extended Clean Power Plan” requiring further CO2 reductions by 2040.

• Indicated policy responses.
CPP Compliance Paths Matter: PJM Estimates of WV Coal Generation 2025 (GWh)

CPP Impacts Coal Prices: EIA Steam Coal Prices, 2014-2040
Constant 2015 $/MMBTU

~$9/ton difference vs. No CPP

CPP Extended is 45% reduction from 2005 by 2040

Coal share drops from 33% in 2015 to 13% in 2040 with CPP Extended.

WVU BBER Projections of WV Coal Production to 2035 (Spring 2015)

Figure 11: Coal Production Forecast- Baseline vs Reduced Coal Generation Scenario

Impact of Clean Power Plan ~ 20 MMTPY

Estimating Impacts to 2040

- Use WVU BBER estimates of CPP production losses, extended to 2040 and adjusted for CPP Extended additional CO2 reductions 2025-40.
- Apply DOE/EIA steam coal prices to estimate industry revenue impacts for CPP and CPP Extended cases.
- Use U.S. Dept. of Commerce economic and job multipliers for the WV coal industry to estimate impacts on WV state output and household income.
- These estimates do not include impacts of MATS rule and other factors causing loss of 32 MMTPY of WV coal production from 2009 to 2014.
Estimated WV Coal Production: Base Case, CPP and Extended CPP, 2014-2040 (Mil. Tons)
Estimated Loss of WV State Output:
CPP and Extended CPP, 2014-2040
(Mil. 2015 $)
Estimated Loss of WV Jobs: CPP and Extended CPP, 2014-2040 (In Job/Person-Years)

Cum. 229,000 Job-Years
Cum. 288,000 Job-Years

Note: Does not include impacts of 32 MMTPY production loss 2009-2014.
Estimated Loss of WV State Household Income: CPP and Extended CPP, 2014-2040
(Mil. 2015 $)

CPP and Extended CPP, 2014-2040
(Mil. 2015 $)

CPP
CPP Extended

Cum. -$11 Bil.

Cum. -$14 Bil.

2014 2018 2022 2026 2030 2034 2038
What to do?

• Implement President Cecil Roberts’ 2015 recommendations for aggressive state policies to encourage new advanced coal generation development in WV.

• Congressional full court press for new DOE CCUS funding to advance 2\textsuperscript{nd} and 3\textsuperscript{rd} generation capture technologies (Billions $, not millions).

• Global climate issue will continue to exert downward pressures on utility coal investment decision-making until CO2 can be affordably managed relative to expected future increases in natural gas prices.