

West Virginia Coal

2012-2013

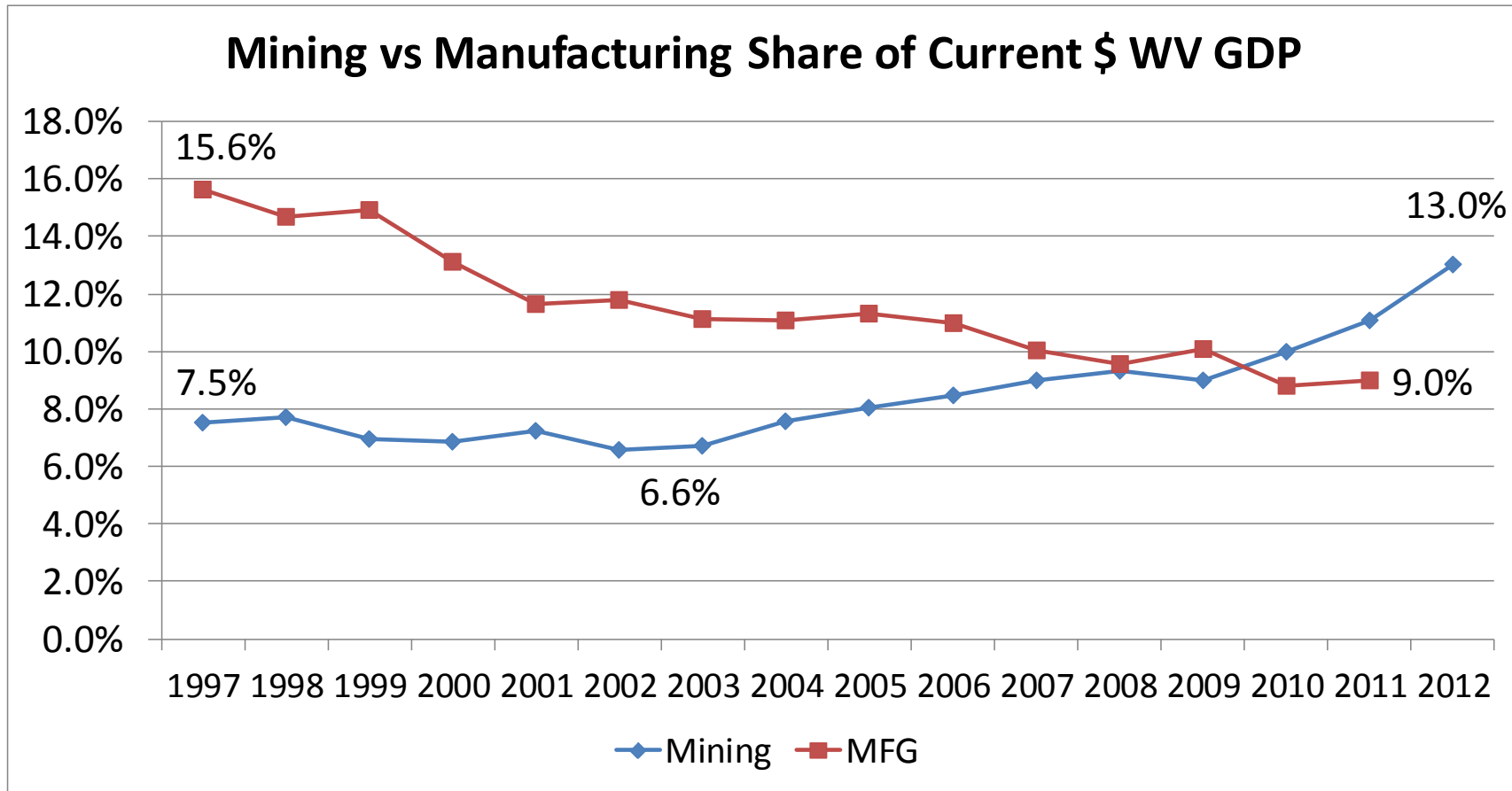
West Virginia Coal 2012 ----- 2013!

Total Production (2012)	<u>129,556,478</u>	<u>110,000,000(e)</u>
<i>Underground</i>	89,500,484	80,000,000
<i>Surface</i>	40,055,994	30,000,000
Number of Mines	<u>538</u>	202(e)
<i>Underground</i>	292	
<i>Surface</i>	246	
West Virginia Coal “Direct” Employment--	<u>22,369</u>	19,200
<i>Underground</i>	16,868	
<i>Surface</i>	5,501	
<i>Coal Handling Facilities</i>	2,150	
<i>Contractors</i>	<u>2,100</u>	
Total Coal Employment	26,619	
Average Annual Coal Wage	\$68,500	
Coal Severance Tax Paid	\$490 Million	
Share of WV’s GDP	13%	



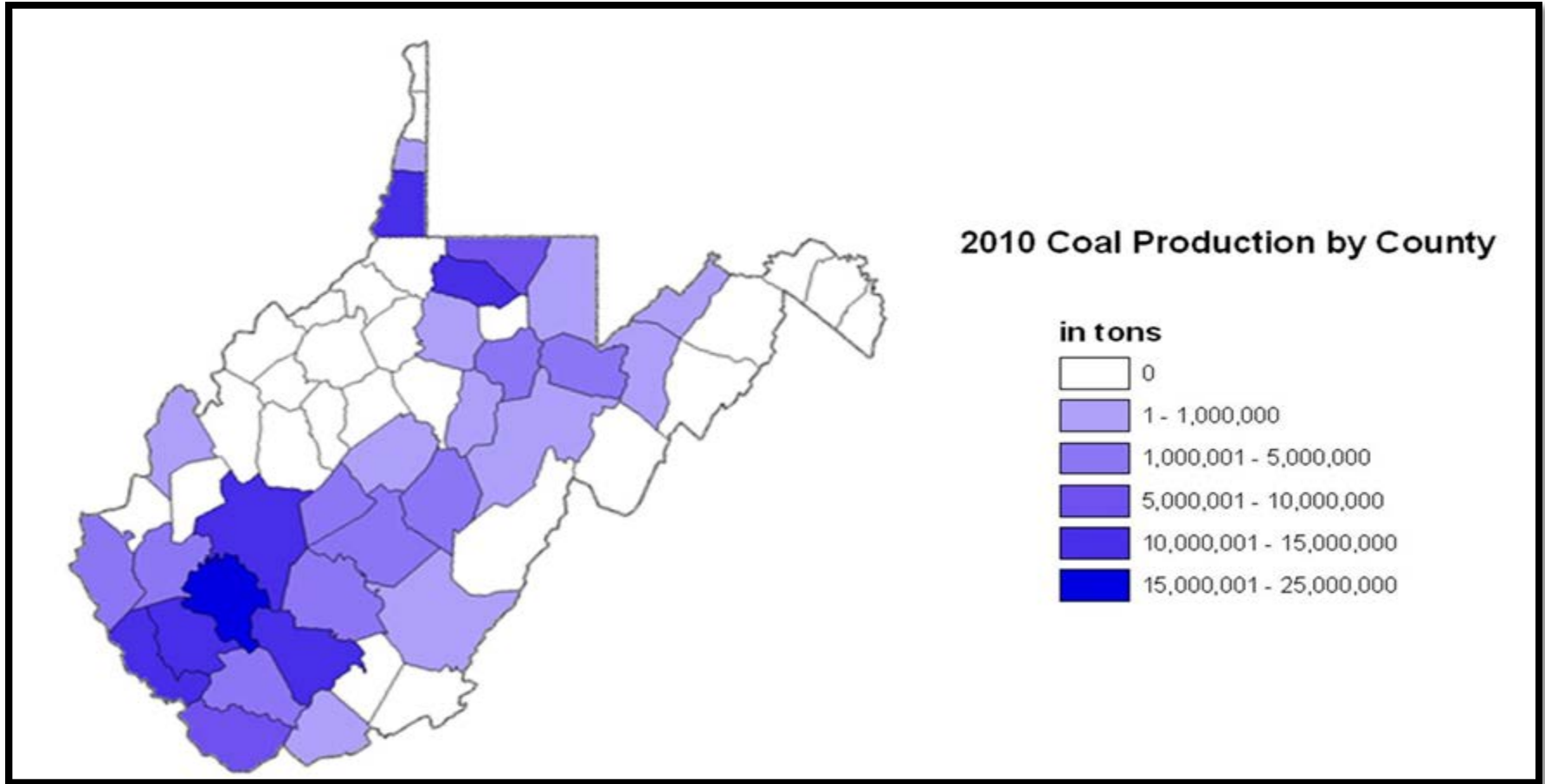
What's at stake?

Why it's important?



West Virginia Coal 2013

West Virginia Coal Production by County (28)

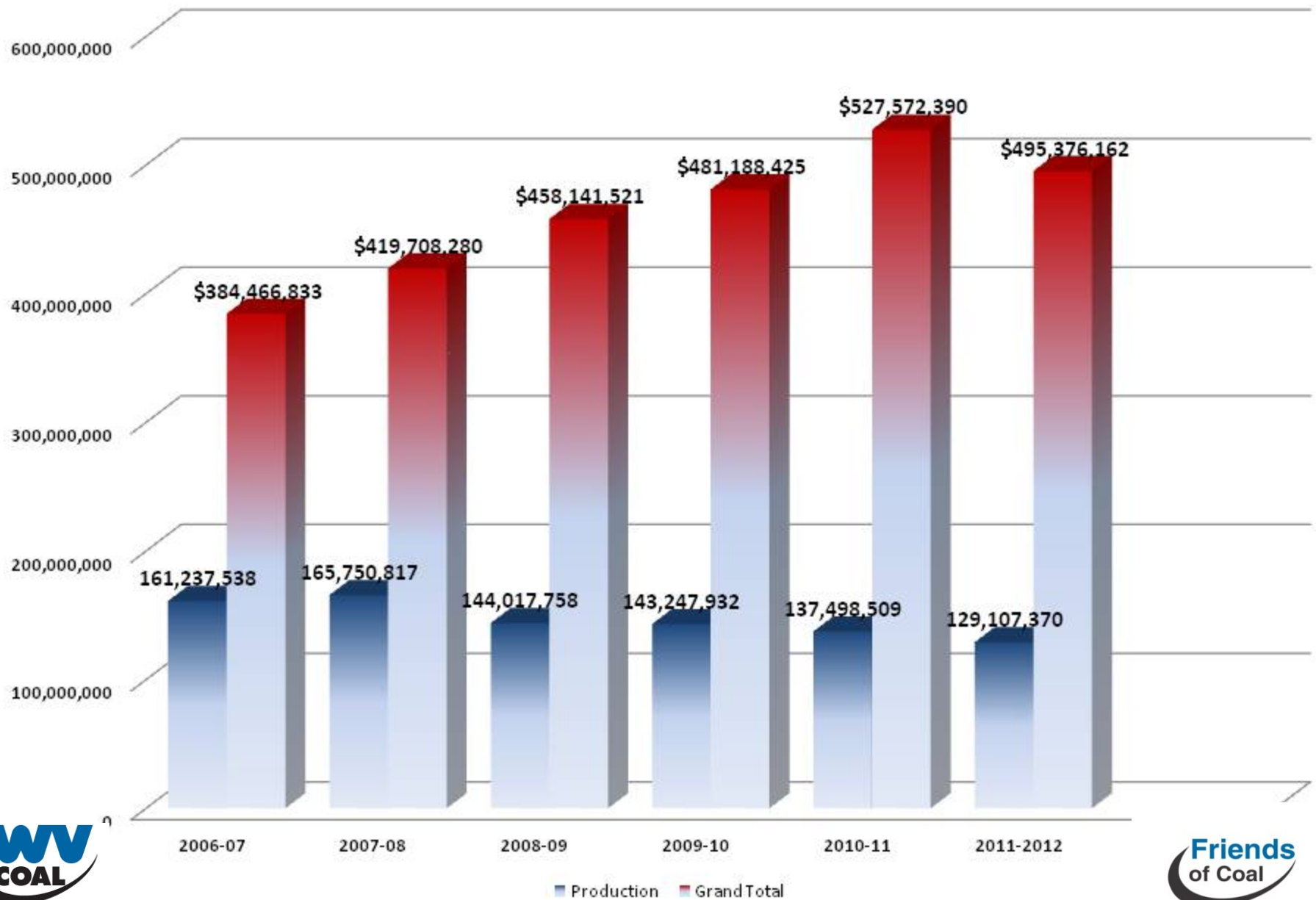


West Virginia Coal 2013--- Helping us SURVIVE

- 28 coal-producing counties (of 55 total)
 - *Marshall #1 (17.1M); Boone #2(15.7M)*
- The second leading coal-producing state
 - *Shipped to 26 domestic states*
 - *Baltimore – Washington area*
- Leading underground coal producing state
- Leading coal export state (@ 50%)
 - *Shipped to 37 foreign countries*
- 32 million tons = 97% WV's electricity
 - *50% WV coal ??*
- 16 coal-fired plants = 86% compliant
 - *Longview Plant = most modern*
- 56% WV electricity – exported
- 33% Appalachian “Demonstrated Reserves”
 - *EIA --- 31.7 Billion Tons (13Bt-met)*



Coal Production and Severance 2006-2012



Helping – *ALL* of West Virginia



Coal Severance Payments -- all 55 counties

Non-Coal Producing Counties Distribution -- \$9 million

Coal Producing County Distribution -- \$27 million

Total Coal Severance Payments -- \$36 million

Property Taxes—Income—Sales—Gasoline – JOBS

OTHER USES

☐ Water/Sewer (\$20.6M)

▪ 1st collected

☐ WC (old fund)
(\$72.6M)

☐ Public Services

Sustaining for the Future

Development & Diversification



- **MINING** creates “level” land, with development potential for many **other uses**.
Mining is “helping to build a new West Virginia.”

- **DEVELOPED SITES**

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



Chief Logan Hotel and Convention Center
Located on a former surface mine near Logan, WV, this is a clear example the myriad uses for former surface mine land.

Challenges

- **Economic “uncertainty”**
 - *America and worldwide*
 - *Industrial demand—exports down 10% (July)*
- **NSPS – New and Existing Plants**
 - *EPA says --- “No Impact” – “Technology available”???*
 - *Uncertainty throughout – “easiest path to permit”*
- **Level “playing field”**
 - *Winners & Losers (gas – subsidies to alt.)*
- **Natural gas prices**
 - *Undervalued now (breaking themselves!)*
- **Challenging reserve base—other basins**
 - Same equipment – same labor pool
 - Advantage in northern WV (Mr. Murray)
- **Premature plant closures**
 - 58 that use WV coal to close by 2018



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Additional Challenges

- **Federal government impositions & behavior**
 - *“Encourage, not discourage”*
- EPA - CWA permitting
 - *“Bullying” states to accept standards*
 - *“Forced re-design” of engineered mine plans*
 - *Delay/uncertainty – following state permit review/approval*
 - *Litigation*
- MSHA
 - *Movement of equipment – biggest “risk” we face*
 - *Infrastructure costs*



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EPA's "Air War" on the consumers

- **CSAPR**
 - \$2-3 billion annually
 - **HgMACT**
 - \$10-11 billion annually
 - **NAAQS**
 - SO₂, NO_x, PM, CO, Ozone, Lead
 - Initial Cost = \$1.5 billion annually
 - \$19-25 billion annually by 2020.
 - **GHG NSPS**
 - No New Coal Plants
 - Technology Does Not Exist
 - **COAL ASH** (threatened)
 - \$1.5 billion annually
 - **TOTAL PROJECTED IMPACT**
 - \$22.5 billion - \$40.5 billion
-
- Currently – 1,300 coal units @ 589 plants = 300,000 MW
 - EPA “shutting down” – 315 units = 48,500 MW (15%)
 - **Consumers and Grid ---- BEWARE ---- Winter 2015-16!!!!**

We WILL “Push to SURVIVE”

Assets & Opportunities

- **Best coal miners & managers**
- **Work with State administration, Legislature & Attorney General**
 - *Coal Caucus*
 - *Jobs – taxes – revenues – production*
 - *NSPS for “existing sources” next June*
- **State mine-permitting times improving**
- **Emphasize WV’s Safety Program is effective**
- **Encourage generation assets to be under PSC jurisdiction**
 - *First Energy & AEP pending*
 - *86% compliant*
- **Increase use of WV coal in WV plants**
- **Quantify that a ton of “in-state” coal has more value than (just) price**
 - *16 million tons of additional production*

We WILL “Push to SURVIVE”

~~More~~ Assets & Opportunities

- **Encourage exports**
 - *Location to ports – transportation assets*
 - *Coal “fastest growing” fossil fuel – “most prominent” by 2015*
 - 19% world population – NO electricity
 - 3.6 Billion people – NO or only PARTIAL access to electricity
 - India – adding 75 gigawatts new generation – 5 years
 - 250 million tons / year
- **Emphasize current U.S. CO₂ emissions – 23% below 2005 levels!**
 - *Longview --- cleanest – advanced super-critical -- 1,600#/mwh (1,885#/mwh)*
 - *Alternatives need “reliable” back-up*
- **Does DOE have an \$8 billion draft “loan guarantee” program?**
 - *CEQ blog (9/20) – McCarty said \$6 billion*
 - *No confidence in DoE --- should be Research & Development*
- **America has more coal than any other country**
 - *87 Billion more than the 2nd largest (Russia)*
 - *WV has some of the “highest quality” coal – plenty of it*

We WILL “Push to SURVIVE”

~~More~~ Assets & Opportunities

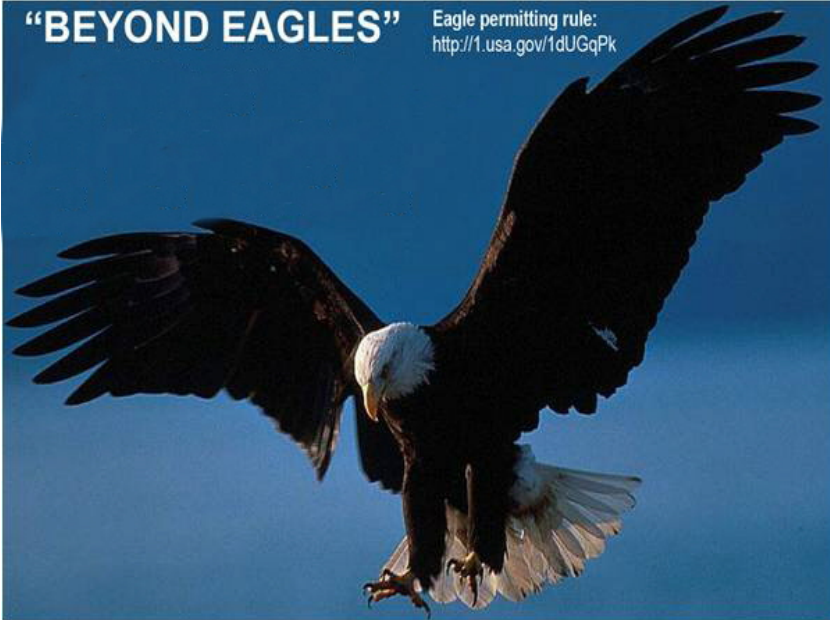
- **Encourage Congressional control of administrative policies**
 - *Let STATES do “what’s best” for them (CWA-CAA-MSHA)*
 - *Manchin --- Capito --- McKinley --- Rahall*
 - *Put the PEOPLE & STATES back in charge*
 - *Regional Energy Policy – not thru environmental regulation*
- **“Environmental Justice” includes our miners**
 - *Their jobs -- Their families – Our communities*
- **Overcome the “hypocrites”**
 - *Electricity-carbon-safety-subsidies*
 - *“Hourly” Internet traffic will exceed “annual” traffic of 2000*
 - *“Big Oil” – Lobbying World Bank – Federal agencies*
 - *Level “playing field”*

Level Playing Field???



“BEYOND EAGLES”

Eagle permitting rule:
<http://1.usa.gov/1dUGqPk>



“It’s outrageous that the government is sanctioning the killing of America’s symbol, the bald eagle.” National Audubon Society CEO David Yarnold



This document is scheduled to be published in the Federal Register on 12/09/2013 and available online at <http://federalregister.gov/a/2013-29088>, and on FDsys.gov

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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Parts 13 and 22

[Docket No. FWS-R9-MB-2011-0054; FF09M21200-134-FXMB1231099BPP0]

RIN 1018-AX91

Eagle Permits; Changes in the Regulations Governing Eagle Permitting

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule.

SUMMARY: We revise the regulations for permits for take of golden eagles (*Aquila chrysaetos*) and bald eagles (*Haliaeetus leucocephalus*) that is associated with, but not the purpose of, an activity. We extend the maximum term for programmatic permits to 30 years, while maintaining discretion to issue permits of shorter duration as appropriate.

The permits must incorporate conditions specifying additional measures that may be necessary to ensure the preservation of eagles, should monitoring data indicate the need for the measures. This change will facilitate the responsible development of renewable energy and other projects designed to operate for decades, while continuing to protect eagles consistent with our statutory mandates. For a permit valid for 5 years or more, we will assess an application processing fee sufficient to offset the estimated costs associated with working with the applicants to develop site plans and conservation measures, and prepare applications, and for us to review applications. We also will collect an administration fee when we issue a permit and at 5-year intervals.

The Bottom Line

Our **OBJECTIVE** – Everyday!

- Keep our people working – in West Virginia!

Thank you