

Legislative & Regulatory Update



Mine Drainage Task Force Symposium

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West Virginia Coal Association

March 31, 2015

Overview



- Industry Status
- Legislature and the Coal Industry
- Regulatory Issues
- Outlook

West Virginia Coal -----2012 ----- 2013 ----- 2014

Total Production	<u>129,107,370</u>	<u>117,518,279</u>	<u>122,630,508</u>
<i>Underground</i>	89,210,479	86,148,225	92,578,437
<i>Surface</i>	39,896,891	31,370,054	30,052,071
Number of Mines (reporting production)	<u>184</u>	<u>152</u>	<u>122</u>
<i>Underground</i>	114	112	97
<i>Surface</i>	70	40	25
WV Coal “Direct” Employment (average)	<u>22,351</u>	<u>19,427</u>	<u>18,159</u>
<i>Underground</i>	16,868	14,794	14,073
<i>Surface</i>	5,483	4,633	4,086
<i>Coal Handling Facilities</i>	2,150	2,050	1,940
<i>Contractors</i>	<u>29,375</u>	<u>29,000</u>	<u>28,940</u>
Total Coal Employment	53,934	50,477	49,039
Average Annual Coal Wage	\$68,500	\$72,500	\$72,500
Coal Severance/WC Tax Paid (FY)	\$451.8 Million	\$407.3 Million	\$407.4 Million
Estimated Production Value	\$7.75 Billion	\$7.10 Billion	\$6.87 Billion
Share of WV’s GDP	13%	13%	13%

2015 Legislature

42 New Legislators

House—(32-new) **64R**-36D

Senate—(10-new) **18R**-16D

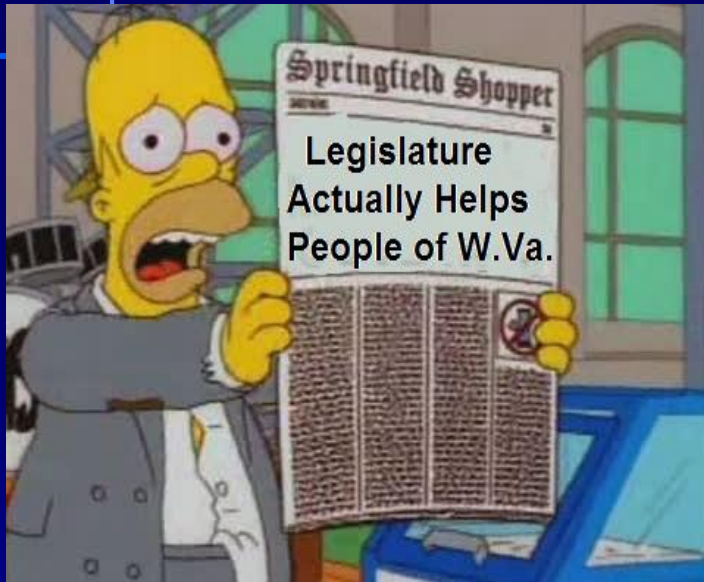


**First Time Republicans Have
Controlled State Legislature
in 83 Years**

**First Time Governing in
State Capitol Building**



2015 Legislature



1,607 Bills introduced
(162 Bills Related to Coal)

House – 1,022

Senate – 585

262 Bills passed (16.3%)

House – 127 (12.4%)

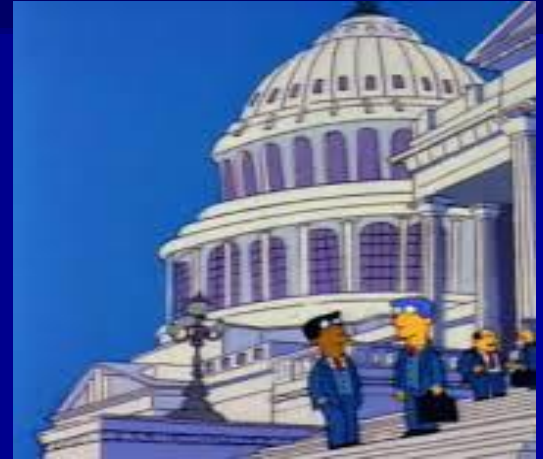
Senate – 135 (23%)

	2015	2014	2013
Bills Passed	15% (D) 66% (R)	98% (D) 2%(R)	99%(D) 1%(R)

2015 Legislature

In One Word: *Busy*

- Heavy Lifting Started on *Day One*
- Marathon Committee Meetings Started First Week
- First Major Legislation (Renewable Repeal) Passed by Both Houses in *First 10 Days*



Tort Reform
Deliberate Intent
Prevailing Wage
Education
Energy Policy
Lease Integration (Pooling)

Specifics— Legislature & Coal: *Senate Bill 357 Coal Jobs & Safety Act*

WEST VIRGINIA LEGISLATURE
EIGHTY-SECOND LEGISLATURE
REGULAR SESSION, 2015

—●—
ENROLLED

COMMITTEE SUBSTITUTE
FOR

Senate Bill No. 357

(SENATORS MULLINS, BLAIR, BOLEY, BOSO, FERNS, GAUNCH,
D. HALL, M. HALL, KARNES, CARMICHAEL, KIRKENDOLL,
LEONHARDT, MAYNARD, NOHE, PLYMALE, PREZIOSO,
STOLLINGS, SYPOLT, TAKUBO, TRUMP, WALTERS
AND WILLIAMS, *ORIGINAL SPONSORS*)

[PASSED MARCH 3, 2015; IN EFFECT NINETY DAYS FROM PASSAGE.]

**Most Comprehensive
Coal-Related
Legislation in 30+
Years**

Safety Provisions

- Eliminated the Diesel Commission
- Distance of Track to the Underground Working Face
- Drug Testing (Collective Bargaining)
- Sideboards & Cameras
- Movement of Mining Equipment Underground

Specifics– Legislature & Coal: ***Senate Bill 357 Coal Jobs & Safety Act***

Environmental Regulatory Provisions

- Emergency Rule to Implement Hardness-based Aluminum WQStds
- Rulemaking for 2016 to Revise Inactive Status
- Rulemaking for 2016 to Revise Contemporaneous Reclamation
 - NPDES Permit Penalty Conformity
- Additional Language in State CWA Regarding Compliance w/
Effluent Limits as Compliance w/ CWA

Specifics— Legislature & Coal: Senate Bill 357 Coal Jobs & Safety Act

WEST VIRGINIA SENATE

ROLL CALL



SEQ. NO. 0006.

BILL # SB 357

FEB 10, 2015

R # 3

12:41 PM

Yea: 26

Nay: 8

Absent: 0

WEST VIRGINIA HOUSE OF DELEGATES

First Regular Session

SB 357

Creating Coal Jobs and Safety Act
of 2015

RCS# 226

2/27/2015

1:49 PM

PASSAGE

YEAS: 73

NAYS: 25

NOT VOTING: 2

PASSED

Signed by the Governor on March 12, 2015

Effective 90 Days from Passage* (June)

**Rulemaking Mandates to WV DEP Effective (30 days) from Enactment*

Specifics— Legislature & Coal:

Senate Bill 423: Aboveground Storage Tanks

Substantial Revision of the State's New Aboveground Storage Tank Law

Tanks: >1,320 Gallons, All Must Register;

Registration Fees: \$40 per Tank Prior to July 2015; \$20 per Tank After July 2015

Regulated Tanks: Level One or Level Two Tanks

Level One Tanks:

Located Within **ZCC**, >50,000 Gallons, CERCLA Tanks, etc.

Level Two Tanks:

Located Within **Zone of Peripheral Concern**

Zone of Peripheral Concern: Adds an additional five-hour water travel time to an intake when combined with ZCC provides 10 hours of water travel time to intake

Exemptions: Water Tanks (regardless of size), mobile tanks, bathhouses are not public water supplies;

Specifics— Legislature & Coal:

Senate Bill 423: Aboveground Storage Tanks

- Regulated Tanks must submit Spill Prevention & Response Plan, May Certify Compliance w/ GPP and/or SPCC**
- WV DEP to Develop Standards / Rules for Regulated Tanks**
- Regulated Tanks Already Subject to WV DEP Jurisdiction (GPA, etc.) May Include Provisions Related to Requirements of SB 423 to Receive Certificate to Operate**
- Regulated Tanks will Pay Fees to be Determined in Rulemaking**

WEST VIRGINIA LEGISLATURE
EIGHTY-SECOND LEGISLATURE
REGULAR SESSION, 2015

—●—
ENROLLED

COMMITTEE SUBSTITUTE
FOR

Senate Bill No. 423

(SENATORS M. HALL, BLAIR, CARMICHAEL, FACEMIRE, D. HALL,
KIRKENDOLL, MULLINS, PLYMALE, ROMANO, TRUMP, WOELFEL,
WILLIAMS AND STOLLINGS, *ORIGINAL SPONSORS*)

[PASSED MARCH 14, 2015; IN EFFECT NINETY DAYS FROM PASSAGE.]

Specifics— Legislature & Coal:

Senate Bill 423: Aboveground Storage Tanks

Tank (>1,320 gal) Summary	
Total:	48,710
Tanks Located Within ZCC:	2,747
Total Mining Tanks:	2,404
Total Oil & Gas Tanks:	32,964
Total Mining Tanks in ZCCs:	250
Total Oil & Gas Tanks in ZCCs:	919

WEST VIRGINIA SENATE

ROLL CALL



SEQ. NO. 0016.

BILL # SB 423

FEB 28, 2015

R # 3

2:02 PM

Yea: 30

Nay: 1

Absent: 3

WEST VIRGINIA HOUSE OF DELEGATES

First Regular Session

SB 423

Amending Aboveground Storage Tank
Act

RCS# 518
3/13/2015
2:39 PM

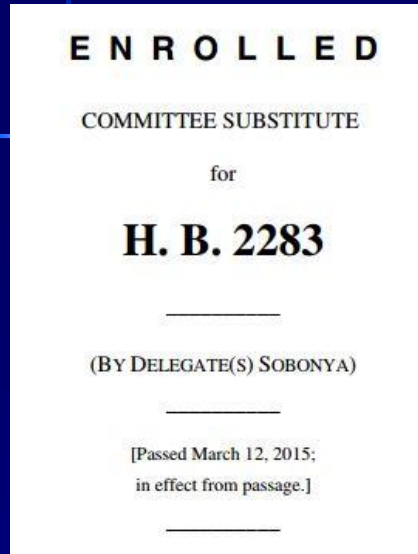
PASSAGE

YEAS: 78 NAYS: 21 NOT VOTING: 1 PASSED

Passed March 14, 2015
Effective 90 Days from Passage (June)
Signed by the Governor March 27, 2015

Specifics— Legislature & Coal:

HB 2283: Environmental Rule Package



WV DEP Rule Package

**Permit as a Shield Revision to Coal Mining
NPDES Rule**

Increase in CAA Title V Permit Fees

Designation of Kanawha River as Category A

“Provided, that the WV DEP shall consider, for the 2017 triennial review, potential alternative applications for the Category A drinking water supply use designation to the waters of the state, taking into consideration stream flow, depth and distance to a public water intake.”

**Passed March 12, 2015
Effective from Passage
Awaiting Governor’s Signature**

Specifics— Legislature & Coal: Other Stuff

HB 2001 (SB 1) Repeal of the Renewable Energy Portfolio

HB 2004 Legislative Approval of GHG / CAA 111(d) State Implementation Plan for Existing Sources

SCR 63 Bd. of Coal Mine Health & Safety to Promulgate Revised Rules Related to the Movement of Mining Equipment

Regulatory Issues / Outlook

**-OSM Oversight / Takeover Petitions /
Notice of Intent to Sue / Stream
Protection Rule**

-EPA Drama Continues

-Very Busy Year

-Rulemaking

-WQStds

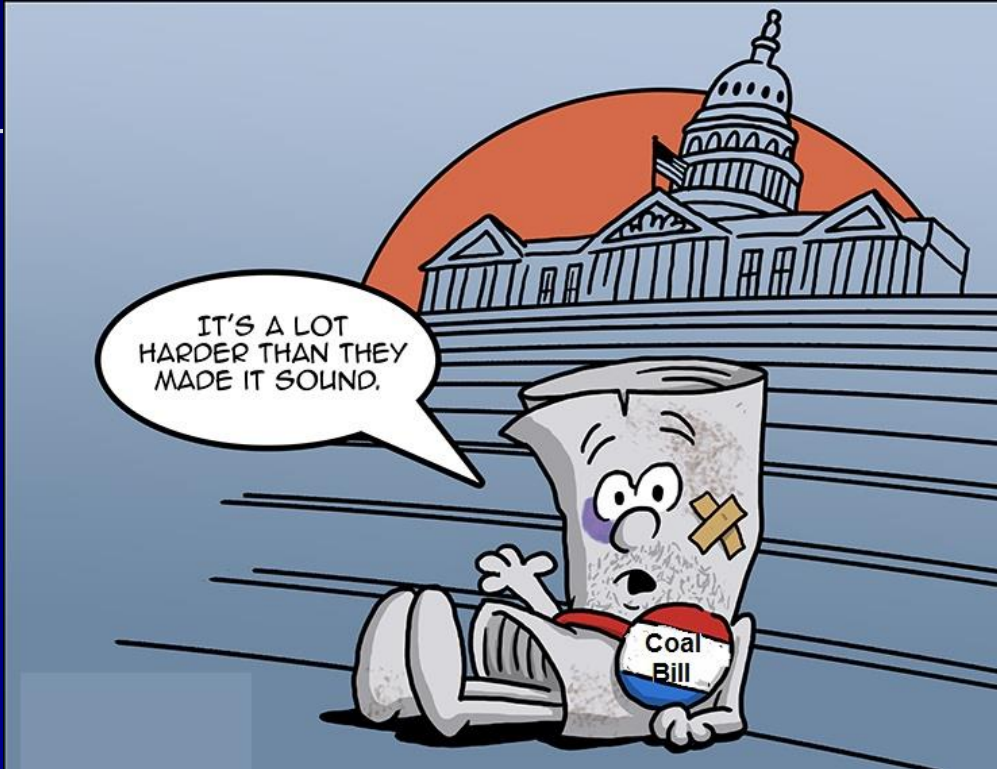
-Contemp. Rec. / Inactive Status

-Tanks

-Mine Safety

-GHG / New and Existing Sources





Thank You!