

Legislative & Regulatory Update



Jason Bostic
Vice-President

West Virginia Coal Association
West Virginia Mine Drainage Task Force Symposium
March 27, 2018

Overview

- Status of the West Virginia Coal Industry
- Legislative Update
- Federal Issues
- Moving Forward

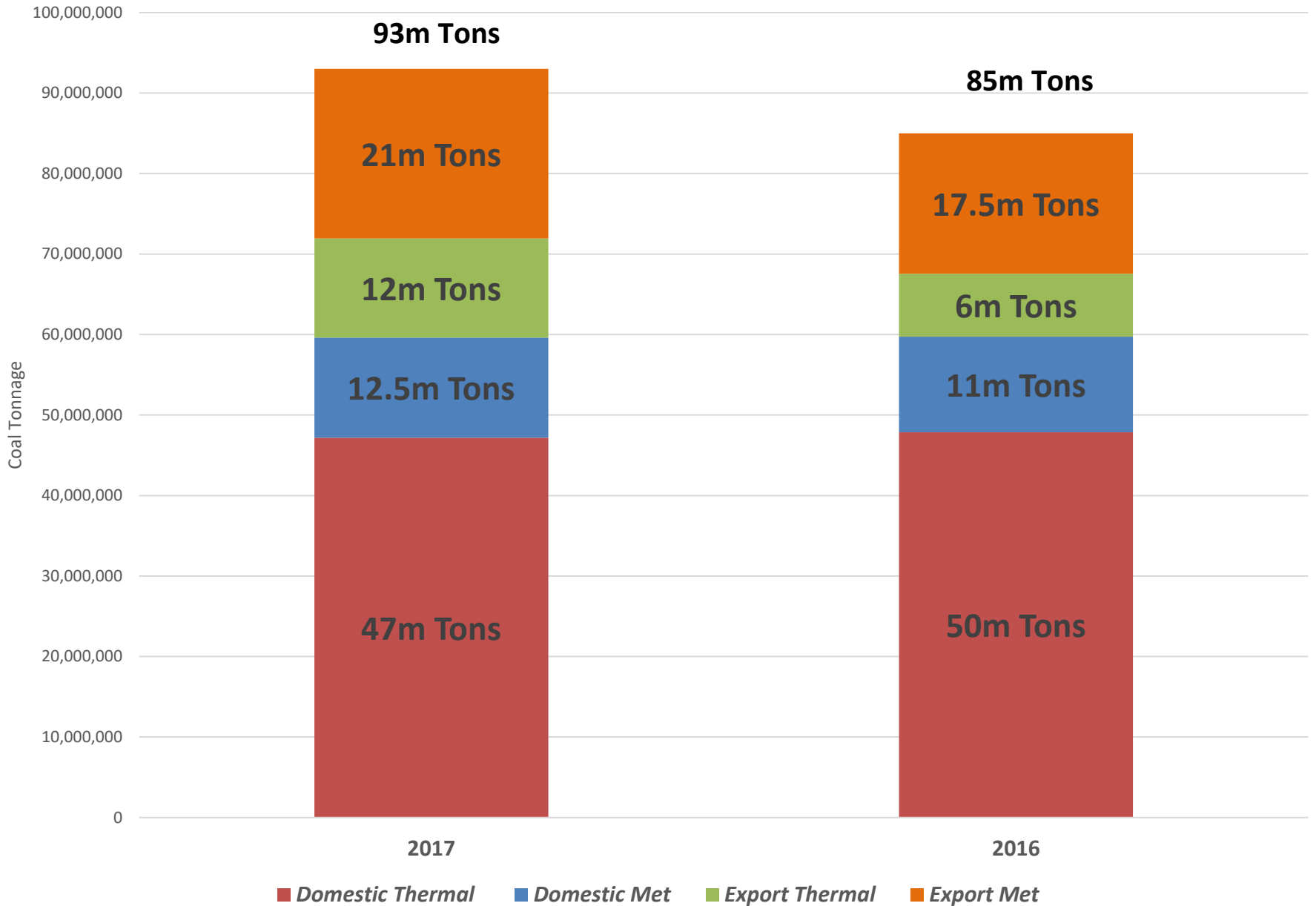


Eight **TOUGH** Years! – Headed **BACK!**



	Year		
Production	2008	2016	* 2017
Underground	97,378,703	69,985,513	78,352,708
Surface	68,372,114	<u>14,854,871</u>	<u>15,479,208</u>
Total Production	165,750,817	84,840,384	93,831,916
Mines			*2017
Underground	300	54	61
Surface	240	<u>45</u>	<u>60</u>
Number of Mines	540	99	121
Employment	2008	2016	*2017
Underground	14,678	10,124	10,103
Surface	<u>6,249</u>	<u>2,426</u>	<u>3,306</u>
Direct Coal Employment	20,927	12,550	13,409
<u>Contractors</u>	<u>29,245</u>	<u>28,804</u>	<u>33,036</u>
Total Employment	50,172	41,354	46,445

Distribution of West Virginia Coal: 2016 vs. 2017*



Natural gas spot prices (Henry Hub)

\$/MMBtu

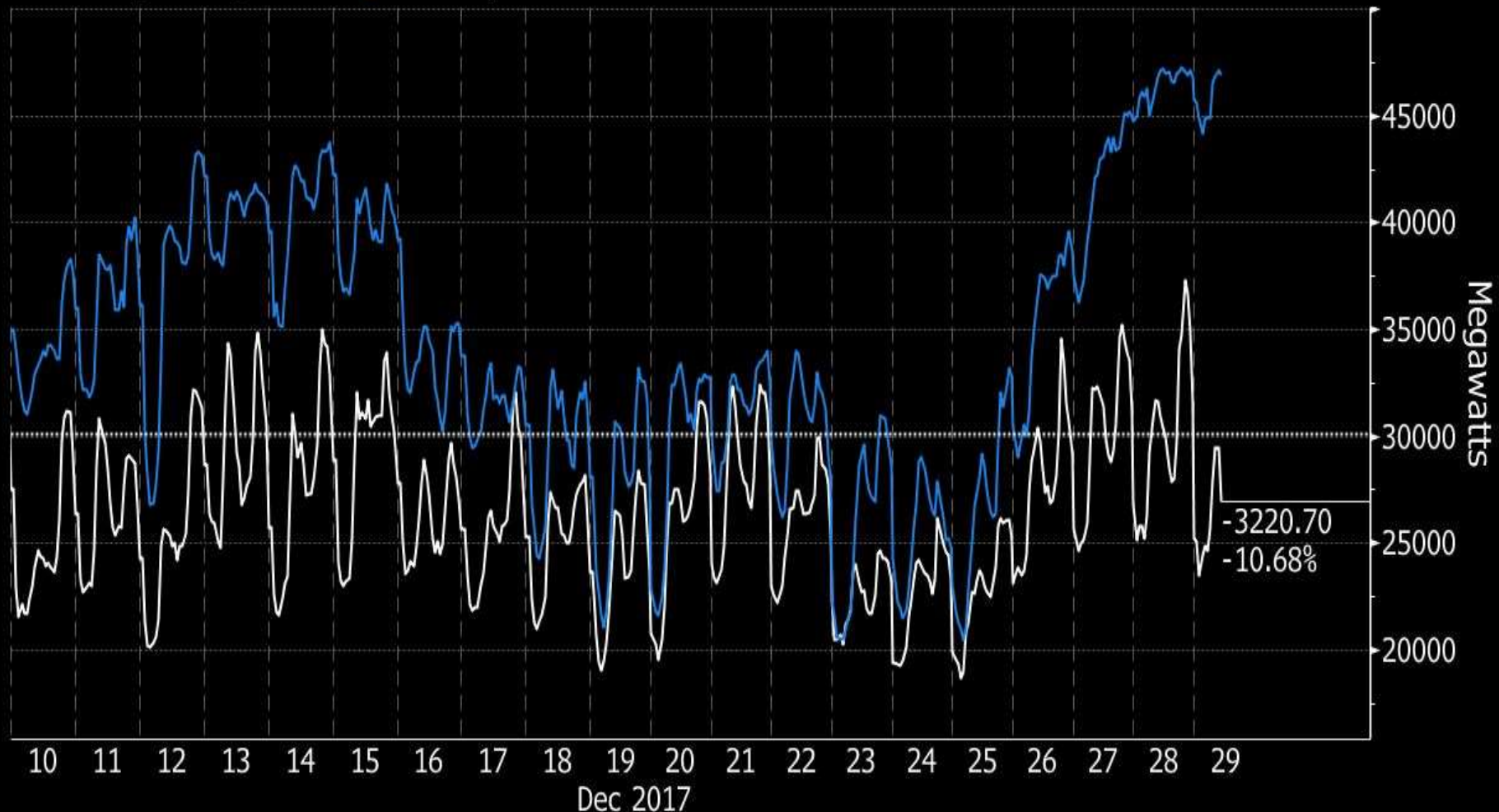


Source: Natural Gas Intelligence

Coal on Top

The largest U.S. power grid is depending on coal through a cold snap

■ Natural gas fired generation ■ Coal fired generation



Source: PJM Interconnection LLC; Bloomberg

Bloomberg

2018 Regular Legislative Session

- Governor (New Party)
- More Revenue
(Thanks to Coal)
- From -\$500m to Cash Positive and +\$23m for Pay Raises

House:

64 Republicans
36 Democrats

Senate:

22 Republicans
12 Democrats



2018 Regular Legislative Session

(As of 03/25/2018)

- 1,778 Bills Introduced
- 260 Bills Completed Legislative Action
- 120 Bills Signed by the Governor
- 0 Bills Vetoed by the Governor
- 2 Bills Became Law w/o Governor's Signature

Teacher / Public Employee Strike

- **Salary / PEIA**
 - **5% for All State Workers**
- (Thank A West Virginia Coal Miner)**

2018 Regular Legislative Session

Coal Jobs & Safety Act of 2018 / SB 626

-SMCRA / Article III Public Notice

-Path to Electronic Notice

-State 401 Certification

-Removed Restrictive Language /
Limitations that Applied Only to the Coal
Industry

(Waiver)

2018 Regular Legislative Session

Coal Jobs & Safety Act of 2018 / SB 626

Thursday, February 22, 2018

12:50 PM

West Virginia Senate

Roll Call

SB 626

Relating generally to coal mining

Yea: 34 Nay: 0 Absent: 0 Excused: 0

Y ARVON	Y GAUNCH	Y RUCKER
Y AZINGER	Y JEFFRIES	Y SMITH
Y BALDWIN	Y KARNES	Y STOLLINGS
Y BEACH	Y MANN	Y SWOPE
Y BLAIR	Y MARONEY	Y SYPOLT
Y BOLEY	Y MAYNARD	Y TAKUBO
Y BOSO	Y OJEDA	Y TRUMP
Y CLEMENTS	Y PALUMBO	Y UNGER
Y CLINE	Y PLYMALE	Y WELD
Y DRENNAN	Y PREZIOSO	Y WOELFEL
Y FACEMIRE	Y ROMANO	Y MR PRESIDENT
Y FERNS		

WEST VIRGINIA HOUSE OF DELEGATES

83rd Legislature - Second Regular Session

SB 626

Relating generally to coal mining

RCS# 389
3/07/2018
1:26 PM

PASSAGE

YEAS: 93 NAYS: 4 NOT VOTING: 3 PASSED

YEAS: 93

Adkins	Fast	Lane	Rohrbach
Ambler	Ferro	Longstreth	Romine, C.
Anderson	Folk	Love	Romine, R.
Atkinson	Foster	Lovejoy	Rowan
Barrett	Frich	Lynch	Shott
Bates	Gearheart	Marcum	Sobonya
Blair	Graves	Martin	Statler
Boggs	Hamilton	Maynard	Storch
Brewer	Hanrick	McGeehan	Summers
Butler	Hanshaw	Miley	Sypolt
Byrd	Harshbarger	Miller, C.	Thompson
Campbell	Hartman	Miller, R.	Upson
Canestraro	Hicks	Moore	Wagner
Capito	Higginbotham	Moye	Walters
Caputo	Hill	Nelson	Ward
Cooper	Hollen	Overington	Westfall
Cowles	Hornbuckle	Pack	White
Criss	Householder	Paynter	Williams
Dean	Howell	Pethel	Wilson
Diserio	Iaquinta	Phillips	Eatezalo
Eldridge	Isner	Pyles	Speaker Armstead
Ellington	Jennings	Queen	
Espinosa	Kelly	Robinson	
Evans, E.	Kessinger	Rodighiero	

NAYS: 4

Fleischauer	Fluharty	Pushkin	Rowe
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NOT VOTING: 3

Deem	Evans, A.	Sponaugle
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2018 Regular Legislative Session

WV DEP Rule Package / SB 163

-Blasting Requirements

- Adopt Federal Language
- Pre-Blast Survey Distance
- Blasting Requirements for Construction at Underground Mines

-Bonding, ABS & Water Treatment

- Adopt Federal Language
- CWA Issues are Independent Obligation Under the NPDES Program

2018 Regular Legislative Session

WV DEP Rule Package / SB 163

Tuesday, January 30, 2018

11:43 AM

West Virginia Senate

Roll Call

SB 163

Authorizing DEP promulgate legislative rules

Yea: 34 Nay: 0 Absent: 0 Excused: 0

Y ARVON	Y GAUNCH	Y RUCKER
Y AZINGER	Y JEFFRIES	Y SMITH
Y BALDWIN	Y KARNES	Y STOLLINGS
Y BEACH	Y MANN	Y SWOPE
Y BLAIR	Y MARONEY	Y SYPOLT
Y BOLEY	Y MAYNARD	Y TAKUBO
Y BOSO	Y OJEDA	Y TRUMP
Y CLEMENTS	Y PALUMBO	Y UNGER
Y CLINE	Y PLYMALE	Y WELD
Y DRENNAN	Y PREZIOSO	Y WOELFEL
Y FACEMIRE	Y ROMANO	Y MR PRESIDENT
Y FERNS		

3rd Reading

Effective From Passage

WEST VIRGINIA HOUSE OF DELEGATES

83rd Legislature - Second Regular Session

SB 163

Authorizing DEP promulgate
legislative rules

RCS# 126
2/16/2018
12:15 PM

PASSAGE

YEAS: 88 NAYS: 8 NOT VOTING: 4 PASSED

YEAS: 88

Adkins	Evans, A.	Kessinger	Robinson
Ambler	Evans, E.	Lane	Rodighiero
Anderson	Ferro	Love	Rohrbach
Atkinson	Folk	Lovejoy	Romine, R.
Barrett	Foster	Lynch	Rowan
Bates	Frich	Marcum	Shott
Blair	Gearheart	Martin	Sobonya
Boggs	Graves	Maynard	Sponaugle
Brewer	Hamilton	McGeehan	Statler
Butler	Hanrick	Miley	Summers
Byrd	Hanshaw	Miller, C.	Sypolt
Campbell	Harshbarger	Miller, R.	Thompson
Canestraro	Hartman	Moore	Upson
Capito	Hicks	Moya	Wagner
Caputo	Higginbotham	Nelson	Walters
Cooper	Hill	Overington	Ward
Criss	Hollen	Pack	Westfall
Dean	Householder	Paynter	White
Deem	Howell	Pethtel	Williams
Diserio	Iaquinta	Phillips	Wilson
Eldridge	Jennings	Pyles	Zatezalo
Espinosa	Kelly	Queen	Speaker Armstead

NAYS: 8

Fast	Fluharty	Longstreth	Rowe
Fleischauer	Hornbuckle	Pushkin	Storch

NOT VOTING: 4

Cowles	Ellington	Issner	Romine, C.
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2018 Regular Legislative Session

The Disappointments



- **Action on Severance Taxes**
(W. Va. Coal is Losing Market Share)
- **EOTC**
(Available to Every Industry but Coal)
- **Office of Coalfield Community Development**
- **Direct Appeal of Enviro Board Decisions to Supreme Court**

Federal Regulatory Issues

- W.Va.'s Hardness-Based Aluminum Criteria (?????)
- Permit as a Shield (???)
- **WOTUS (more on this later)**
- CPP Re-Write
- Hg MACT
- ESA (Poison Pills from the SPR)
- **ESA and State Regulatory Programs**

Moving Forward

We CAN do Better



McDowell County, W.Va.

- Six counties in W.Va. Worse than Great Depression
- 13% UnEmp Rate (15.9% in 2015)
- “Poorest, Sickest, Most Hopeless Place in North America”

Everybody Wants to Help: *Prove It*



- "Not Waging a War on Coal but War For Clean Water"

- WOTUS

- "Stream" Mitigation to Help the Coalfields and the People

- CWA Implementation that Doesn't Target the Coal Industry

Moving Forward

- **Lots of Work to Do**
 - Rulemaking
 - WOTUS
 - 401 Certification
- **“Across the Finish Line”**
 - Aluminum
 - Permit as a Shield
 - Narrative
- **Taxes**

To the Men & Women of the West Virginia Coal Industry & WV DEP: *Congratulations, Thank You...*

- Weathered the Storm & Recovered
- Protected the Environment and the Public
- Defended the State Programs in the Face of Adverse Overseers and Courts
- Still Provide the Lowest Cost Electricity to the Nation
- Fire the Furnaces That Will Forge a Stronger Nation
- Brought Power, Light, Heat & Hope to 32 Countries Around the World
- Keep W.Va. Moving

Thank You



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