



Jason Bostic

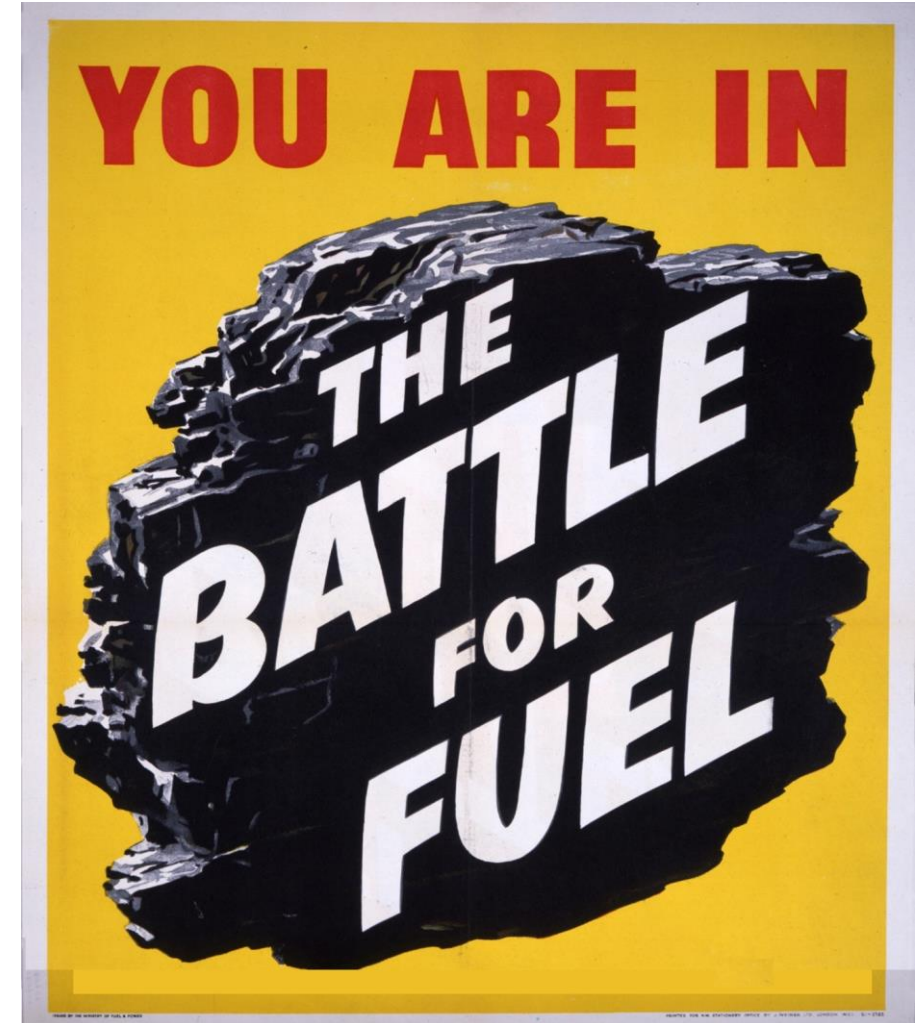
West Virginia Coal Association

Mine Drainage Task Force Symposium

October 4, 2022

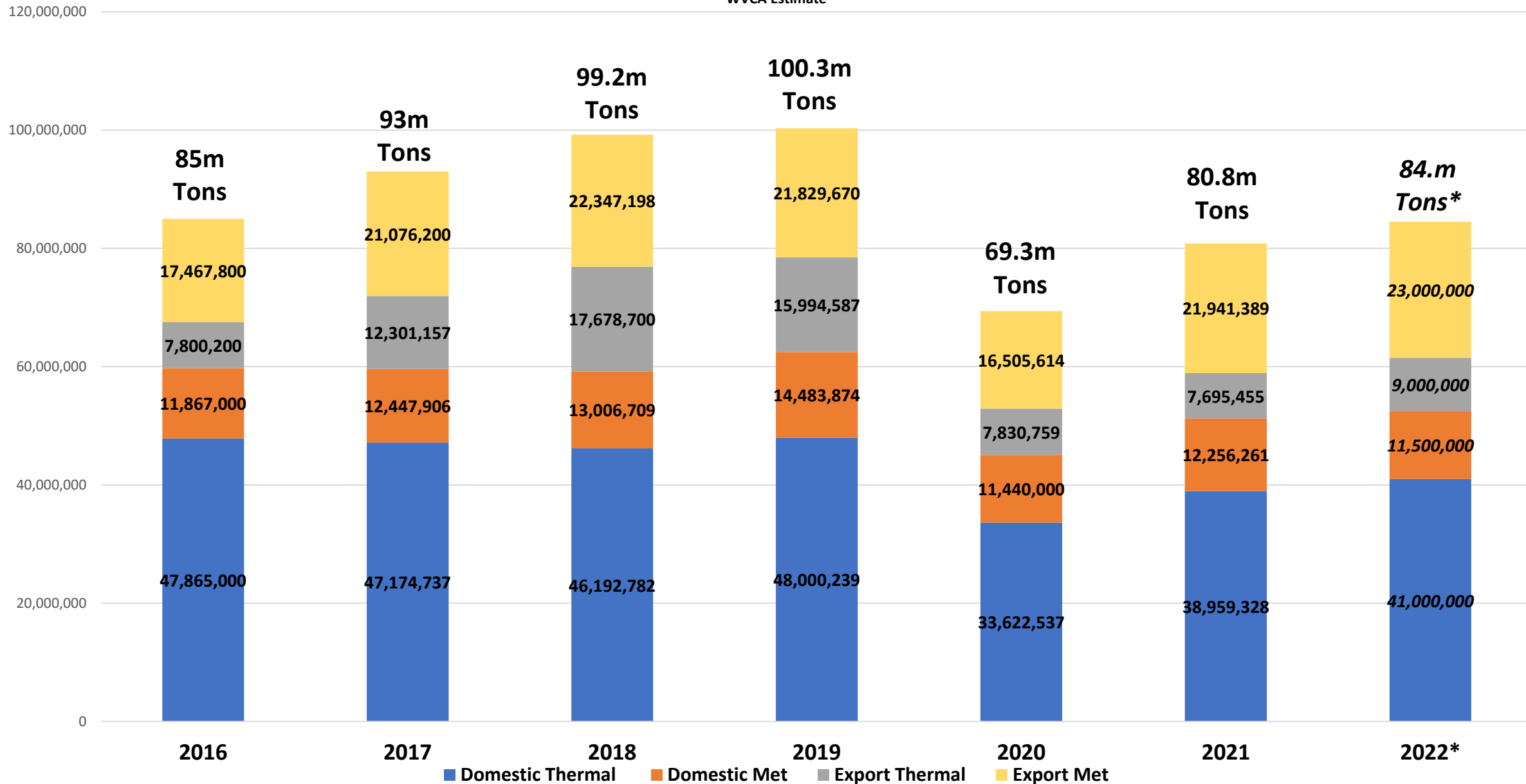
Introduction

- Coal Market / State of the Industry
- Legislative & Regulatory Issues
 - Federal
 - State
- Looking Forward



West Virginia Coal Production: 2016-2022*

*WVCA Estimate



****Energy Crisis****

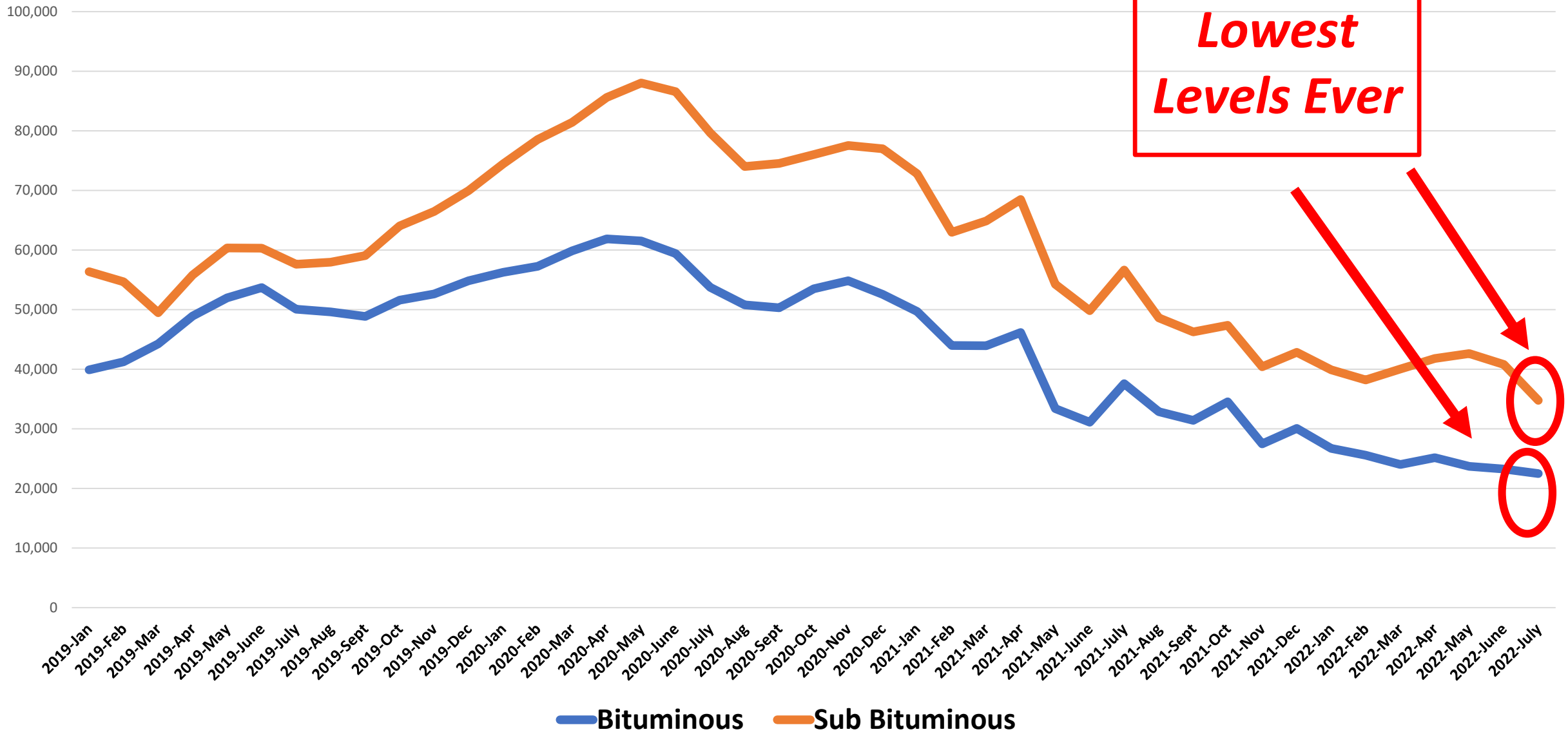
(Not Just Europe)

- U.S. Energy Supplies NOT Responding to Price Signals (ESG Pressure?)
- **Thermal Coal, Especially Appalachian Coal, Inelastic**
(We Told You So)
 - W.Va. Thermal Exports *Should Have Been* +13m tons (7.6m)
- Domestic Thermal Coal VERY SHORT SUPPLY (Central App Coal)
 - Every Single Coal Plant in U.S. Could Dispatch Based on NG Prices***
 - ***ISOs / RTOs Ordering Coal Plants Not to Run (coal stockpiles)******
 - Very*** Worried About Winter Burn Season
 - Y/Y Price of Power +250% (PJM / MISO)
 - New Alphabet Soup of Air Reg Changes from EPA
- U.S. “Coke Short” in 2019; ***Coke Ovens Keep Closing***-Infrastructure Bill Spending?

Coal Stockpiles at Domestic Utility Plants

2019- 2022 (YTD)

(thousand tons)

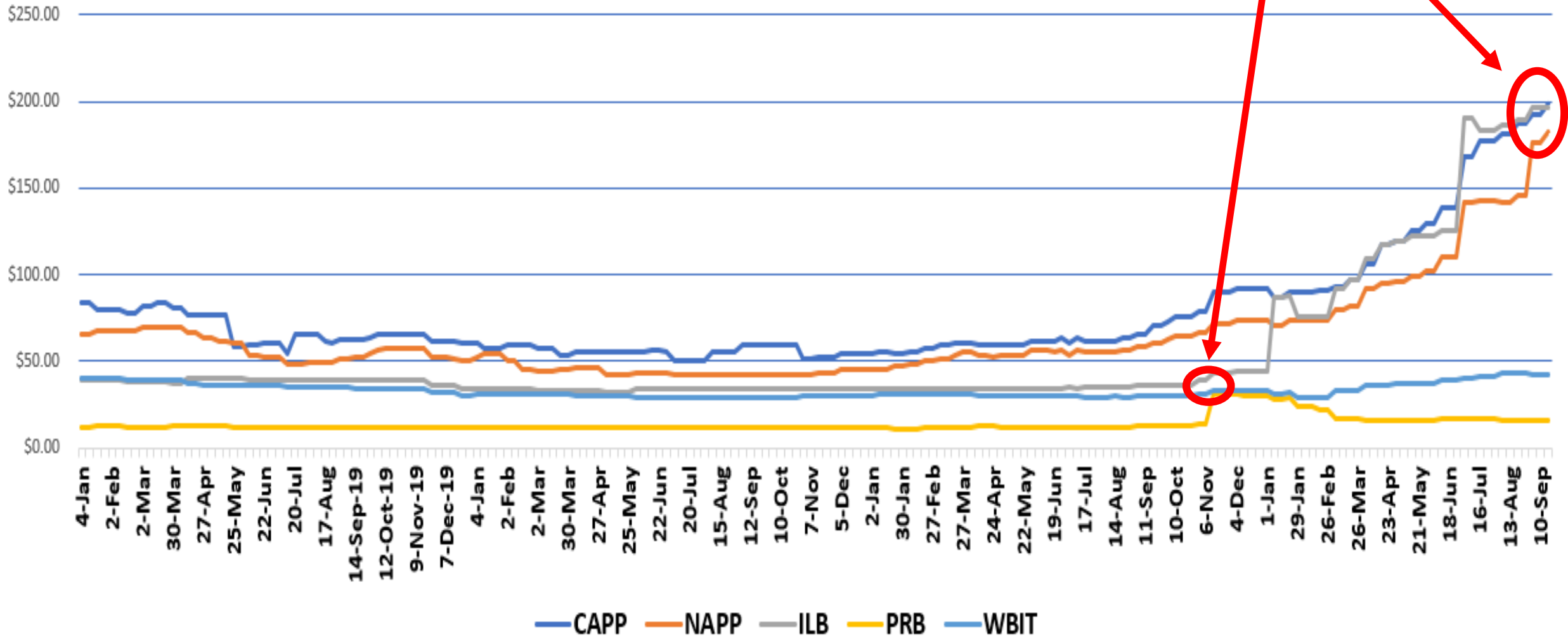


U.S. Thermal Coal Pricing: 2019 to 2022 (YTD)

\$/Ton

EIA Reported Spot Prices

*Highest Prices
Ever Recorded*



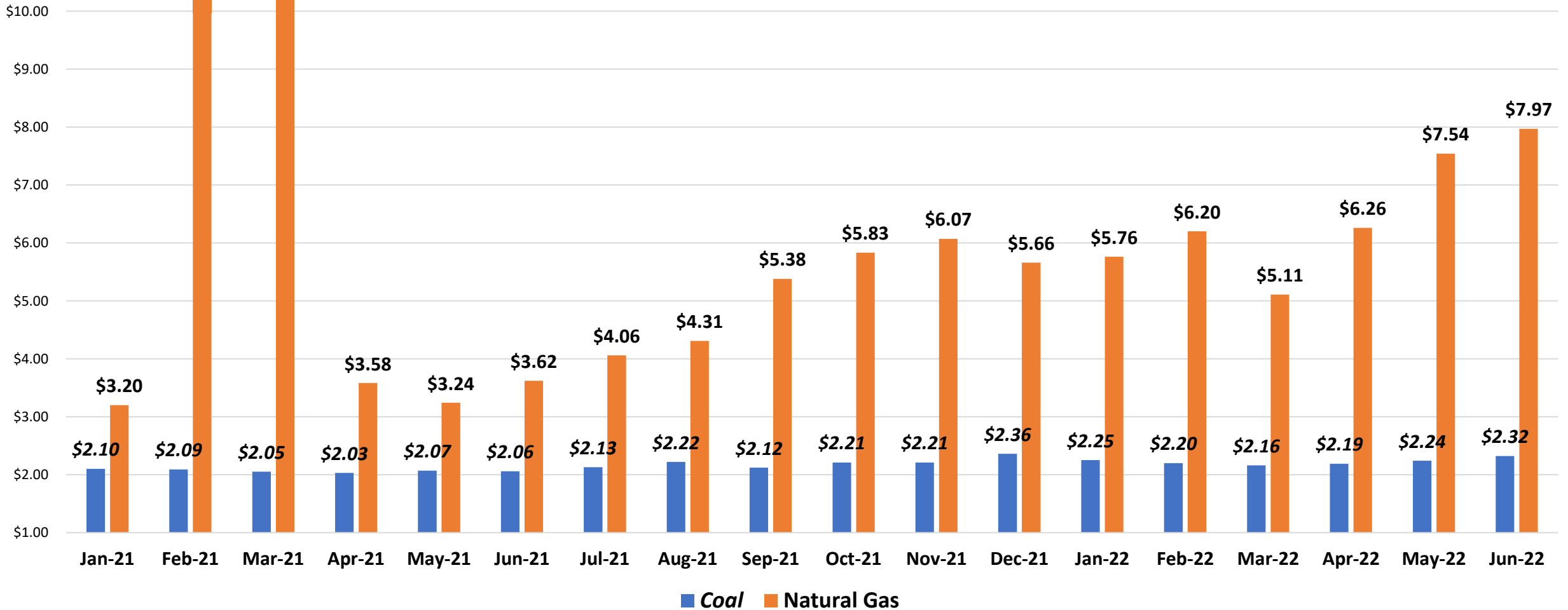
Average Generation Cost by Fuel Type 2021-2022

(Year to Date)

Coal vs. Natural Gas

\$/mbtu

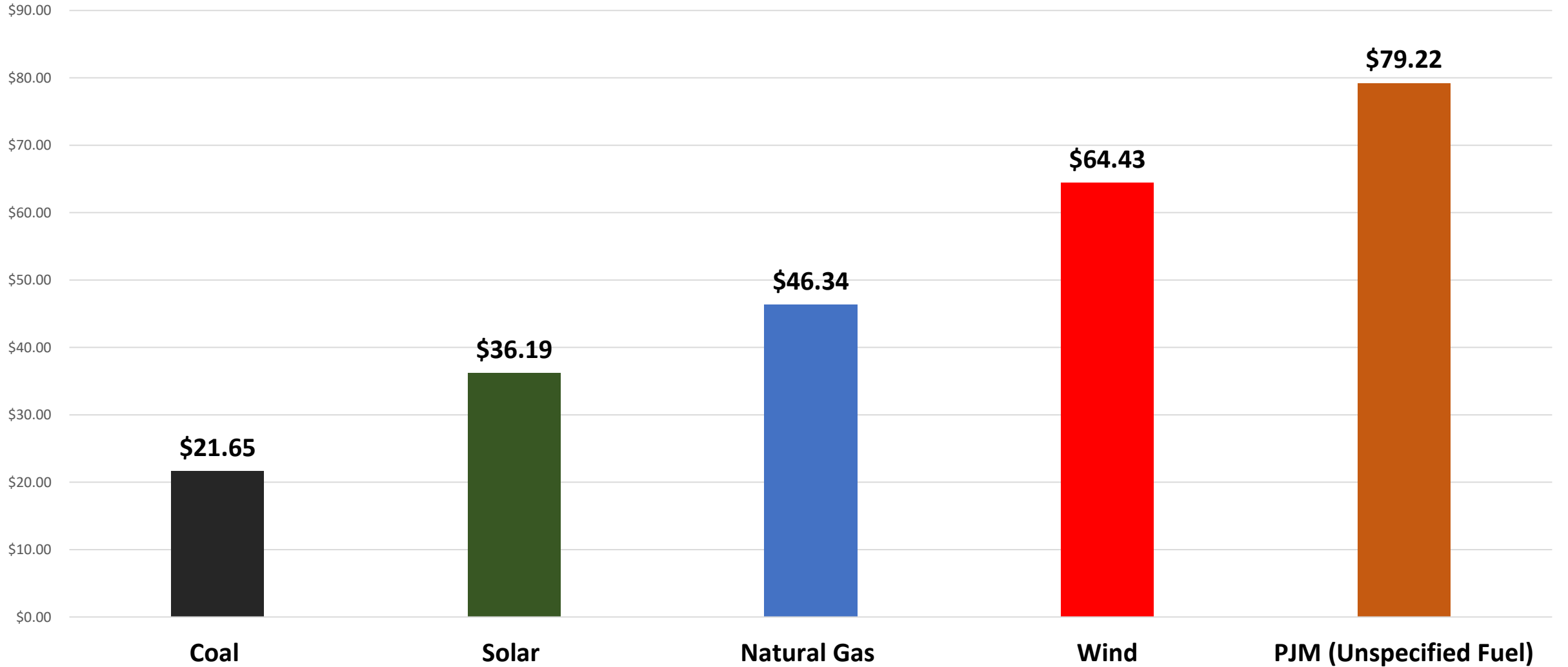
All U.S. Power Plants as reported to EIA (Form 923)



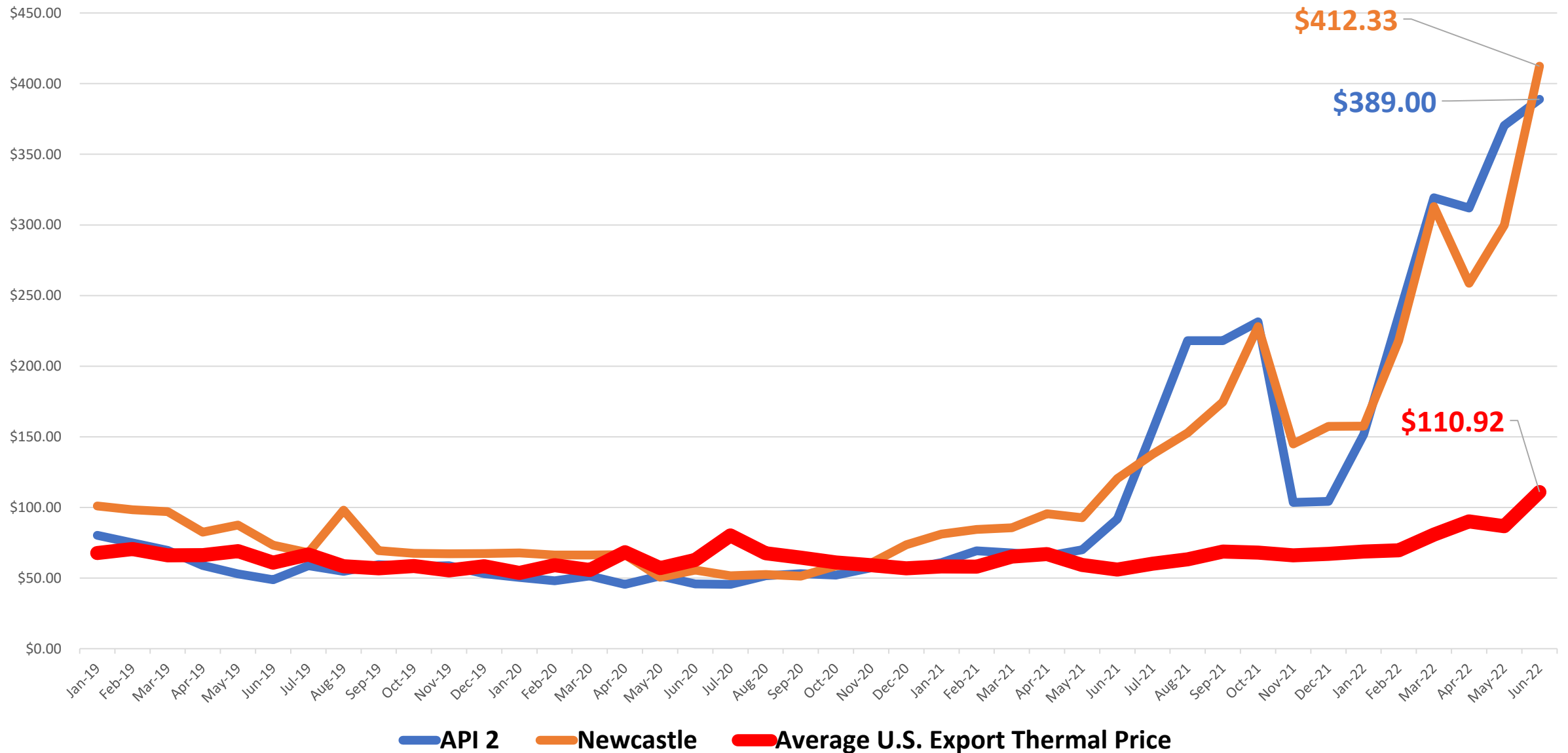
APCO Average Electric Generation Costs

\$ MW/h

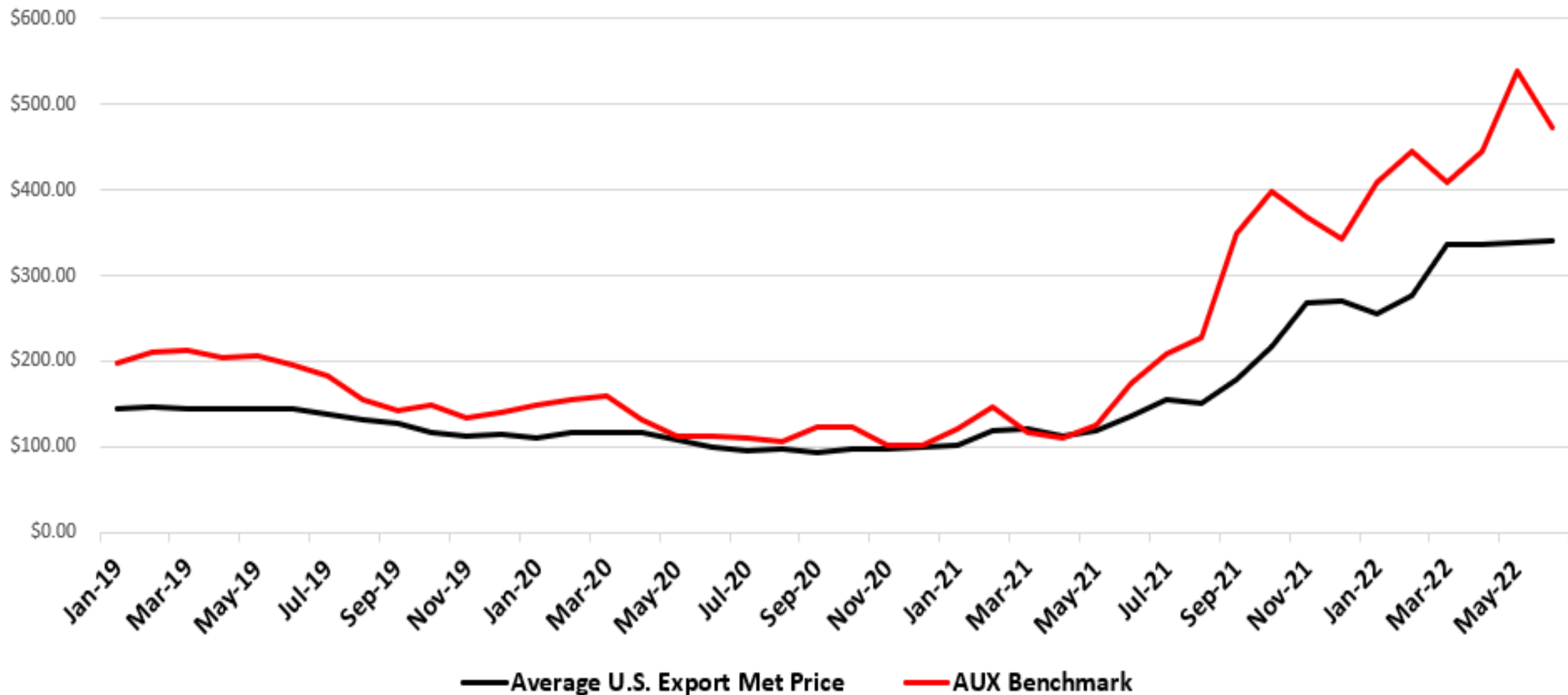
(PSC Cases No. 21-0339-E-ENEC & No. 22-0393-E-ENEC)



U.S. Export Thermal Coal Pricing v. API-2 (Europe) & Newcastle (Asia) Prices 2019-2022 (YTD)



U.S. Export Metallurgical Coal Pricing vs. AUX Benchmark 2019- 2022 YTD



Federal Legislative

- Infrastructure Bill

- AML \$\$\$ Infusion

- Domestic Infrastructure

- Where's the Steel Going to Come From?*

- Inflation Reduction Act

- Europe's Energy Plan on Steroids*

- Paid for by the Taxpayer*

- Increase Electric Demand, Undermining & Compromising Supply*

- IPC / PTC for Intermittent Sources

- CO2 Capture

- IRA Permitting Deal

- Really a Natural Gas Permitting Deal

- NEPA / 401 Certification



Federal Regulatory



- WOTUS
- 401 Certification
- Surface vs. Groundwater
- Effluent Guidelines (Power Plant)
- Coal Combustion Residuals
 - New Rules & Facility Permits
- CAA & Steel Furnaces (BF & EAF)
- 404 Permitting (Veto / Pebble Mine)
- ESA Revisions (Critical Habitat)
- Ozone Transport Rule
- *Pending Amendments at OSM*



- *PFAS Advisories & Rulemaking*
- EPA Oversight of State NPDES Permits: Comment Letters to WV DEP
 - Environmental Justice

State Legislative



- Relatively *Quiet* on the Environmental Front
- Oversight of the SRF by Legislative Auditor
- Drinking Water Standards
- NPDES Funding for DMR
- Mining Mutual (\$50 million in state \$\$\$)
- Tax Policy: Personal Income vs. Personal Property Tax
(Thanks to Coal Miners)
- In-State Coal Plants (PEA)
- Revisions to AST Rules

State Regulatory

- Make the Programs Better, More Efficient
- Sufficient Funding / Staffing
(Best Defense is a Strong State Agency)
- *Stay Ahead of the Oversight Agencies*
- CAA Permitting Fees
- *Trout Stream Working Group*
(aluminum)
- UIC
- Bond Release w/ Water Treatment
- **ESA Critical Habitat for Crawdaddies**
- ***VOC Emissions @ Prep Plants***



Looking Forward

- **Market: Wild Ride**
- **Federal Legislative: Sort out the Carnage**
- **Federal Regulatory: Vigilant**
- **State Legislative: Preserve Gains**
 - State Coal Plants**
- **State Regulatory: Cooperation**





Don't
Just Talk

- Support Those
that Support
You

Thank You



The World's Fuel Of Choice