Statement of the West Virginia Coal Association:

Congressional Field Hearing Conducted by the Ways and Means Committee, US

House of Representatives

Petersburg, West Virginia -- February 6, 2023

Chairman Smith, Congresswoman Carol Miller, Committee Members,

Thank you for selecting West Virginia as the site of your field hearing to hear real stories from real Americans in 2023.

We submit to the record that the financial struggles confronting workers throughout our country are more pronounced in West Virginia. In addition to the broader worries that come from soaring inflation and shortages, far too many West Virginians also deal with the burdens imposed by a realization their federal government is working to eliminate their occupations.

Virtually every day these men and women confront negative headlines originating from Washington. This daily barrage emphasizes the Biden Administration's crusade against coal and other fossil energy sources in a delusional quest to alter global climate by wrecking American industry.

It is sad that every day they wake up wondering what uneducated left-wing policy this administration may throw at them that will threaten their livelihood, all in the name of achieving some fantasy world powered by unreliable and expensive energy contrived in either San Francisco or Manhattan.

Our state's coal miners represent the "heart and soul" of our great state. Coal mining communities throughout the state symbolize the hard-working traditions of America's industrial core and reflect their commitment to build a better country.

You will find a common thread listening to our residents, workers and companies doing business here in West Virginia. Supply chain disruptions, soaring home heating bills, the high price of gasoline at the pumps and a seemingly never-ending global energy crisis reflect one thing: <u>misguided energy policies</u> <u>from Washington, D.C.</u>

These fundamental household expenditures are chewing up a much larger portion of family budgets today and are forcing families all throughout our state to choose between these vital necessities and post high school tuition or education opportunities and needed health care of all kinds.

Unfortunately, our coal mining families know this from experience. An all-out bureaucratic "war on coal" from the Obama Administration needlessly eliminated thousands of mining jobs in the nation's coalfields by prematurely closing coal fired power plants and obstructing permits for new mining operations. *The nation's electric system has never recovered from these actions, with power grids suddenly unable to deal with periods of high energy demand.* Likewise, some of our mining areas and regions are struggling to survive and recover years after the social fabric of their communities were devastated by the reckless elimination of coal jobs.

Frankly, these great Americans deserve better from our government, and we are optimistic that the new Congress under Republican leadership and this Committee will reverse the wrongs and job killing policies of the Biden-Pelosi era that ended on December 31, 2022.

These onerous policies of President Biden are also serving to undermine the great progress our Governor and our electorate have made for our great state!

For the record, our Association represents coal producing companies, mine machine shops, vendors, an assortment of technical and reclamation contract companies that account for 85 million tons of annual coal production. West Virginia coal represents some of the highest-grade fuel that exists anywhere in the world, providing important baseload electric generation and steel making.

West Virginia is the second leading coal producing state in the country, the leading underground coal producing state, the largest metallurgical coal producer in the U.S. and the leading coal export state accounting for nearly fifty (50) percent of the coal leaving U.S. borders. All told, our member companies represent 50,000+ workers who show up at a mine site every day and countless families behind them that rely on the state's coal industry to put food on the table.

Our miners display incredible journeyman level skill with advanced mining technologies and the most sophisticated, computerized extractive systems found anywhere in the world. They harvest energy to forge the steel for our national defense system, critical infrastructure buildout and provide the base fuel for the most reliable, cost efficient industrial and household power.

These dedicated, hardworking West Virginians are also little league coaches, our neighborhood volunteers, or ministers. Their spouse is likely a health care professional, educator, or community worker. In short, miners are incredible contributors to society and share our family and conservative values.

Except for the four years of Republican control, today's miners have been villainized for the biggest part of two decades now and wake up every day to a barrage of undesirable comments from this federal administration and national Democrat leaders.

We contend mining is an honorable profession and has contributed immeasurably to the quality of life in this great country. The coal industry has powered us through two world wars and the industrial age. Our nation's steel produced from the highest quality metallurgical coal has built the greatest infrastructure and defense system known to man and our thermal coals have created the most dependable electric system which are the envy of the world.

As a relevant part of today's hearing, please note our Association's recommended "platform of issues" or action items attached to this statement. These issues range from doing whatever is necessary to slow the barrage of additional regulatory measures from President Biden's EPA against the remaining coal plants to assisting coal exports to countries seeking additional West Virginia coal.

Of particular interest to ensure West Virginia coal continues to supply our state and region with low-cost reliable energy, is the suggestion to upgrade and modernize our coal fleet through tax credits and incentives so they may continue to operate as the most reliable power system in the world with lower carbon emissions with cost savings to consumers and end users of West Virginia's power.

The most recent "Reliability Assessment" from the North American Electric Reliability Commission (NERC) and lessons from Storm Elliot last Christmas has reinforced the critical nature of base load electric generation that only coal can provide! With over 70% of all outages due to natural gas failures and coal fired electricity called on to generate more than twice the normal output speaks directly and convincingly to this point!

Congress has recently extended production credits for wind and solar and all our miners ask, in addition to the right to continue to provide for their families, is a fair playing field. Providing tax credits to coal plants to upgrade their efficiency would balance the fiscal incentives for achieving carbon targets while ensuring greater energy reliability into the grid.

We have been working under Congresswomen Carol Miller's leadership on important "reliability" legislation to provide critical support and a future for West Virginia's existing coal-fired electric generating facilities and for our miners. Because when the sun isn't shining, the wind isn't blowing, and when extreme temperatures in winter or summer happen each year, West Virginia coal has always been there to save the day for Americans.

We look forward to working with you Mr. Chairman and members of House Ways and Means Committee on this important legislation.

Thank You.

Chris R. Hamilton

President & Chief Executive Officer West Virginia Coal Association

## **2023 Proposed Congressional Priorities and Federal Actions**

The following topics represent recommended 2023 Congressional Actions

- 1. <u>Baseload Reliability Tax Credit:</u> Proposed federal legislation that would fiscally reward coal-fired electric generation by realigning Production Tax Credits (PTCs) and Investment Tax Credits (ITCs), on a fuel-neutral basis, to incentivize baseload electricity generation capacity that delivers electricity on demand. Such legislation would potentially mitigate or normalize the expanded renewable credits in the Manchin-Schumer IRA legislation.
- 2. <u>Stopping USEPA's Regulatory Assault on Fossil Energy:</u> Staying EPA's Regulatory Agenda on active coal-fired electric plants based on the North American Electric Reliability Corporation's (NERC) 2022 Reliability Assessment and Storm Elliot. Nearly one third of the current coal fleet or 93,000 MG of electricity is scheduled to come offline by 2030 further compounding current reliability and resource adequacy concerns.
- 3. Enhanced Rail Service Oversight: Following inadequate rail service for practically all of 2022, ACAs advocates enhanced or greater Congressional oversight of the nation's rail system. Coal's value to our nation's reliable delivery of household and industrial power, employment levels and commerce is of utmost importance for this country and too important to continue forward without increased scrutiny and accountability..
- 4. Rein in US Fish & Wildlife Service. The US F&WS is quickly becoming a major barrier to the timely and efficient issuance of mining permits. Increased Congressional oversight is warranted to highlight the inadequacies of F&WS and how their inactions are resulting in loss of markets and employment opportunities and energy production.
- 5. <u>Federal Coal Leasing Program.</u> U.S. District Judge Brian Morris of Montana this summer deemed a Trump-era environmental review of coal leasing inadequate, finding that it "was arbitrarily curtailed and failed to consider relevant factors. "In a win for environmental groups,

and to the frustration of Wyoming's coal industry, Morris reinstated an Obama-era moratorium on federal coal leasing (which had been repealed under President Donald Trump). The moratorium will remain in place until the Bureau of Land Management completes "sufficient" analysis of coal leasing's contribution to climate change.

6. Expand Coal Exports: Aggressively pursue, working in close partnership with the Congressional Energy Export Council the replacement of Russian Coal and energy throughout the 27 country European Community. Russia currently supplies approximately 45 million tons of thermal and met coal to provide its energy needs. Russia currently provides 60% of Europe's thermal coal and 30% of the met coal to Europe's steel makers and is looking for friendlier sources of coal and energy.