



**West Virginia Coal Association
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September 13, 2021

The Honorable Shelley Moore Capito
United States Senate
72 Russell Senate Office Building
Washington D.C. 20510

Dear Senator Capito:

I wanted to take this opportunity to express our sincere appreciation for your continued leadership and strong opposition to the (80 by 30) Clean Energy Standard (CES) and Clean Energy Payment plan advancing in Congress. We understand these proposals have been presented by Senator Tina Smith (D-Michigan) and will likely be included in the Senate Budget Reconciliation bill for immediate consideration.

You have consistently advocated for a sensible and realistic path forward to innovate and modernize our industrial facilities by providing for carbon reducing technologies to preserve West Virginia's economy and to keep coal in our country's energy mix.

Make no mistake about it, the currently proposed 80% carbon reduction by 2030 and utility buy out scheme will decimate West Virginia's coal mining and coal-fired electric generation. If either of these plans are enacted, mining operations will almost immediately begin to close, our eight in-state coal plants will commence decommissioning activities and all carbon capture research and critical funding in support of promising technologies and demonstration projects will cease.

It simply is not reasonable nor realistic to impose this substantial carbon reduction in such a relatively short period of time especially given the planning, engineering, financing, permitting, and construction demands of industry-wide, carbon control technology deployment. Equal challenges and time constraints reign with respect to battery storage technologies and accommodating grid and transmission build out necessary to accommodate growth in alternative or intermittent i.e., wind or solar power alternatives.

With all our fossil fuel assets, West Virginia stands to lose more than any other state and would subsequently be left with no other choice but to import power at costs determined by out-of-state utilities or other jurisdictions. Conversely, the roadmap forward you have championed will also achieve a carbon-free emission goal but would alternatively allow our miners to work and our existing mines and electric generating plants the opportunity to operate as carbon capture technologies come online and are deployed. Under your proposal, thousands of West Virginians remain gainfully employed and the nations electric grid would remain resilient — protected from undesirable events and the delivery of household electricity would be secured and uninterrupted.

Based on these factors, it's reasonable to conclude that those individuals unwilling to follow your lead are, in reality, seeking an elimination of coal mining and coal-fired generation altogether regardless of whether technological advancements in carbon capture processes can substantially reduce or achieve zero emissions.

As you know, the Biden Administration, through USDOE and USDOC, has committed resources and funding opportunities to rebuild coalfield communities that have already been hit hard by the recent decline in coal usage. If the currently proposed CES would be enacted, practically speaking, every county in West Virginia would face financial challenges and hardship. It's difficult to reconcile how, on one hand, the Biden Administration sets out to rebuild West Virginia through the "Coalfield Revitalization Initiative" yet simultaneously supports an initiative to decimate our great state by imposing an unrealistic carbon program.

Recall earlier this year our states leading economist, Dr John Deskins of WVU, assessed West Virginia's coal industry and our eight baseload, coal plants accounted for nearly \$14 billion in annual economic output and 33,000 high paying West Virginian jobs. The costs of WV's 8 electric generators have already been factored into our electric rates which state residents are paying for and any new costs associated with new power buildout or power purchased from other states would be added onto current rates above and beyond the costs already associated maintaining the existing coal fleet. This would equate to every West Virginian being saddled with two home mortgages!

Coal and coal-fired electricity provide superior assurances beyond any other base fuels that household power supplies will not be compromised during adverse weather or other undesirable events. Grid resiliency and stability, heightened protection against severe weather or terrorism, and other disruptions are key objectives that serve to underscore the benefits of base load coal generation.

Our members also believe a relevant part of any CES discussion has to be elevated to the global stage in order to accurately assess its potential success. In this regard, all one has to do is compare energy (coal) trends and emissions between China and the United States. Be mindful, China presently consumes five times more coal than we do and, remarkably, has plans to increase the amount of coal they presently consume by the same amount consumed by the United States. Yes, China is building or has plans to build another 247 gigawatts (GW) of coal-fired electricity. The United States currently generates 217 GWs. World coal consumption is also growing. Beyond China's 247 GW of new power generation, another 256 GW of coal-fired generating capacity are under development. So, while coal consumption and coal plants DECREASE in the United States, there are approximately over 1,000 "new" coal-fired plants in the global pipeline in various stages of development.

We fully embrace your approach to work together towards a carbon free future while keeping our miners and electric plants working and preserving West Virginia's continued contributions as a world energy and carbon abatement leader.

We appreciate your leadership and your hard work on behalf of West Virginia and in support of coal. As Senate deliberations over the CES intensify, if we assist you in any way, please let us know.

Respectfully,

Chris Hamilton
President/CEO

