



Rep. Lou Barletta, R-Pa.

Photographer: Bryan R. Smith/AFP/Getty Images

## News

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- Rep. Lou Barletta (R-Pa.) introduces \$12 per ton tax credit for coal refuse plants
- Credit would expire after 10 years

### House Bill Aims at Tax Relief for Coal Refuse Power Plants

A Republican-backed House bill introduced Feb. 8 would provide a refundable tax credit for power plants that burn coal refuse tossed aside by mining companies decades ago.

The \$12-per-ton credit could be enough to get the struggling coal refuse industry through the next 10 years, when the credit would expire.

Rep. Lou Barletta (R-Pa.), the bill's sponsor, told Bloomberg Environment he plans to immediately seek cosponsors for the Coal Refuse Reclamation Act (H.R. 4977) and try to take it to the floor, perhaps attaching it to a bigger piece of legislation.

"I'm going to take whatever ride I can for this bill," said Barletta, who is also running for the Senate. "We're going to look at every possibility for where this bill can go. The coal industry was on the brink of being closed down, which is a lot of jobs for Pennsylvania, so time is of the essence to get this bill to the floor or attached to something so we can get this credit to reality."

### Path Forward Unclear

The bill's fortunes in Congress appear mixed. The industry only affects a small number of states, and Senate Democrats may not want to support any legislation offered by Barletta, who is challenging Sen. Bob Casey (D-Pa.).

However, the industry's lobbyists in 2016 won a \$10 million annual tax credit in the Pennsylvania legislature—where the industry is mostly located—by showing that, because no federal or state funds are available to pay for land cleanup, a private sector fix is needed. President Donald Trump's full-throated support for fossil fuel energy also could embolden lawmakers to push the bill forward, secure in the knowledge that a stand-alone bill likely wouldn't get a White House veto.

Barletta, whom Trump urged to run against Casey, said the bill is intended to make waste coal competitive with other industries—such as wind and solar—that receive federal subsidies.

# Bloomberg Environment

“For some of these plants, it’s a must-have,” George Ellis, executive director of the Appalachian Region Independent Power Producers Association. “It will ensure our financial sustainability.”

The coal refuse industry has said it might only be able to survive a few more years, mostly because of cheap natural gas and federal air pollution rules. Fourteen of the nation’s 18 coal refuse plants operate in Pennsylvania, employing 4,300 workers, Barletta said.

## Backing From Environmentalists

Some environmentalists embrace coal refuse companies because they clean up waste piles that leach acid mine drainage into waterways and sometimes burn for years, giving off volatile organic compounds. The piles aren’t on the federal government’s priority list for remediation, and most states lack the funding to clean them up themselves, meaning they’re fated to sit in place indefinitely.

Other environmentalists argue against burning waste coal because they say it contains higher levels of mercury, sulfur dioxide, and nitrogen oxides than ordinary coal.

Pennsylvania is home to some 200 million cubic yards of coal refuse, according to ARIPPA. Similar piles exist in other coal states such as West Virginia and Kentucky.

Separately, Congress is also mulling a bill (H.R. 1119) that would keep in place an existing waiver exempting coal refuse companies from the Environmental Protection Agency’s Mercury and Air Toxics Standards rule, currently set to expire in April 2019.

Four of the nation’s 18 coal refuse companies need that waiver to remain financially solvent, Ellis said.

By Stephen Lee <https://bna.com/environment-and-energy/house-bill-aims-at-tax-relief-for-coal-refuse-power-plants>

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