

Pa. lawmaker wants energy tax credits for plants that burn coal waste

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By Joshua Learn

Rep. Lou Barletta, R-Pa., introduced a bill that would incentivize coal refuse clean up by giving tax credits to power plants that burn the waste as fuel.

"These waste coal piles exist everywhere. You almost become blind to them growing up around them until you become mayor like I did, then you wonder where all these ugly coal piles came from and when will they ever go away," Barletta told S&P Global Market Intelligence. "This is a way to clean up the environment, help eliminate acid mine drainage, bring land back to beneficial use."

The cost of reclamation of abandoned mine lands in Pennsylvania is among the highest in the country due to the state's historical legacy of coal mining — cleanup of abandoned mine lands in the state's fifth district alone carries a price tag of roughly \$442.9 million, according to data compiled by U.S. Office of Surface Mining Reclamation and Enforcement. However, last year OSMRE only made \$33.6 million available to the whole state for reclamation from the Abandoned Mine Land Reclamation fund.

The lawmaker said that his bill, titled the "Coal Refuse Reclamation Act," introduced to the U.S. House of Representatives earlier this month, would help to clean up some of this problem while providing jobs at power plants.

According to data Barletta's office passed along from the Anthracite Region Independent Power Producers Association, the 18 coal refuse facilities located in Pennsylvania, West Virginia, Utah and Montana represent an installed capacity of about 1,700 MW. To date, these plants have removed over 230 million tons of coal refuse, restored thousands of acres of abandoned mine lands and cleaned up billions of gallons of acid mine drainage water. The plants support more than 4,300 jobs.

Barletta said that the production tax credit would last for a 10-year period, giving \$12 per ton for eligible coal refuse-fired electric plants, or those which burn coal refuse or fuel composed of at least 75% coal refuse by Btu energy value. Barletta said that 14 of the 18 eligible plants in the U.S. are in Pennsylvania.

Andy McAllister, regional coordinator for the Western Pennsylvania Coalition for Abandoned Mine Reclamation — a nonprofit that works on reclamation projects — told S&P Global Market Intelligence that the organization is always interested in anything that can further the use of waste coal for power generation.

He said that without this incentive for waste coal plant operators, the federal government or the state would have to reclaim these areas.

John Coequyt, a federal advocate for the Sierra Club, said the environmental advocacy group is evaluating the proposed legislation.

"Obviously those piles are a problem and that needs to be addressed. But it's not always the case that the waste coal plants are a solution," he said.

He worries that this bill will be wrapped up in other legislation, reintroduced by Rep. Keith Rothfus, R-Pa. in February 2017, that would to ease up air standard rules for plants that convert coal refuse into energy. That rule passed the House in March 2016 but moved no further under the 114th Congress.

"The issue that we've been dealing with here in Washington here is efforts to exempt or somehow weaken air pollution requirements for these waste coal plants," Coequyt said, adding that he does not think that one community's waste

problem should be moved into the air or water of another community.

Coequyt said that the bill missed a good chance to pass through Congress with the passing of the recent budget bill, which included energy extender tax credits for carbon capture and nuclear power facilities.

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