

CLIMATEPROGRESS

AP Photo/Jeff Gentner

Inside West Virginia's Struggle To Break Its Coal Addiction

BY [KATIE VALENTINE](#)  AND [KILEY KROH](#)  ON MARCH 11, 2014 AT 11:16 AM

WEST VIRGINIA — If there's one thing January's massive chemical spill in West Virginia taught Jeremy Richardson, it's this: no matter what his power bill says every month, coal is "not cheap."

"This was a chemical used to process coal," said Richardson, senior energy analyst and West Virginia specialist at the Union of Concerned Scientists. "It really points to the need to not have

all of our economic activity reliant on just one or two things.”

The spill that contaminated the drinking water of 300,000 West Virginians has reignited debate in the state, not just over the need for stricter chemical and coal industry regulations but how the state’s reliance on these industries is affecting its residents and environment.

“People’s health here has been sacrificed so that the world — not just the U.S., but the world — can flip on lights,” said Maria Gunnoe, a community organizer in Boone County. “And it just doesn’t make sense.”

Diversifying the state’s economy has been a focus of Mike Manypenny, a member of the state House of Delegates, for years — so long that he can’t even remember how many energy bills he’s introduced into the state legislature. Increasing renewable energy and energy efficiency, areas of focus for Manypenny, aren’t priorities for many lawmakers in West Virginia, he said; remaining on good terms with the coal industry is.



“People around here are so afraid of losing the coal industry because of the fictitious ‘war on coal’ that they will do anything to try to give coal an edge, or the industry an edge,” he said.

But the decline of coal in Central Appalachia is impossible to ignore, and while transitioning its focus away from the coal industry may be what West Virginia needs to do to survive, changing the economy and culture of a state long dependent on coal — with many of its leaders still loyal to the coal industry — has proven to be an uphill battle.

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“Simply put, we need to put a new economy in place,” said David Graham, who’s running for the West Virginia House of Delegates in coal-dependent Logan County. “We’ve known that we need to be focused on a transition for many years, and we just haven’t made the proper steps to do that. So many coal communities here in the state are suffering because of it.”

Writing On The Wall

In West Virginia, coal production has been synonymous with economic health for over a century. West Virginia’s coal built America; “it fired its steel mills, lit its homes, and provided the cheap energy to create the wealthiest nation in the world,” National Journal wrote in October. As recently as 1997, coal accounted for 52.8 percent of the electricity generated in the U.S.

But in recent decades, the Central Appalachian coal industry has been in a serious decline. In 2008, coal production in the region fell to 235 million tons, down 20 percent from 1997’s peak regional production. Kentucky and West Virginia have lost 38,000 coal jobs since 1983.

A key cause of the job loss is the increasing automation of the coal industry — fewer miners are needed to do the same work. Add that to the fact that some of Appalachia’s coal basins are running out, and that competition from cheaper coal out west is fierce, and annual production could continue to fall another 46 percent by 2020.

And as natural gas booms in the U.S., coal’s domination is shrinking across the country. According to a recent report from the Union of Concerned Scientists, up to 17 percent of the 347 gigawatts of coal power in the United States is no longer competitive with natural gas.

A Tough Path For Anything But Coal

Seeing coal’s downward trend has spurred a small but growing movement to invest in West Virginia’s renewable energy sources — not as a replacement for coal, but as a viable addition to the state’s energy scheme and an opportunity to create jobs in new sectors. John Christensen, a solar industry advocate who lobbies the West Virginia government on behalf of Mountain View Solar, said that the state’s unfriendly policies toward solar power in particular make doing

business in West Virginia challenging for Mountain View, a company based in Berkeley Springs. The key obstacle standing in the way of solar development is that West Virginia no longer has incentives for solar. There used to be a \$2,000 tax credit for new solar projects, but the state legislature did away with it in the last legislative session. Christensen said that made a huge difference in how Mountain View did business.

"You had people who would otherwise not even be interested [in solar] because of the expense to drawing in all these people who needed a tax credit and wanted to do something about their carbon footprint," Christensen said, sitting at one of Mountain View's projects, a solar array and electric vehicle charging station in Charles Town. "So it was the best of both worlds and, at the time, was one of the best incentives on the East Coast."

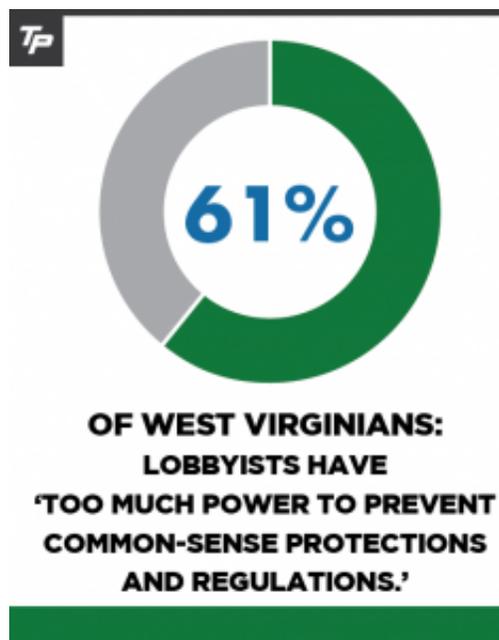
Now, he said, Mountain View Solar is taking a lot more jobs out of state because without the incentives, demand for solar in West Virginia is down.

"We had a lot of local jobs in March, April, May ... since then it's slowed down," he said. "We send our crews wherever the jobs are. Right now we're in North Carolina and Virginia."

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Another impediment is the fact that West Virginia's Renewable Portfolio Standard (RPS), a measure that typically requires a certain portion of the state's energy mix come from renewable sources, has no actual requirements for renewable energy. Worse, the standard includes coal, natural gas and tire-derived fuels as alternative energy resources. Jeff Herholdt, director of West Virginia's Division of Energy, said he thinks West Virginia is one of only three states that include coal in their RPS. The state does offer tax credits for industrial scale wind energy, an energy source Herholdt said makes up about two percent of the power West Virginia generates (96 percent is generated by coal, and about two percent by hydroelectric).

The Renewable Portfolio Standard is a big part of why solar isn't succeeding in the state. A recent report from West Virginia think tank Downstream Strategies recommended that a specific carve-out for solar energy be added to the state's RPS, as well as providing tax incentives for West Virginians who use solar power.



But one of the Division of Energy's primary goals is ensuring coal survives, Herholdt said at a West Virginia conference in December. The state's five-year plan pledges to "advocate the importance of retaining coal-powered electric generation to ensure the continuation of affordable electricity to residential, commercial, and industrial users," and Herholdt told the Charleston Gazette the last thing he wants it to do is reduce coal generation in the state. He said the aim of the five-year plan wasn't to incentivize renewables, but that it was good publicity for the state to have at least some sort of renewable portfolio standard.

"We're the only state that has an alternative portfolio standard that would be met with 100 percent coal," Herholdt said. "There's a lot of paranoia out there. Coal is not evil. Coal is a tremendous resource."

Evan Hansen, principal with Downstream Strategies, said the state's RPS needs to change significantly if West Virginia is to have a future that includes renewables. The current RPS has allowed the state to rely on existing alternative energy projects, even projects from out of state.

"It's done absolutely nothing to promote the use of renewables," he said. "Not one renewable energy project has been built to satisfy those requirements ... It was an entirely hollow bill."

Del. Mannypenny said that even though he thought the RPS was ineffective, he voted for it because it was better than no standard at all. Looking forward, Mannypenny is doubtful that the Tomblin administration will take the necessary steps to strengthen the state's clean energy

requirements. In his January State of the State address, West Virginia Gov. Earl Ray Tomblin avoided mentioning climate change or renewable energy, and also avoided showing support for the proposed Future Fund, which would set aside a percentage of tax dollars from the natural gas boom for improving education, infrastructure and economic development.

West Virginia doesn't have a gubernatorial race next year, but coal is shaping up to be a major topic of discussion in the Senate race for the seat of retiring Democratic Sen. Jay Rockefeller.

"Let me make this clear right here, right now, I will fight any Republican or any Democrat — including President Barack Obama — who tries to kill our energy jobs, whether they are coal, natural gas, wind or water," Democratic candidate Natalie Tennant said in September.

Bridging The Cultural Divide

Imagining a more diverse and sustainable future is not just about rearranging renewable energy standards and convincing state legislators to pass more clean energy-friendly laws, however. In West Virginia, coal mining is a way of life. For many families, that way of life is disappearing, and they'd rather hear about ways to bring it back than about alternatives.



"It's culture," Jeremy Richardson, who comes from a family of coal miners and now works at the Union of Concerned Scientists, said. "My brother works in the mines today. Trying to stop coal because of climate change -- which we all know we have to do this -- it would be like someone coming into my office and being like, 'Look Jeremy, the fact that you're a scientist is destroying the planet and you have to do something else now.'"

It's also economics. If they've been working for several years, coal miners can make around

\$90,000 a year, and finding jobs that can match that right off the bat in renewable energy isn't easy.

"My dad graduated high school and went to the coal mines," Michelle Harless, a high school guidance counselor in Martin County, KY, a region of Appalachia that also is struggling with the decline of coal and the need to diversify, told NPR. "He is a maintenance supervisor in West Virginia, and I'll never make as much money as he does."

But changing the attitudes of the state's leaders can help change the perspectives of West Virginians, Hansen said. When the state energy plan was finalized, he said, the Department of Energy presented a pessimistic view of renewables and an optimistic view of fossil fuels in meetings around the state. That general attitude — along with the voting records and "war on coal" rhetoric of the state's politicians — trickles down to the community.

"I think it just changed people's perceptions because people in government are basically saying it's not practical to pursue renewables," Hansen explained. "One of the reasons it's so impractical here is due to the fact that these very same people aren't pushing policies to promote them."

House of Delegates candidate David Graham agrees.

"As far as being responsible for the lack of diversification in our state, you can really look no further than our state leaders," Graham said. "I would say that most people that understand government in any way would probably be in agreement with that."

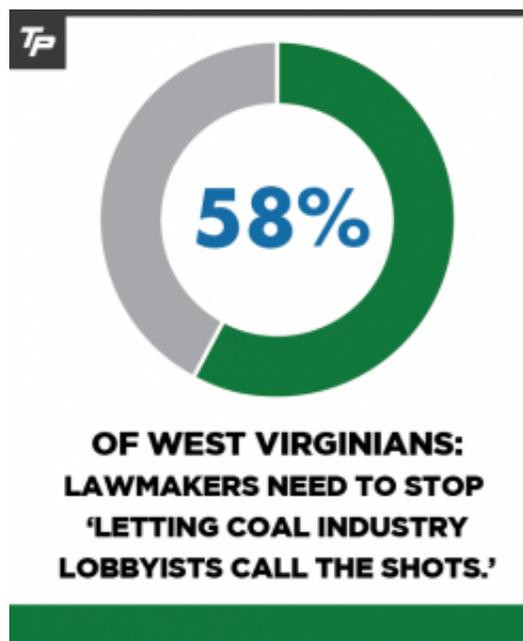
Hansen said he thinks the state's leaders need to begin to tackle the issue of climate change, and coal's role in it, instead of fighting against it. In June, West Virginia Sen. Joe Manchin (D) — a lawmaker whose second and third biggest campaign contributors are the mining and electric utility industry — called President Obama's climate change plan a "war on America," and Gov. Earl Ray Tomblin has made similar remarks about EPA regulations.

A Wake-Up Call

But despite the rhetoric and recent downturn of the coal economy, some West Virginians are taking climate change seriously, said Dan Conant, founder of West Virginia consulting firm Solar Holler. For some churches especially, he said the value of creation care — a Biblical foundation for environmental protection — makes it difficult to ignore such a major environmental threat.

"More West Virginians are worried about climate change and environmental protection than the

coal companies would have you believe," Conant said. "There's actually a lot more support out there, even if it's not as vocal."



And at least according to one poll, some West Virginia residents are starting to view the coal industry and its ties to the state government in a new light following January's chemical spill. A February [poll](#) released by the Sierra Club found that 61 percent of West Virginians surveyed thought that lobbyists have "too much power to prevent common-sense protections and regulations" in the state, and 58 percent thought that the state's lawmakers needed to stop "letting coal industry lobbyists call the shots." In addition, 40 percent of respondents said the coal industry bears "a lot or some" of responsibility for the spill, and 65 percent said the coal industry bears a lot or some responsibility for the overall contamination of West Virginia's air and water.

Graham said that even though people in Logan County are "extremely pro-coal," they know the county needs to diversify. Now that the coal industry is in decline, Graham says the people of Logan County are seeing the repercussions of the state's one-track economy. A 2013 poll from the Union of Concerned Scientists found "[overwhelming support](#)" for using taxes from coal mining and natural gas drilling to support infrastructure and economic development projects in West Virginia, a scenario that supporters of the state's proposed Future Fund hope will become reality. The poll also found that 50 percent of respondents supported raising taxes on the coal industry, while only 19 percent opposed.

Once You Burn It, It's Gone

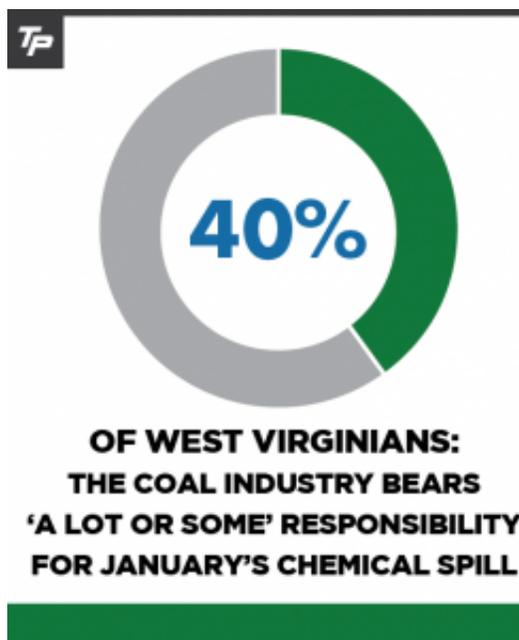
As coal wanes in West Virginia and renewables struggle to make an appearance, natural gas is taking off. Much of the state sits atop the Marcellus Shale formation, home to an estimated 500 trillion cubic feet of natural gas. The natural gas boom has many in the state excited about the prospect of West Virginia continuing its role as a lead energy producing state, but others worry it will lead to the same “boom and bust” scenario they are experiencing with coal. Natural gas isn't a one-stop solution, they argue — it's even more reason for the state to diversify.

“In West Virginia's case in particular, there's a serious concern about squandering the resource like we did coal,” Richardson said. “That's a critical piece for West Virginia, preparing for the next bust. Because it will bust again — it's just geology. Once you burn it, it's gone.”

Over the weekend, the West Virginia state legislature took an important step toward ensuring the next “bust” doesn't happen. The newly-passed Future Fund will set aside a percentage of severance tax dollars from oil and gas that can be used for improving education, infrastructure and economic development. A major part of the initiative is accepting that coal is declining and that the state needs to be responsible with its next major energy frontier.

“You can have all of the ‘Stand up for Steels’ and ‘Wars on Coal’ that you want, but they're not coming back,” State Senate President and longtime Future Fund advocate Jeff Kessler said at a forum in September. “I don't think that's realistic.”

However, Ted Boettner, executive director of the West Virginia Center on Budget and Policy, cautioned that the fund may not see any deposits for several years unless changes are made quickly. “While establishing the Future Fund in statute was a giant step forward to changing the economic script on the state's resource curse,” he said, “the legislature must now act to ensure that it receives enough revenue to build long-term assets that will help it diversify its economy and protect its economic future.”



Otherwise, Boettner said, history could repeat itself in West Virginia and the natural gas boom could quickly become another painful bust.

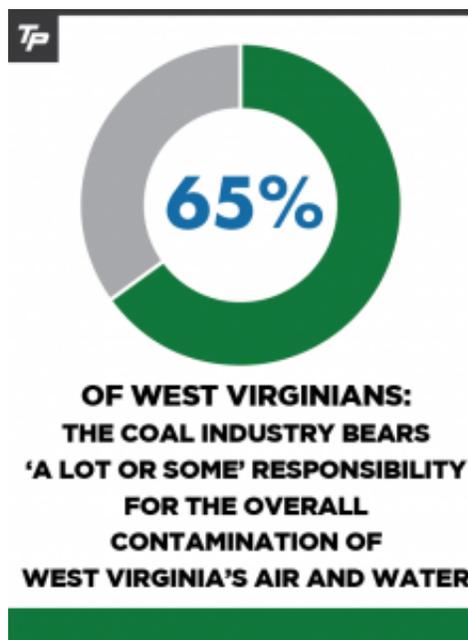
“It just produces very uneven, unsustainable economic development,” he said. “A lot of this crowds out other businesses and it leads to a vicious cycle of people not wanting to get a higher education.”

The question of how to avoid the vicious cycle, Boettner explains, leads us back to diversification. And that doesn't mean just investing more in renewable energy but investing in projects that redevelop abandoned mines — work that former coal miners have the skills to do — and investing in tourism, agroforestry, and the burgeoning local food movement. The state's rugged beauty should attract a lot more people for hiking and camping, and the state has had success stories in the past; the Hatfield-McCoy ATV trail, for example, brings people into the state from across the East Coast.

Across The Border, A Different Tune

In neighboring Kentucky, a state grappling with the decline of Central Appalachian coal and the ripple effects it's having across the economy, the diversification conversation has a heightened sense of urgency. Lacking the natural gas resources West Virginia possesses, Kentucky has come face-to-face with the need to change directions and Gov. Steve Beshear's recent State of the Commonwealth address struck a different tone than the rhetoric coming from its neighbor. “As a

result of our efforts both last year and over the last six years, we are shrugging off an historic reputation for backwardness and instead are writing a new narrative founded on change and innovation," Beshear said.



And in January, an eight-county area of southeastern Kentucky, a region hit particularly hard by the loss of coal jobs and chronic poverty, was chosen for the Obama administration's Promise Zone program, designed to give priority funding for anti-poverty initiatives.

In West Virginia, Ted Boettner and others are clear that there isn't one simple solution to replace coal and all of the economic benefits that have accompanied its extraction for decades. But it's also apparent that doing nothing to prepare the state and its residents for the decline of their key industry is a short-sighted and foolhardy approach.

"What I always come back to is, do we want a hard landing or a soft landing?" Boettner said. "Let's work toward that soft landing. It's going to be a landing, but it all depends on how we're going to fall."

Andrew Breiner contributed the graphics to this piece.

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