

Statement of Eugene M. Trisko  
On behalf of  
United Mine Workers of America, AFL-CIO

Before the  
U.S. Senate Environment and Public Works Committee  
Subcommittee on Clean Air and Nuclear Safety  
Chief Logan State Park, WV  
October 5, 2016

Good afternoon, Chair Capito and distinguished members of the Subcommittee.

I am Eugene M. Trisko, an attorney in private practice. I am here on behalf of the United Mine Workers of America (UMWA), whom I have represented in environmental matters for some 30 years. Several exhibits are attached to my statement, which I will summarize briefly.

The UMWA appreciates this opportunity to testify on the impacts of EPA's Clean Power Plan. We also want to express our great appreciation to Chair Capito for her continuing strong leadership in securing passage of the Miners Protection Act.

The UMWA, along with West Virginia and other petitioners, have challenged the validity of the EPA carbon rule in Federal court. Last February, the Supreme Court issued an unprecedented stay of the rule pending the conclusion of all legal challenges.

We believe that the Power Plan oversteps EPA's authority under section 111(d) of the Clean Air Act because it forces utilities to switch from coal to natural gas or renewable energy in a manner

inconsistent with the legal requirements of the Clean Air Act. West Virginia depends on coal for 96% of its electricity.

West Virginia's economy, and the coal miners, communities, electric generators and allied industries that depend on coal for their livelihoods will all suffer greatly if this rule is implemented.

Recent studies by the PJM Interconnection, a multistate power grid, indicate that EPA's rule could cause West Virginia to lose up to 34% of its coal-based electric generation by 2025 if the state met its EPA targets by in-state means. Smaller losses would result if West Virginia participated in an interstate trading program, in effect asking West Virginia ratepayers to subsidize new renewable facilities in other states. These impacts do not consider the losses of coal production due to reduced coal shipments to other states covered by EPA's rule. Less than one-third of West Virginia's coal production is consumed in-state.

Between 2009 and 2014, West Virginia lost 32 million tons of coal output and the high-wage jobs created by coal mining. These losses are attributable largely to lower natural gas prices and the EPA mercury MATS rule. DOE estimates that the mercury rule has caused the closure of some 40,000 Megawatts of coal capacity across the nation. EPA's estimate of these closures was 4,700 Megawatts.

The WVU Bureau of Business and Economic Research estimates that the EPA Power Plan would lead to the loss of some 20 million tons of West Virginia coal production. Using data from DOE's analysis of the carbon rule and an "Extended Clean Power Plan," we estimate that another 20 million tons of production would be

lost if the national CO2 reduction requirement were expanded from 32% in 2030 to 45% by 2040. DOE's Extended Power Plan scenario is consistent with the pledges that the U.S. made in the December 2015 Paris Agreement. This would reduce total West Virginia coal production from about 100 million tons today to 60 million tons by 2040.

The consequences of these coal production losses would be devastating for jobs and the overall state economy. Applying U.S. Department of Commerce economic multipliers for the West Virginia mining sector, we estimate that the EPA carbon rule would lead to the cumulative loss of \$47 billion of state economic output, \$11 billion of household income, and 229,000 job-years of employment by 2040.

Even larger losses would occur if an Extended Power Plan were adopted. West Virginia state output could be reduced by a cumulative \$60 billion by 2040, along with a \$14 billion loss of household income. A total of 288,000 job-years of employment would be lost.

Clearly West Virginia cannot afford such draconian economic impacts. The U.S. Census Bureau reports that pre-tax median household income in West Virginia in 2015 was \$42,824, 24% below the national median income and \$5,292 below 2007 pre-recession levels.

The UMWA supports reasonable measures to address global climate change, consistent with established Clean Air Act principles, but we cannot support rules that seek to solve this

global challenge on the backs of Appalachian families, causing further disruption to already depressed rural communities.

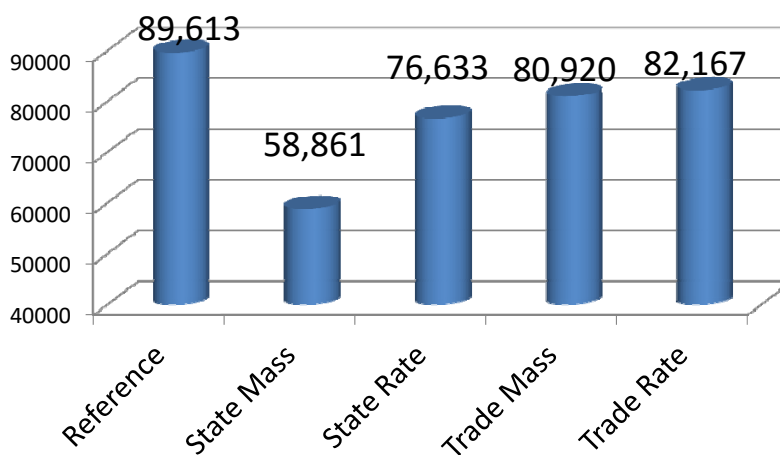
We need instead a major infusion of R&D capital, both Federal and private, to lower the cost of carbon capture technologies so that coal can continue to play a vital role in baseload power generation. We look forward to working with the Congress, the Department of Energy, and other responsible parties to ensure this future for our members, and for our nation.

Thank you for the opportunity to appear today.

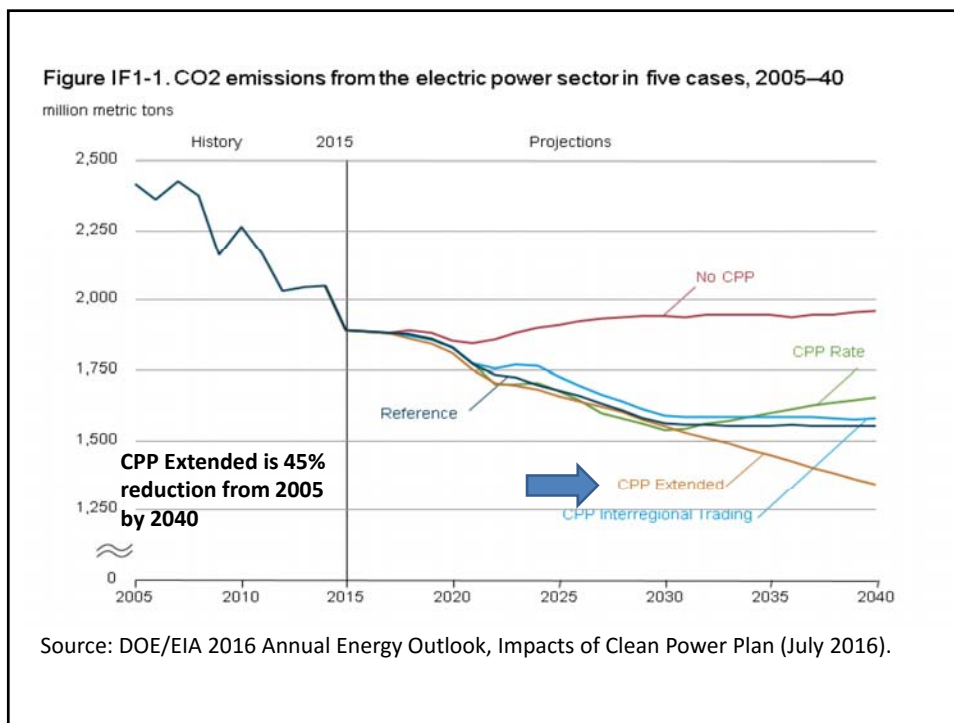
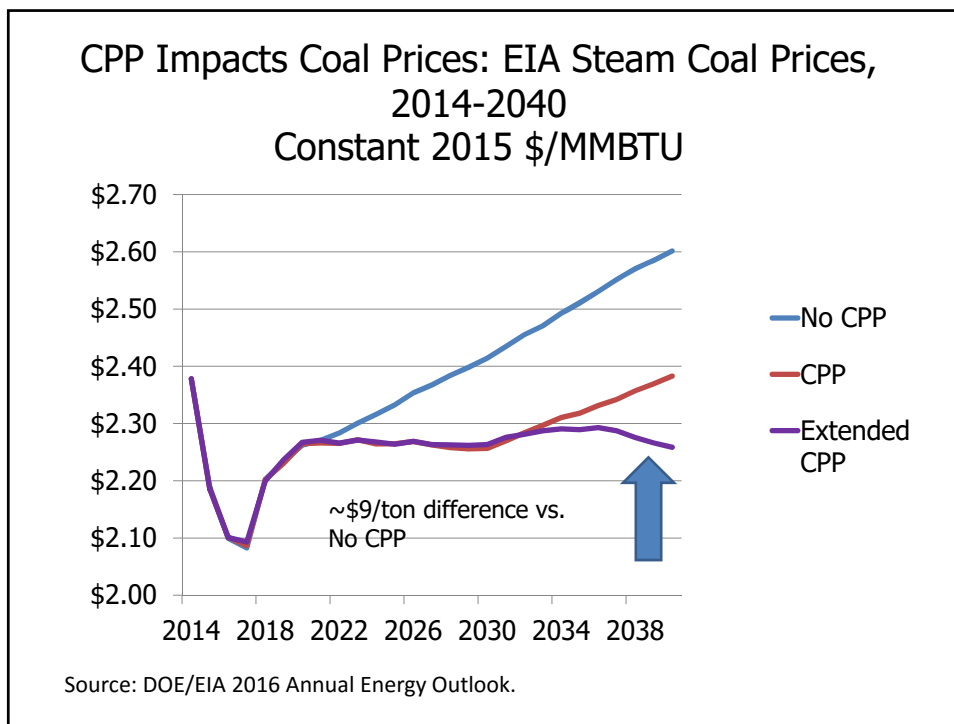
Exhibits to Statement of  
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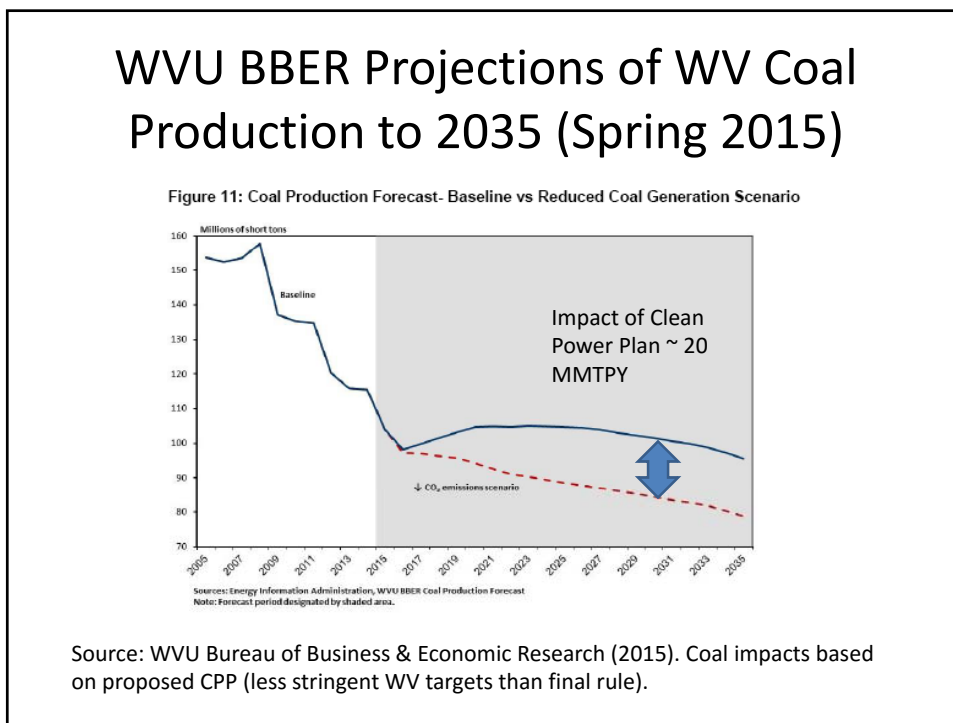
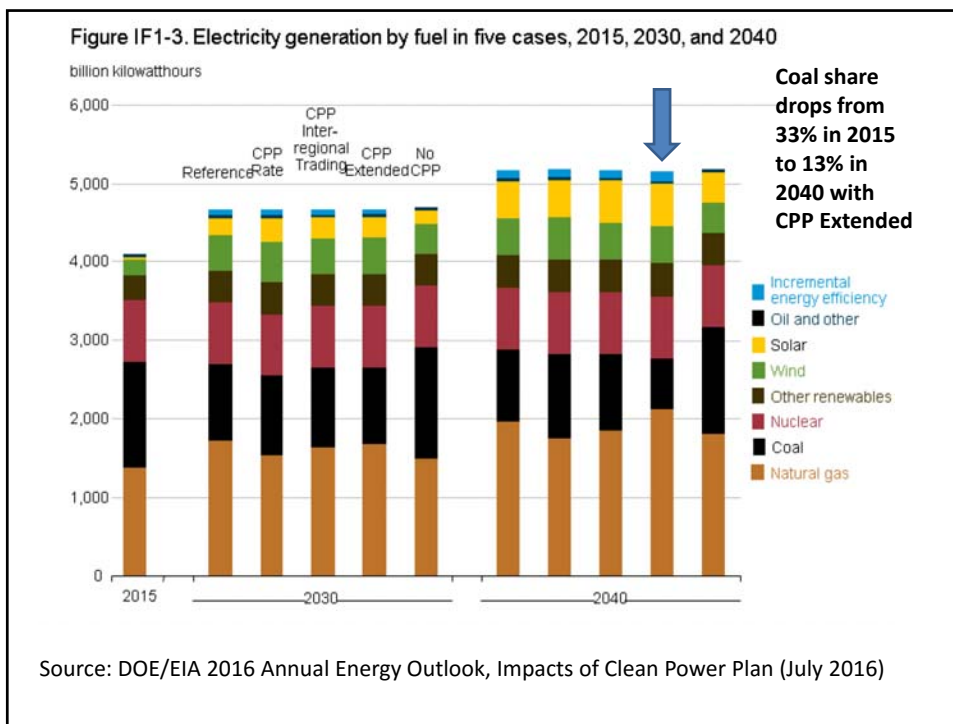
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PJM Estimates of WV Coal Generation 2025  
(GWh)



Source: PJM Analysis of Clean Power Plan, September 2016.

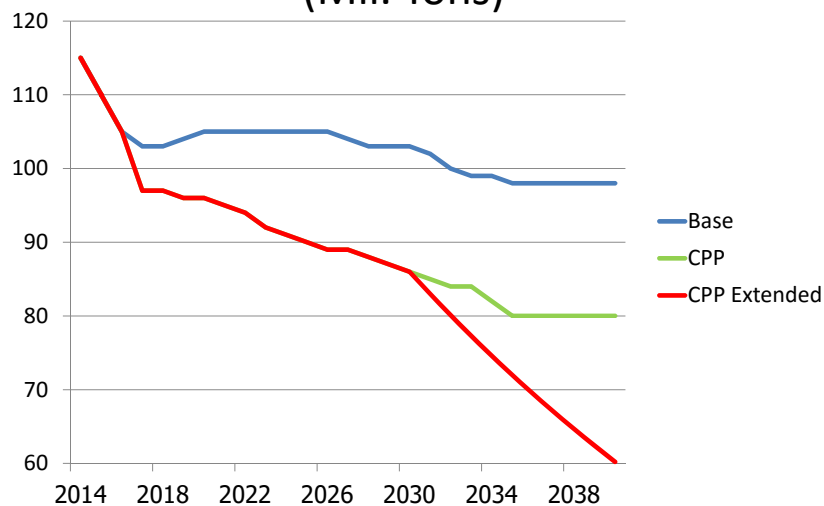




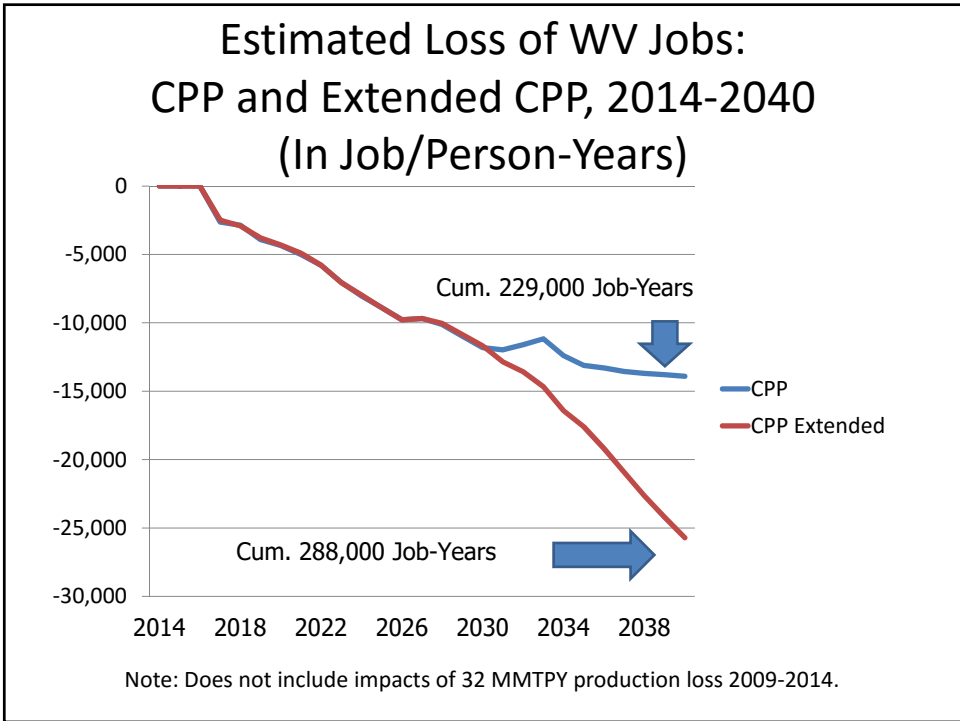
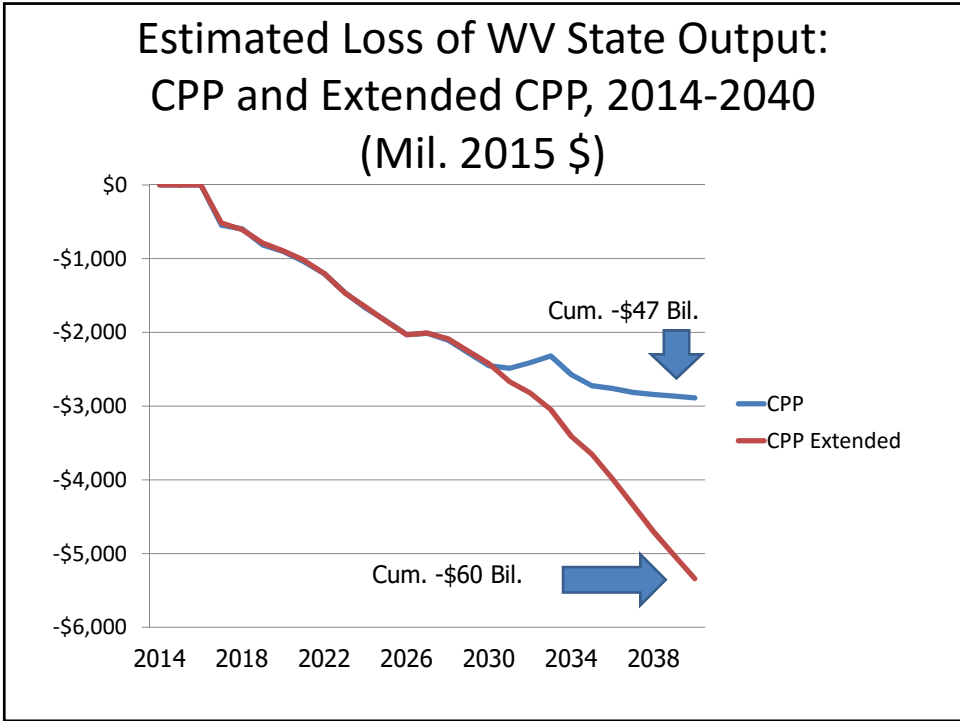
## Estimating Impacts to 2040

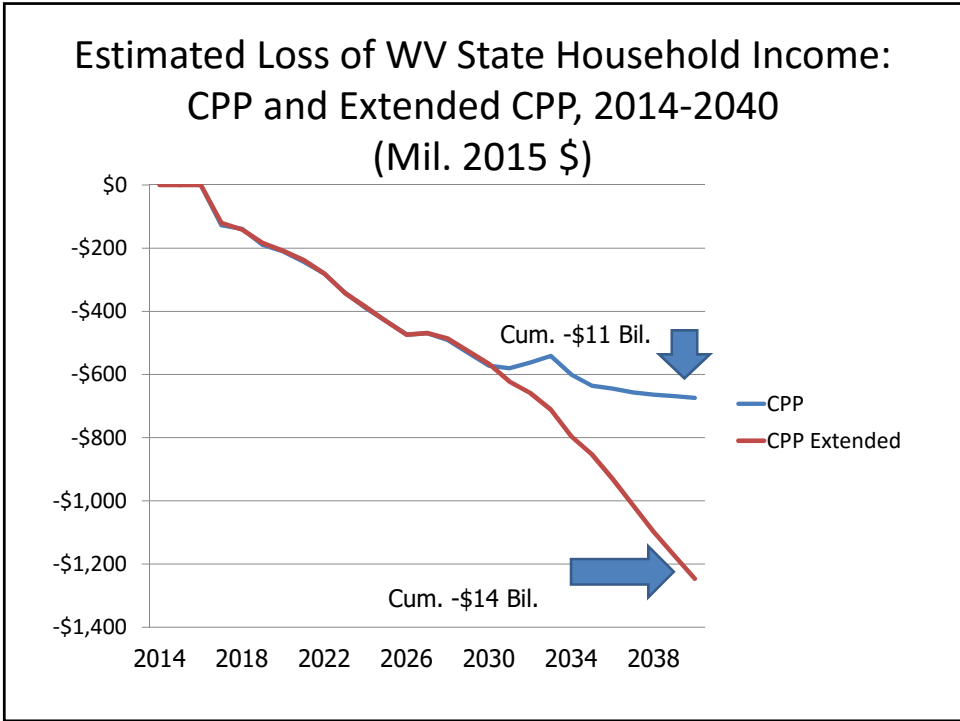
- Use WVU BBER estimates of CPP production losses, extended to 2040 and adjusted for CPP Extended additional CO2 reductions 2025-40.
- Apply DOE/EIA steam coal prices to estimate industry revenue impacts for CPP and CPP Extended cases.
- Use U.S. Dept. of Commerce economic and job multipliers for the WV coal industry to estimate impacts on WV state output and household income.
- These estimates do not include impacts of MATS rule and other factors causing loss of 32 MMTPY of WV coal production from 2009 to 2014.

### Estimated WV Coal Production: Base Case, CPP and Extended CPP, 2014-2040 (Mil. Tons)









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*Curriculum Vitae*

Eugene M. Trisko is an energy economist and attorney who represents labor clients in energy and environmental matters.

Mr. Trisko has a dual B.A. in economics and politics from New York University (1972) and a J.D. degree from Georgetown University Law Center (1977). Before entering private practice in 1991, he was an energy economist with Robert Nathan Associates in Washington, DC, (1973-77), an attorney with the U.S. Federal Trade Commission (1977-79), and executive vice president of Stern Bros., Inc., an energy holding company in West Virginia (1986-91).

He was involved from 1981 until 1990 in the legislative development of the Clean Air Act Amendments of 1990, focusing on the Title IV acid rain program. He is the author of more than 30 articles on energy and environmental policy issues published in economic, energy, environmental, and law journals, and has testified before Congress and state legislatures on numerous occasions.

Mr. Trisko has participated as an NGO on behalf of the United Mine Workers of America in all United Nations climate change negotiating sessions subsequent to the 1992 Rio Earth Summit. In 2007, he helped to negotiate the clean coal technology and emission allowance allocation provisions of the bipartisan Bingaman-Specter climate bill. *The Hill* has recognized Mr. Trisko as one of Washington's "Top Grassroots Lobbyists." In 2008 and 2009, he helped to negotiate the carbon capture and storage provisions of the Boucher-Rahall and Waxman-Markey climate bills.

Mr. Trisko served for nine years as an appointed member of U.S. EPA's Clean Air Act Advisory Committee. In 2000 and 2007, he was named by the U.S. Department of State as a non-government member of the U.S. Delegation in U.S.-Canada air quality negotiations. He is a Fellow of the American College of Environmental Lawyers. He currently represents labor petitioners in litigation before the D.C. Circuit Court of Appeals concerning EPA's Clean Power Plan and NSPS carbon rules.