



END of an ERA

HOMER CITY GENERATION STATION TO CEASE COAL OPERATIONS

On March 31, 2023, Homer City Generation L.P. informed PJM Interconnection, L.L.C. that it will decommission all of its coal units over the next 90 days and implement tiered layoffs.

The Homer City Generating Station has three units with over 2,012 MW of installed nameplate capacity. The official press release from Homer City Generation, L.P., cited economics and regulatory uncertainty like the Regional Greenhouse Gas Initiative (RGGI) and increasingly stringent environmental requirements as the primary movers of the decision to decommission the power plant.

The Pennsylvania Coal Alliance issued the following statements in response to the announcement:

“Poor policy decisions, including the mere threat of Pennsylvania joining the RGGI carbon tax scheme, coupled with serious flaws in PJM's capacity market have led to unfortunate realities like the closure of Homer City. PJM recently acknowledged significant grid failure concerns as it increasingly relies on sources that do not have on-site fuel, and when needed most do not perform when called upon. The retirement of reliable and resilient baseload coal-fired generation will only compound the challenges the grid will have in the future.”



Homer City Generating Station, Homer City, PA

Legislative UPDATE

PENNSYLVANIA GENERAL ASSEMBLY

With a Republican majority in the Pennsylvania Senate and the Democrats holding a slim majority in the Pennsylvania House, the Pennsylvania General Assembly is one of two divided General Assemblies in the nation, and the only divided General Assembly that has a full-time legislature.

With the outcome of a vacant seat in the Pennsylvania Senate decided on January 30, 2023, the Senate holds a 28 Republican to 22 Democrat majority, with Senator Kim Ward (R - Westmoreland) leading the chamber as the first female President Pro Tempore, and Senator Joe Pittman (R - Armstrong/Indiana/Jefferson/Westmoreland) as Senate Majority Leader.

Legislative UPDATE continued

The Pennsylvania House has had significant activity since the beginning of the year with three special elections that were decided on February 7, 2023, and two seats that were since vacated due to an election to the Pennsylvania Senate and a resignation. The current composition is 101 Democrats and 100 Republicans, with special elections scheduled for the two vacancies on May 16, 2023. The Speaker of the House is Representative Joanna McCClinton (D-Philadelphia) and the Minority Leader is Representative Brian Cutler (R-Lancaster).

LEGISLATIVE COAL CAUCUS

The Legislative Coal Caucus is being reorganized in the Pennsylvania Senate and House with Senator Gene Yaw (R-Lycoming) and Senator Jim Brewster (D-Allegheny) co-chairing the caucus in the Senate and Representatives Frank Burns (D-Cambria) and Jim Struzzi (R-Indiana) co-chairing in the House.

COMMITTEES

Senator Gene Yaw continues his role as Majority Chairman of the Environmental Resources and Energy Committee in the Senate, with Senator Carolyn Comitta (D-Chester) serving as the Minority Chair. In the House, Representative Greg Vitali (D-Delaware) is the Majority Chair of the House Environmental Resources and Energy Committee with Representative Marty Causer (R-Cameron/McKean/Potter) as the new Minority Chair.

WINTER STORM ELLIOTT

Between December 23, 2023 and December 26, 2023, PJM, our regional transmission organization, experienced stresses on the electric grid that caused a plea from the grid operators to conserve the use of electricity and a request to the U.S. Department of Energy to invoke the Federal Powers Act. During this period, PJM underestimated the power needed on the grid by up to 10%, and over 23% of the planned generation shut down on Christmas Eve. While no fuel source went unscathed - natural gas was responsible for 70% of the 32 GW of the 46 GW of outages.

Two hearings were held on the event; the first in late January with the House Republican Policy Committee on Energy Prices and Grid Reliability and the second in late February jointly with the Senate Consumer Protection and Professional Licensure Committee and the Senate Environmental Resources and Energy Committee. PCA testified at both hearings, and underscored the importance of coal-fired generation on the grid, as coal made up close to 50% of the power needed on the grid when called upon and other sources failed to perform.



PCA Executive Director Rachel Gleason testifying in front of the House Republican Policy Committee



Rachel Gleason testifying at the Joint Hearing of the Senate Consumer Protection and Professional Licensure and Senate Environmental Resources and Energy Committees

Legislative UPDATE continued

DIESEL EQUIPMENT OIL CHANGE LEGISLATION ADVANCES

At present, as outlined in the Bituminous Coal Mine Safety Act, a qualified mechanic must replace the oil and oil filter on all diesel-powered equipment every 100 hours. This requirement was established prior to the inception of EPA's diesel engine Tier requirements, which were phased in over several years after the 100-hour oil change became precedent. Currently, most mines use Tier 2 or Tier 3 engines, which are much more efficient than the diesel engines from two and a half decades ago and, in some instances, synthetic oil. The result of continuing to be required to change oil and oil filters every 100 hours has led to purchasing excess oil, and prematurely changing and disposing of oil.

SENATE BILL 115 (R-Stefano) is a reintroduction from the last legislative session that did not quite make it across the finish line. The bill amends the Bituminous Coal Mine Safety Act to provide PA DEP's Bureau of Mine Safety flexibility in the schedule of maintenance for the replacement of oil and oil filter on diesel-powered equipment.

The bill passed the Senate on final consideration February 28, 2023 and was referred to the House Transportation Committee on March 8, 2023 for additional action.

CONSOL CEO JIMMY BROCK MEETS WITH THE HOUSE REPUBLICAN POLICY COMMITTEE

In an effort to continue to educate members of the Pennsylvania House of Representatives, and connect with a freshman class of legislators that is one of the largest in size in history, the House Republican Policy Committee is periodically hosting roundtables with leaders in industry.

In February Jimmy Brock visited with the Committee for a lengthy discussion on Pennsylvania's coal industry, CONSOL's Pennsylvania Mine Complex, and future projects planned for CONSOL. Feedback from legislators was positive, and everyone was grateful for the visit to Harrisburg.

CRESSON MINE and PORTAGE PREP PLANT TOUR

Members of the General Assembly are often presented with a lot of policy issues, and experience a variety of interests attempting to educate them on their specific interest or industry. Because of this, PCA routinely invites elected officials to experience industry up close, and works with operators to tour mines or facilities to better educate our policy makers.

In mid-March the Chairman of the Pennsylvania House of Representative's Policy Committee, Representative Josh Kail (R-Beaver/Washington), and Representatives Jim Rigby (R-Cambria/Somerset) and Dallas Kephart (R-Cambria/Clearfield) toured Rosebud Mining's Cresson Mine and Portage Prep Plant.

Experiencing a room & pillar mine, and learning about the process coal goes through before it is sent to a customer was invaluable, and everyone thoroughly enjoyed the visit.

Thank you to Rosebud Mining for being great hosts, taking the time for the tour and putting on a good show.



Representatives Jim Rigby, Dallas Kephart and Josh Kail with Rachel Gleason underground at the Cresson Mine

Legislative UPDATE *continued*

SENATOR YAW ADVOCATES FOR AN INDEPENDENT ENERGY OFFICE

State Sen. Gene Yaw (R-23) recently announced a plan to establish an Independent Energy Office within the Commonwealth. In a statement, Yaw said “I believe most Republicans and Democrats in the Pennsylvania Legislature agree that we can advance policies that promote energy development and protect our environment simultaneously. They are not mutually exclusive. Our state has one of the most diverse energy portfolios in the United States. There is no question we can capitalize on our state’s energy richness, but we must first stop apologizing for it. I believe an Independent Energy Office can provide impartial, timely and data driven analysis to guide our state in determining and meeting future energy needs.”

- Pennsylvania is the third-largest coal-producing state in the nation after Wyoming and West Virginia, and it is the second-largest coal exporter to foreign markets after West Virginia.
- Pennsylvania’s marketed natural gas production, primarily from the Marcellus Shale, reached a record 7.6 trillion cubic feet in 2021, and the state is the nation’s second-largest natural gas producer after Texas.
- In 2021, Pennsylvania ranked second in the nation in electricity generation from nuclear power.

Yaw noted the Independent Energy Office would be modeled after Pennsylvania’s Independent Fiscal Office which was created by Act 120 of 2010, and Act 100 of 2016 and does not support or oppose any policy it analyzes, and discloses methodologies, data sources and assumptions used in published reports and estimates.

2023 - 2024 GENERAL FUND BUDGET

On March 7, 2023 Governor Shapiro presented to a joint session of the Pennsylvania Senate and House his proposed 2023 - 2024 General Fund Budget.

The proposed budget includes \$663 million for Clean Energy Programs in the Clean Air Fund, accounting for revenues from RGGI. Republicans view the budget as a starting point, and have stated the accounting of revenue from RGGI is a non-starter. Budget hearings take place in the House and Senate in March and April. An on-time budget is due June 30, 2023.

RGGI UPDATE

BACKGROUND

On October 3, 2019 former Pennsylvania Governor Tom Wolf signed an Executive Order directing the DEP to develop regulations joining Pennsylvania to RGGI. RGGI is a mandatory cap-and-trade program that requires fossil fuel electric generating units with over 25MW of installed capacity to purchase allowances, or a tax, for their CO2 emissions. At the time Governor Wolf signed the Executive Order the allowance, or tax, was \$5.20 per ton of emitted carbon dioxide. The price at the most recent auction on March 8, 2023 was \$12.50 per ton.

EFFORTS of the POWER PA JOBS ALLIANCE

Over the past three and a half years, PCA along with labor, industry and consumer stakeholders that oppose carbon dioxide emission taxes on fossil fuel generation, manufacturing operations and motor fuels, have battled against the implementation of the RGGI regulation via the Power PA Jobs Alliance.



www.powerpajobs.com

RGGI UPDATE *continued*

Ultimately, our legislative efforts did not succeed due to Governor Wolf's veto of legislation outlining a process for General Assembly approval, and the inability to secure two-thirds of the votes needed in the state House and Senate to override a veto. This, along with an expiration of calendar days outlined in the Regulatory Review Act, allowed for the final publication of the RGGI regulation on April 23, 2022.

PRELIMINARY INJUNCTION and ORAL ARGUMENTS

PCA, along with the International Brotherhood of Boilermakers, International Brotherhood of Electrical Workers and the United Mine Workers of America jointly filed as petitioners in Pennsylvania's Commonwealth Court against the DEP and the Pennsylvania Environmental Quality Board, challenging the final rulemaking joining Pennsylvania to RGGI. In addition to the PCA filing, ownership of Pennsylvania power plants also filed as petitioners, and the two cases were joined.

Running on a parallel path is a separate case in Commonwealth Court involving the DEP and the Legislative Reference Bureau, which initially sought clarification from the Court on the interpretation of the Regulatory Review Act and the timing of the publication of the regulation but pivoted to a case on the merits of the regulation and the Governor's authority when the Pennsylvania House of Representatives and the Pennsylvania Senate intervened in the case.

A preliminary injunction was issued by the Commonwealth Court in July, effectively preventing DEP from participating in RGGI. The injunction was appealed to the Supreme Court, and oral arguments are scheduled in the preliminary injunction appeals for May 24, 2023.

Arguments on the merits of the cases took place in Commonwealth Court in November, 2022; we are awaiting a decision from the Court.

Regulatory UPDATE

STREAM REDESIGNATIONS

Several stream redesignations were published in the Pennsylvania Bulletin by DEP as a result of stream evaluations conducted by DEP in response to petitions submitted by citizens and data collected by the Department. Of the seven redesignations, four are located in the bituminous coal region. Specifically:

Dunbar Creek (Fayette Co.) – HQ-CWF to EV
Two Lick Creek (Indiana Co.) – TSF to CWF
Bear Run (Indiana Co.) – CWF to HQ-CWF and EV
Clyde Run (Elk Co.) – CWF to EV

BOND RATE GUIDELINES

The annual bond rate guidelines for land reclamation bonds were published in the Pennsylvania Bulletin on March 11, 2023, effective April 1, 2023.

These guidelines were based on the weighted averages of competitively bid land reclamation projects awarded by the Bureau of Abandoned Mine Lands within DEP. If a category did not have a bid for several years, DEP calculated the rate of inflation using five-year averages and adjusted accordingly.

Regulatory UPDATE *continued*

OSM EXCELLENCE IN SURFACE COAL MINING RECLAMATION AWARDS

The Office of Surface Mining Reclamation and Enforcement is soliciting nominations for the 2023 Excellence in Surface Coal Mining Reclamation Awards through May 12, 2023. These awards are the highest honor given to coal mining companies for exemplary coal mine reclamation in the United States.

Since 1986, OSMRE has presented National and Good Neighbor awards annually to coal mining companies. National awards recognize achievement in a specific aspect of reclamation or for overall performance in meeting goals of the Surface Mining Control and Reclamation Act of 1977. Good Neighbor awards are given to mine operators for successfully working with the surrounding landowners and the community while completing mining and reclamation work. This awards program is designed to help state and federal regulators transfer knowledge and information on outstanding reclamation methods and techniques from award-winning operations to other coal mine operators who engage in mining under SMCRA.

Surface coal mining and reclamation operations conducted under a Title V permit (1978-present) may be nominated for an award. In addition, non-permitted mining and reclamation activities that were completed using government financed reclamation contracts under enhanced abandoned mine land regulations are also eligible for nomination. Abandoned mine land reclamation projects are not eligible for a national award unless they are integrated into Title V permitted operations.

Coal companies may submit nominations and may nominate their own operations. For more information about the awards program and to learn how to submit a nomination application, visit www.osmre.gov/active-awards. Submit nominations or questions about the awards to OSMRE at awards@osmre.gov.

Mine Safety UPDATE

SAFETY SPECIFICATIONS FOR RUBBER TIRE EQUIPMENT

The Equipment Task Force established by the Bituminous Coal Mine Safety Act recently convened to discuss and establish specifications for battery powered rubber tire personnel carriers.

The Task Force, which is comprised of two industry representatives and two representatives from the Bureau of Mine Safety at PA DEP, met over the course of a few months and developed a document that was finalized in January 2023.

The final document will be posted on PA DEP's Bureau of Mine Safety website in the near future, and can be found on PCA's Member Only portion of our website at www.pacoal.org.

Membership & Administration UPDATE continued



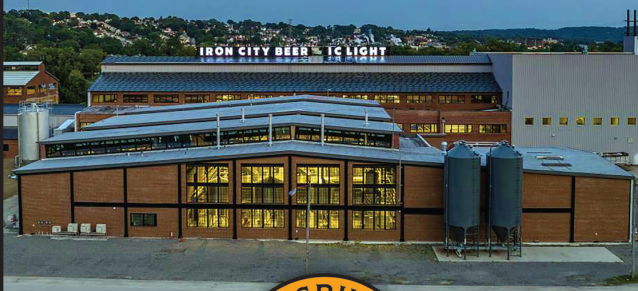
**LEGISLATIVE
COAL CAUCUS**

**The Pennsylvania Coal Alliance and
the Legislative Coal Caucus
invite you to a Legislative Reception**

MAY 11, 2023
5:00 p.m. - 7:00 p.m.

**PITTSBURGH BREWING CO.
150 FERRY STREET
CREIGHTON, PA**

*Please RSVP to Betsy Frances Leibfried
by April 27th, 2023
at frances@pacoal.org or 412-977-1323*



PENNSYLVANIA COAL ALLIANCE & LEGISLATIVE COAL CAUCUS

LEGISLATIVE RECEPTION

MAY 11, 2023

On May 11, 2023 a Legislative Reception will be held at Pittsburgh Brewing Company from 5:00 p.m. - 7:00 p.m.

Invites have been extended on behalf of the Coal Caucuses in the Senate and House to members of the General Assembly, and invites to the reception were recently mailed to PCA member companies.

RSVP is required by April 27, 2023.

Thank you in advance to Cliff Forrest for generously providing Pittsburgh Brewing Company as a venue.

WELCOME TO OUR NEWEST MEMBER COMPANY

M Resources

Company information and contact are included in the directory and can be found in the online vendor directory as well.

We encourage our members to utilize other member companies for their business needs and always appreciate our members that refer other companies for possible membership. If you know anyone interested in becoming a member, please let Betsy or Rachel know and we will get a membership application to them.



MARK YOUR CALENDAR!

- Pennsylvania Coal Caucus and Legislative Coal Caucus are hosting a Legislative Reception at **Pittsburgh Breweing Company on May 11, 2023 from 5:00 p.m. - 7:00 p.m.**
- The Annual Membership meeting of the Pennsylvania Coal Alliance will be held on **Thursday, June 8, 2023, at 10:00 AM at Somerset Country Club.** Invitations will be emailed in May; we encourage all of you to join us.
- The 7th Annual Black Diamond Classic and Keystone Mine Safety and Reclamation Awards banquet will be held on **Thursday, September 7, 2023, at Highlands Golf Club at Seven Springs and Hidden Valley, Highlands Sporting Clays, and Seven Springs Mountain Resort.** Invitations and information about the awards eligibility will be shared in the coming months. We hope you can consider sponsorship and participation this year.

Membership & Administration UPDATE continued

DIRECTORY AND INVOICES

Annual dues invoices were mailed in January. We are grateful for the continued support of so many of our members who have already renewed their membership for 2023. Reminders were sent in March to the company contact for any unpaid invoices. If your company has automated their billing process and you would like to have your invoices delivered electronically, or if your billing information has changed, please notify Betsy as soon as possible.

Every quarter we ask that you please take a moment to review your entry in our online vendor directory at www.pacoal.org and in our updated Membership directory included with this newsletter. Please advise us of any changes in address, phone number or company contacts. If your online entry does not have a logo, you can feel free to email a high resolution .jpeg or .png file of the logo to Rachel or Betsy to be added to your entry. If you have not yet registered for the **MEMBERS ONLY** section of the website, please take the time to do so at your earliest convenience, we encourage your employees to do so as well.

FRIENDS OF COAL PA LICENSE PLATE PROGRAM

A Friends of Coal license plate can be ordered at any time but can only be purchased through the PCA.

If you need an application mailed or emailed to you, please call or email Betsy.

