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Transition: Coal down, gas up

CHARLESTON, W.Va. -- West Virginia's coal regions are a "sacrifice zone" where out-of-state coal corporations bleed away mineral wealth and leave desolation behind, reformer Chris Hedges said on the Bill Moyers TV talk show.

Well, that colony-like pattern may change, because many economic forecasts anticipate a major dropoff for this state's coal industry.

The U.S. Energy Information Administration's latest national summary projects that West Virginia coal production will slump from 158 million tons in 2008 to around 90 million tons by 2020 -- a 42 percent decline. Southern counties will suffer more, falling from 99 million tons in 2009 to just 38 million by 2020 -- a 63 percent tumble.

"That means in 10 years southern West Virginia could be producing almost one-third the coal it produced in 2009," the state Center on Budget and Policy observed. Loss of two-thirds of coal employment would inflict severe hardship on a region already hurt by mine layoffs.

The EIA report said that, according to its estimates, "Appalachian coal production declines substantially from current levels, as coal produced from the extensively mined, higher-cost reserves of Central Appalachia is supplanted by lower-cost coal from other supply regions. . . . Coal production from the West (mainly the Powder River Basin in Wyoming) increases from 625 million tons in 2009 to 780 million tons in 2035."

Coal from western fields remains inexpensive, but Appalachian coal constantly becomes more costly as thick, easy-to-reach seams are depleted. Lawyer Robert Ukeiley told the Associated Press:

"The fact is that cheap coal in central Appalachia has been mined out. That's just a fiscal fact. There is no politician who can change that, or scapegoat anybody."

Worse, low-cost natural gas from the Marcellus Shale of northern West Virginia and other states quickly is grabbing the power generation market, leaving coal unwanted.

"The math screams at you to do gas," American Electric Power chairman Michael Morris told *The New York Times* after AEP decided to switch a Kentucky plant from coal to gas.

All these reports imply that West Virginia's economy is in a historic transition, with coal sinking as natural gas soars. But families in coal regions are not destined to suffer, as Appalachians are often told. They certainly will suffer if residents and their leaders ignore the facts and changing times and continue to long for the old days of high coal production and higher employment. Instead, people need leaders who can look ahead and help people prepare themselves for the economy that comes next.

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Posted By: AaronS

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Outside of tourism, there is no viable in southern WV unless it includes the use of former MTR sites. That's a simple fact.

Posted at: July 27, 2012 6:26:57 am

Posted By: unbiased2

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Natural gas production should be so taxed on a yearly basis such that it pays at least the same amount of taxes as the coal industry did X years ago---plus

enough money, including unemployment, to live on for a year, i.e., severance pay.

Posted at: July 27, 2012 8:14:31 am

Posted By: Last Word

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1st - good luck trying to make steel from natural gas.
2nd - if natural gas is so much cleaner and economical for generating electricity, why are the environmentalists trying so hard to stop natural gas production?

Posted at: July 27, 2012 9:23:45 am