



• WEST VIRGINIA COAL ASSOCIATION •

# Legislative Program

2026

January 2026



# West Virginia Coal Association

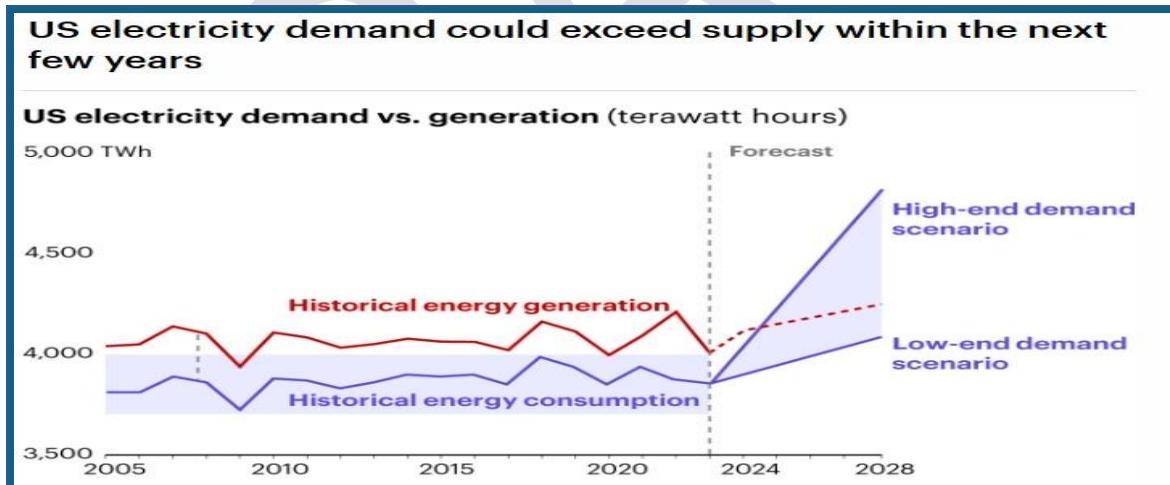
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## I. Introduction:

Over the past year, President Trump's energy team has been working at record pace to undo the damage inflicted on the nation's coal industry from previous federal administrations. At the state level, Governor Morrisey and the Legislature passed House Bill (HB) 2014, the microgrid/data center legislation containing a number of provisions designed to boost the coal industry and coal-fired electricity, including requirements to upgrade and modernize the state's regulated coal fleet so they would operate at optimum capacity for an extended period of time.

The revised Integrated Resource Plans (IRPs) and proposed plant upgrades are presently subject to proceedings before the West Virginia Public Service Commission (WV PSC) with a briefing schedule and evidentiary hearing set for first quarter 2026. The Legislature should follow up on this important state requirement to ensure that it is fully implemented.

These welcomed changes in state and national energy policy are timely as the state and nation prepares for a sudden and unexpected rise in electrical demand principally due to the development of artificial intelligence systems and data processing facilities.



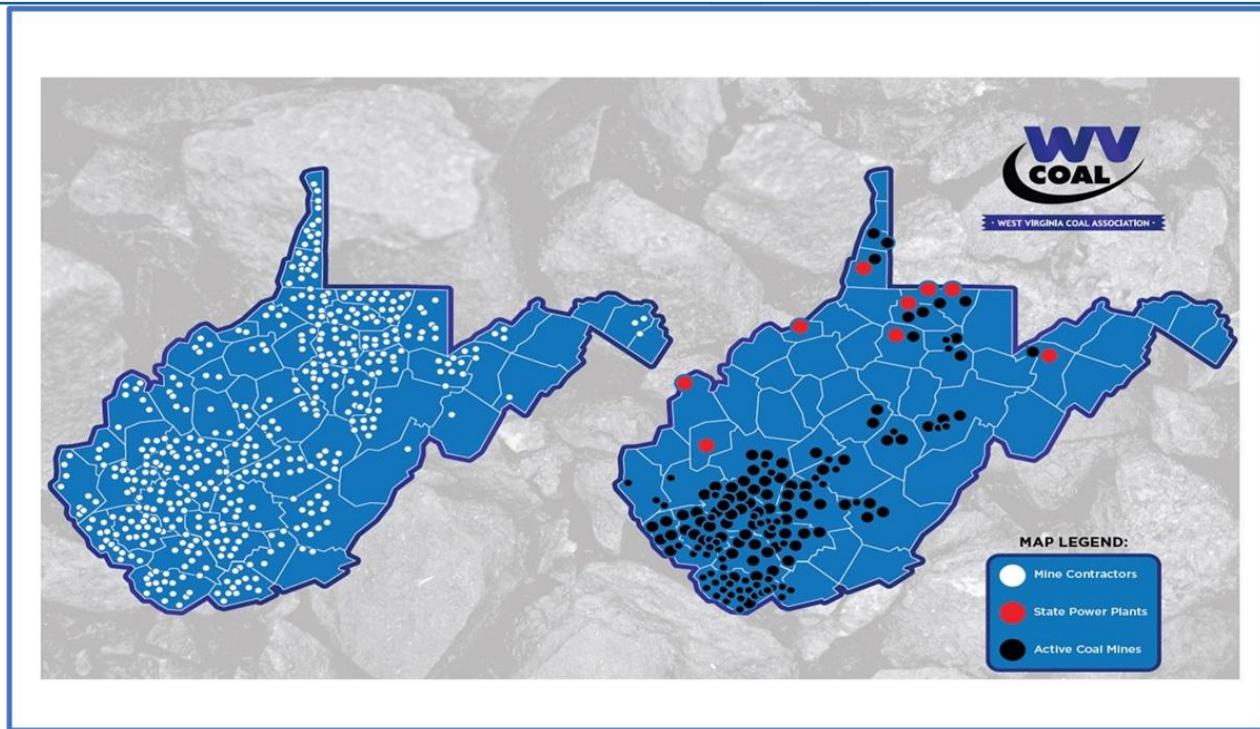
West Virginia's nine existing coal-fired power plants represent "premium assets" in this age of increased power demand and should serve as the fundamental building block of any plan to increase generation within the State of West Virginia. Securing the future of these existing in-state generating facilities positions the Mountain State to take advantage of new development opportunities.

**Ensuring the future of these nine West Virginia coal plants also protects the substantial investment made by state ratepayers in these facilities and the lowest cost electricity they provide. These existing coal assets represent Billions of dollars in state and local tax revenues and support thousands of coal mining, power plant and other jobs throughout the economy.**

**Figure 1: Economic Impact of Coal Mining and Coal-Fired Power Generation in West Virginia**

Type of Impact	Direct	Indirect and Induced	Total
<b>Output (\$, billions)</b>	9.4	4.5	13.9
<b>Employment (thousand jobs)</b>	15.4	17.9	33.3
<b>Employee Compensation (\$, billions)</b>	1.8	1.1	2.8
<b>State &amp; Local Tax Revenue (\$, millions)</b>	--	--	611.3

Notes: Output, Employee Compensation, and Taxes are measured in 2019 dollars. Tax impact includes severance, sales, personal income, property, and corporation net income taxes.



**All told, coal-fired electrical manufacturing in West Virginia accounts for nearly 60,000 West Virginia Jobs and \$14 Billion in annual revenues and economic activity.**

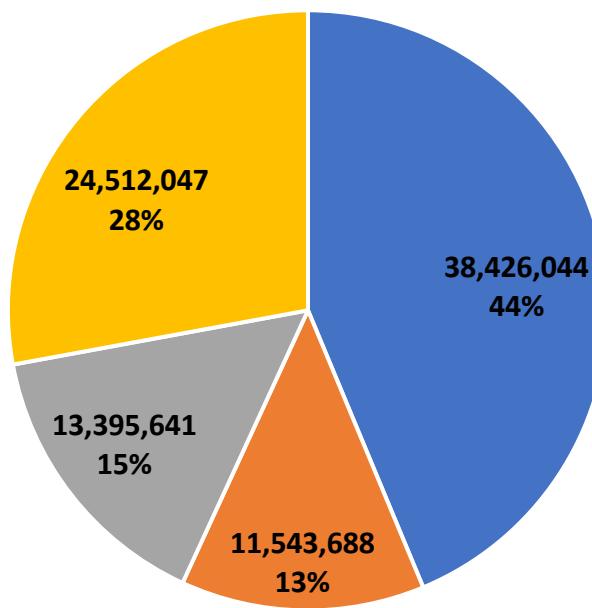
West Virginia's existing coal-fired electric generation capabilities, combined with passage of HB 2014 and federal assistance provided by the federal Department of Energy, provide the roadmap for West Virginia to become the region's new industrialized mecca.

In addition to the proposed legislation outlined herein, state law currently provides a framework through various administrative programs to facilitate growth and development of the coal industry but lack proper funding and oversight. The Public Energy Authority and Office of Coalfield Community Development are two primary examples. Statutory responsibilities recently assigned to the Department of Economic Development to designate potential new coal plant citing is another recent legislative initiative worthy of your attention and follow through.

We believe these entities all have important functions and should be encouraged to operate in close partnership with the industry and Legislature. Working closely with the Executive and Legislature, West Virginia coal has the ability to increase productivity and its employment ranks beyond current levels.

Preliminary production figures show a 4% increase from 2024 for a total of 87.8 million tons mined last year, with increases in both domestic thermal and metallurgical coal, offsetting losses in the international coal export market.

## West Virginia Coal Production 2025 (tons)



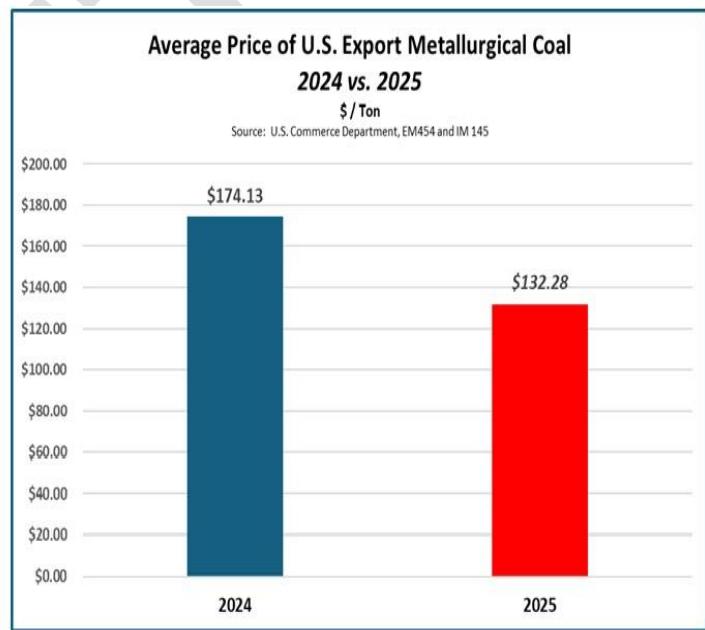
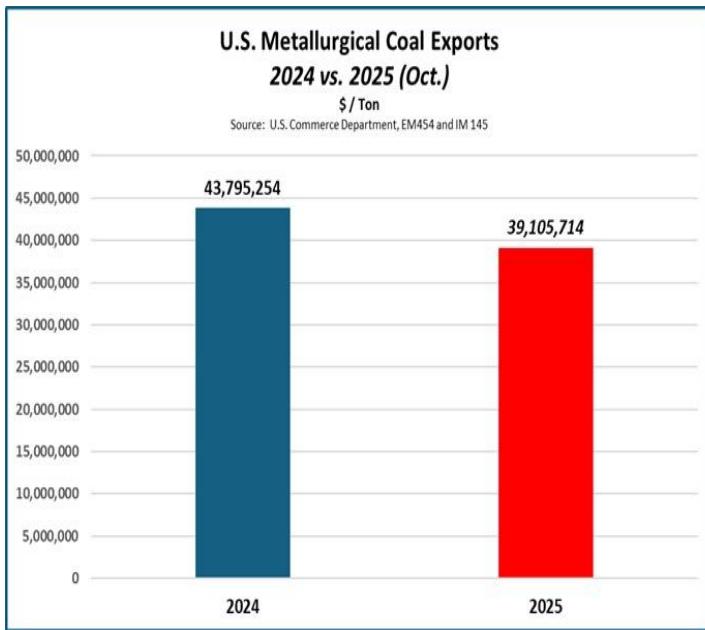
■ Domestic Thermal ■ Domestic Metallurgical ■ Export Thermal ■ Export Metallurgical

The Association's top legislative priorities this session involve fiscal policy and severance taxes. One proposal would create a credit against severance taxes for expansion and investments in existing mining operations and the other proposal is designed to reduce severance taxes for metallurgical coal operations competing in the international marketplace.

West Virginia has historically been a leading coal exporting state, accounting for over half of our nation's coal export product. The majority of West Virginia's coal exports are high-quality metallurgical coal which is desired around the world for steel making and infrastructure buildout. However, this important export product has encountered major headwinds in 2025, with average prices dropping over 40% and volumes declining by 8%. Beginning in late 2023, the world steel market was flooded with both ferrous iron and semi-

finished steel. Coke and steel production in West Virginia's traditional international markets responded commensurately.

Europe, South America and the developed nations of Asia all slowed their steel output and met coal consumption. Global steel production has declined by almost 2%. Output has decreased an average of 11% in the state's biggest met coal markets. In the longer term, there is a fundamental "structural shift" occurring in global steel making. After decades of dominating world production, and by extension the international markets for coking coal, iron ore and other raw materials, steel production is slowing in China. India is on pace to emerge as the world's largest steel maker. In just 10 years, India's steel production increased by 69% with 61 million tons of new furnace capacity. There are 27 blast furnaces under construction or planned in the next five years in India. Combined with its existing output, the new 142 million tons of annual iron production will be equal to about 15% of global steelmaking capacity. While global steel production is down compared to 2024, Indian output has increased 9.8% in 2025.



Several years ago, when West Virginia thermal coal producers were challenged by lower priced coal from neighboring states, the Legislature reduced the severance tax from 5% to 3% which enabled West Virginia thermal coal producers to preserve market share. Legislation will be advanced to lower the severance tax on metallurgical coal in a similar fashion from its current level of 5% to 3%.

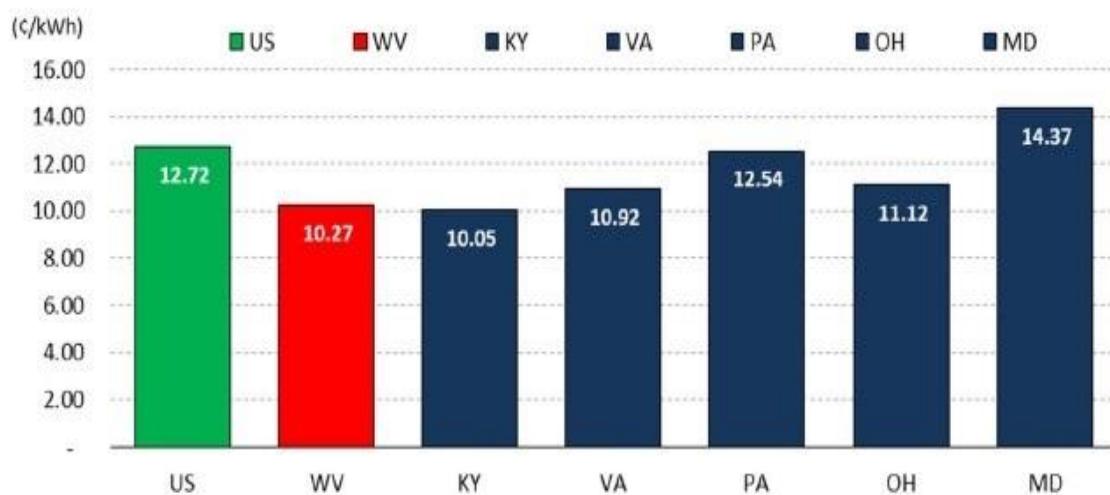
Another legislative proposal is designed to create fiscal incentives for data centers and other qualifying industrial electric consumers who commit to long-term purchases of West Virginia coal-based electricity. This legislation also eliminates B&O tax for any state utility that secures a data center and extends the level of incentives to current regulated power generating facilities that were provided to microgrids in HB 2014.

**The 2025 Regular Legislative Session is especially relevant and timely given the sudden and unexpected surge in electric demand and the universal cry for greater base load power to ensure resource adequacy and reliable power distribution and delivery.**

By increasing our generation from existing coal fired power plants with the addition of new industrial load, West Virginians should reap the benefits by expanding our job and tax base and stabilize, if not lower household and industrial electricity rates.

West Virginia coal and our states nine coal based, electric manufacturing facilities should be incentivized to operate at optimum capacity to capitalize on today's opportunities and growing electrical demand. After years of flat growth and punitive federal policies, no other state business or industry is more deserving or in need of such consideration from state policy makers.

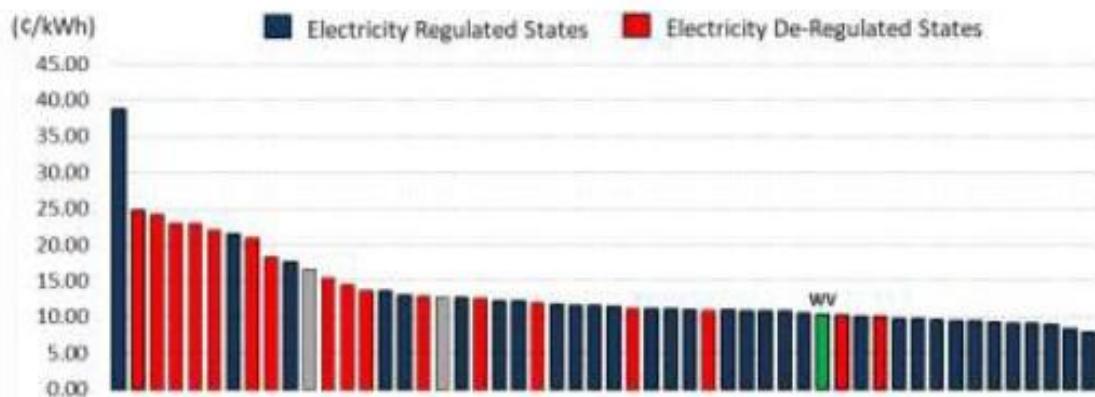
## 2023 WEST VIRGINIA RETAIL ELECTRICITY PRICE COMPARISON-ALL SECTORS



Source: U.S. Department of Energy, Energy Information Administration

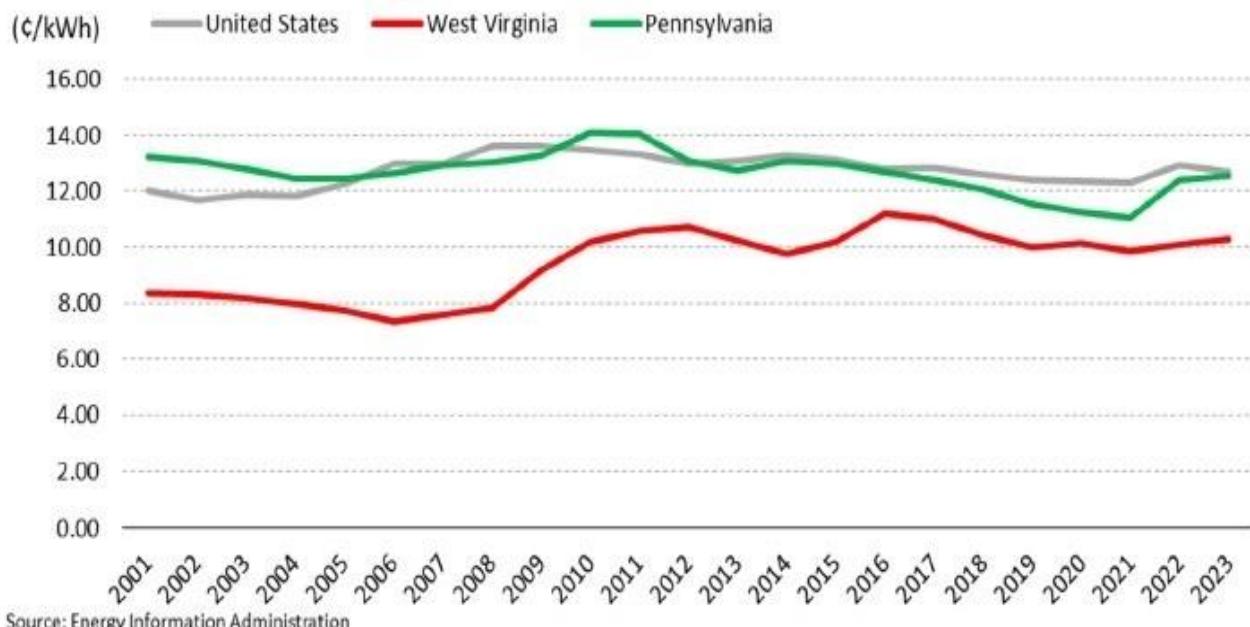
Any proposal advanced during this legislative session to “break-up” the coal-based electric system in West Virginia in the name of “de-regulation” is actually a veiled effort to replace the state’s existing coal power plants with newer, more expensive generation and to displace West Virginia coal miners. While displacing coal jobs may not be their stated intention that has certainly been the practical result experienced in other states. In these same “de-regulated” states and markets residential and industrial electric rates have skyrocketed (see Pennsylvania example). It should be noted by the Legislature that there is no prohibition on constructing new generation in West Virginia (as evidenced by recent proposals) nor is any legislative action required to build new electric generating plants.

## 2023 RETAIL PRICE OF ELECTRICITY IN REGULATED AND DE-REGULATED STATES



Source: Energy Information Administration

## HISTORICAL AVERAGE ELECTRICITY RETAIL RATES OF WEST VIRGINIA, PENNSYLVANIA, AND THE UNITED STATES



Source: Energy Information Administration

As part of our 2026 legislative program, please find an up-to-date profile of West Virginia's coal industry, an overview of West Virginia electric rates compared to other states, an economic profile of West Virginia's coal and electric utility industries and WVCAs comments on West Virginias proposed energy strategy.

## II. WVCA 2026 Legislative Proposals

1. Infrastructure and Production Tax Credit. Legislation has advanced over the past several years to provide a 50% tax credit against severance tax for infrastructure improvements i.e. roadways, shafts and slope development and purchases of qualifying production equipment. (Legislation during 2025 Regular Legislative Session was SB 448 & HB 2716.) (Adjust % of credit from 50% to 25%).
2. Lower Severance Tax on "Met" Coal to 3%. This legislation purports to lower severance tax on met coal from 5% to 3%. The severance tax on steam or thermal coal was previously lowered from 5% to 3% and phased in over a three-year period.
3. Co-Tenancy Legislation. Diverse mineral ownership in advance of underground mining has emerged as problematic where hundreds of (absentee) Aires hold ownership to small parcels. The inability to contact all the parties potentially serves to complicate mine design and mine development in a timely manner.
4. Data Center Incentives for Using Coal-fired Power. WVCA Legislation last year (SB 583 and HB 3137) incentivized energy users to locate facilities near existing power generators i.e. West Virginia's two major utilities. Incentives include B&O Tax decrease for Utility and salvage value on data center components. *NOTE: The purpose of this bill is to create economic incentives for data centers to locate within the state and further stimulate the state's economy by relying on locally sourced coal-generated electricity. The bill provides salvage value treatment for personal property used by qualifying data centers; an exemption from the B&O tax for all coal-generated electricity sold to qualifying data centers; and provides a sales tax exemption for all personal property sold to and used in the construction or maintenance of a qualifying data center.*
5. State Coking Facilities. This legislation requires Commerce Department and Economic Development Agencies to develop sites around the state to accommodate new coking facility. Legislation was advanced during 2025 Regular Legislative Session SB 687 & HB 2993 were introduced to accomplish the same.
6. Local Conservation District. (Repeal/Eliminate Funding)
7. Mine Safety Innovation Technology Tax Credit. The Mine Safety Technology Tax Credit was enacted in 2010 to provide incentives to purchase mine safety technologies. The Act sunsets or expires December 31, 2025, and should be reenacted. Provides for a 50% tax credit against corporate net for purchases of qualifying safety purchases approved by the mine safety director.
8. Coal Renaissance Resolution. During the 2025 Regular Legislative Session, Senate Concurrent Resolution 18 "West Virginia Coal Renaissance Act of 2025" was introduced and passed the Senate but died in the House. SB 18 identified the Executive Orders and actions of the Trump Administration to revitalize the coal industry following 4 years of the previous administration trying to suppress coal and transition away from fossil energy generally.

9. Coal Renaissance Legislation. During the 2025 Regular Legislative Session, SB 902 was introduced as a companion piece of legislation to SCR 18. NOTE: The purpose of this bill is to set operational capacity requirements for electric utility generators and units, require the maintenance of 45 days' worth of base fuel supply, list required actions for power-generating utilities, and actions required of the Public Service Commission.
10. Office of Coalfield Community Development. Address funding and clarify lobbying expenditures.
11. WV Office of Miners' Health, Safety & Training. Restructure the WV Office of Miners' Health, Safety and Training so it becomes more involved with miner training, certification, accident investigation, mine rescue and mine emergency operations.

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