Strategies for Appalachian Transition

Peter Hille, President
MACED
The decline of coal

“There should be no doubt in anyone’s mind that [coal’s] role as an employer is reducing...To ignore that is to blindfold ourselves and stick our heads in the sand.”

Kentucky Governor Steve Beshear
December 2013 SOAR Summit
Factors impacting Central Appalachian coal

The easy coal has been mined out

Acid rain regulations from decades ago resulted in scrubbers on plants, higher sulfur coal can now be burned and is cheaper

Natural gas has become cheaper than coal

Increasing CO2/climate change awareness poses future challenges to coal
Coal prices as of March 6, 2015
Dollars per short ton

- Central Appalachia $53.06
- Illinois Basin $40.32
- Powder River Basin $11.55
Coal vs Natural Gas 1997-2012

Historical Spot Prices for Coal and Natural Gas (in MMBTU, yearly average)

USD


coal
natural gas
As much as coal has meant to us, it still has not built for us a self-sustaining economy. We had more high tech jobs than we could ever imagine in the coal industry, and it still didn't solve the chronic problems of the region. So we have to build that basic economic foundation.

Former Governor Paul Patton

July 12, 2000
We lost the jobs before we lost the mines

Kentucky Coal Mining Production and Employment (1979-2006)

Sources: Kentucky Office of Energy Policy, Kentucky Coal Association, Energy Information Administration
Economically distressed communities—even before we lost the jobs

ARC-Designated Distressed Counties, Fiscal Year 2013

Prepared by the Appalachian Regional Commission

Data Sources:
Income data: U.S. Department of Commerce, Bureau of Economic Analysis, REIS, 2009
Poverty data: U.S. Department of Commerce, Bureau of the Census, American Community Survey, 2008-2010
Appalachian Transition

- A moment that demands and allows action
- A vision of a renewed region
- Strategies and approaches that create new opportunities
- Grounded in place and people
- Gathering political will for change
Economic opportunities

- Entrepreneurship
- Energy
- Forestry
- Health care
- Tourism
- Local foods
Policy Opportunities

- SOAR: Shaping our Appalachian Region
- President’s POWER+ Plan
- 111(d) Rules
- Divestment/Reinvestment
The Basket
10.8 kW Solar Electric System
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