

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

Senate Bill 678

By Senators Hart, Helton, Phillips, Rose, Rucker,

Willis, and Thorne

[Reported March 18, 2025, from the Committee on

Energy, Industry, and Mining]

1 A BILL to amend and reenact §5B-2O-1, §5B-2O-2, §5B-2O-3, and §5B-2O-4 of the Code of West
2 Virginia, 1931, as amended; and to amend the code by adding a new section, designated
3 §5B-2O-5, relating to establishing the Affordable Electricity and Economic Growth Act of
4 2025 to facilitate coke production and steelmaking in the state.

Be it enacted by the Legislature of West Virginia:

ARTICLE 20. ~~COAL FIRED GRID STABILIZATION AND SECURITY ACT OF 2023~~
AFFORDABLE ELECTRICITY AND ECONOMIC GROWTH ACT OF 2025.

§5B-2O-1. Short title.

1 This article shall be known and cited as the "~~Coal Fired Grid Stabilization and Security Act.~~"
2 "Affordable Electricity and Economic Growth Act of 2025."

§5B-2O-2. Legislative findings; declaration of public policy.

1 (a) The Legislature finds that:

2 (1) The advent and advancement of new and existing technologies and ~~mining/drilling~~
3 mining and drilling practices have created the opportunity for efficient mining of coal in West
4 Virginia, including opportunities for the production of electricity and coke for making steel;

5 (2) Production of electricity utilizing coal produced in West Virginia is now inadequately
6 developed in comparison to nearby states with which West Virginia competes for economically
7 beneficial projects. Coal electric generation projects have been undermined by existing regulatory
8 requirements and related time delays. Additionally, changes in federal economic and trade policy
9 are imminent, with a renewed focus on domestic manufacturing and steel production. West
10 Virginia is uniquely situated to capitalize on this development through its vast reserves of
11 metallurgical coal required to produce coke for making steel. To facilitate this, state regulatory and
12 economic policies must be brought into alignment with this prime opportunity.

13 (3) In developing regulatory actions and identifying appropriate approaches to encourage
14 development of coal electric generation and coke production projects, agencies should attempt to

15 promote coordination, simplification, and harmonization. Agencies should also seek to identify
16 appropriate means to achieve regulatory goals that are designed to promote innovation and
17 enhance West Virginia's competitiveness with surrounding states;

18 (4) Agencies should review their existing legislative and procedural rules to determine
19 whether any such rules should be modified, streamlined, expanded, or repealed so as to make the
20 agency's regulatory program more effective or less burdensome in achieving the regulatory
21 objectives related to coal electric generation and coke production projects. Agencies should also
22 evaluate the data that they have to determine what information might be useful to prompt
23 permitting and approval of coal generated electricity; and

24 (5) The West Virginia Department of Economic Development established in §5B-2-1 *et*
25 *seq.* of this code is responsible for implementing this ~~Coal-Fired Grid Stabilization and Security Act~~
26 ~~of 2023 and provide~~ Act and providing as much assistance as possible to grow and sustain the
27 coal electric generation segment of the economy.

28 (b) The Legislature declares that facilitating the development of business activity directly
29 and indirectly related to coal electric generation development, transportation, storage, and use
30 serves the public interest of the citizens of this state by promoting economic development, by
31 improving economic opportunities for the citizens of this state, and providing additional
32 opportunities to stabilize the price of electricity while increasing its reliability and availability.

33 (c) The Legislature declares that developing the regional steel industry in West Virginia
34 and neighboring states has a profoundly positive effect on the overall economy of West Virginia,
35 particularly when such steel is manufactured with metallurgical coal and coke produced within
36 West Virginia. The Legislature finds that the secondary and tertiary economic benefits to the
37 citizens and economy of West Virginia from such industrial activities are of inestimable value, and
38 critical to the continuing viability of our state.

39 (d) The Legislature declares that the value of government agencies such as the
40 Department of Economic Development is contingent upon their ability to implement directives from

41 this code in a manner consistent with the stated purpose and that transparency and accountability
42 within all government agencies is a prerequisite for the continued relevance, funding, and
43 existence of the agencies.

§5B-2O-3. Identification of suitable sites for coal electric generation projects and coke
production plants.

1 (a) The Department of Economic Development is authorized and directed to identify
2 economically viable sites within the state that are, respectively:

3 (1) Located near a convenient and sufficient supply of thermal coal for power generation
4 and metallurgical coal for producing coking as used in making steel.

5 (2) Located near consumers of electricity to provide a convenient supply of the generated
6 electricity, or near rail facilities sufficient to transport the coke to steel producing facilities,
7 respectively; and

8 (3) Likely to create economically viable coal electric generation projects or coke production
9 plants that provide economic benefits to the local and state governmental units and the citizens of
10 the state.

11 (b) The Department of Economic Development shall use the following criteria in identifying
12 economically viable sites for coal electric generation projects:

13 (1) Geographic locations near coal deposits in the state capable of supplying and
14 sustaining one or more coal electric generation facilities for the economic life of the facilities;

15 (2) Geographic locations near existing electric transmission infrastructure capable of
16 transmitting the generated electricity to wholesale markets of electricity by one or more coal
17 electric generation facilities for the economic life of the facilities;

18 (3) Geographic locations that fulfill the air quality conditions imposed by the Division of Air
19 Quality of the West Virginia Department of Environmental Protection for one or more coal electric
20 generation facilities; and

21 (4) Geographic locations that can demonstrate that allowable emission increases from one

or more coal electric generation facilities, in conjunction with all other applicable emission increases or reductions, including secondary emissions, would not cause or contribute to air pollution in violation of:

(A) Any national or West Virginia Ambient Air Quality Standard in any air quality control region; or

(B) Any applicable maximum allowable increase over the baseline concentration in any area.

(c) The Department of Economic Development shall use the following criteria in identifying economically viable sites for coke production projects:

(1) Geographic locations near metallurgical coal deposits in the state capable of supplying and sustaining one or more coke production facilities for the economic life of the facilities;

(2) Geographic locations near existing rail infrastructure capable of transporting the produced coke to steel-making facilities for the economic life of the coking facilities;

(3) Geographic locations that fulfill the air quality conditions imposed by the Division of Air Quality of the West Virginia Department of Environmental Protection for coke producing facilities;
and

(4) Geographic locations that can demonstrate that allowable emission increases from one or more coke producing facilities, in conjunction with all other applicable emission increases or reductions (including secondary emissions), would not cause or contribute to air pollution in violation of:

(A) Any national or West Virginia Ambient Air Quality Standard in any air quality control region; or

(B) Any applicable maximum allowable increase over the baseline concentration in any area.

§5B-20-4. Designation of sites suitable for coal electric generation projects.

(a) Following identification of economically viable sites that may be suitable for coal electric

2 generation or coke production projects, the Department of Economic Development shall identify
3 and designate each site it has determined to be suitable for coal electric generation or coke
4 production projects as a "Designated Site," and shall communicate the Designated Sites to the
5 West Virginia Department of Environmental Protection's Division of Air Quality and, in the case of
6 coal electric generation, the West Virginia Public Service Commission as sites suitable for the
7 construction and operation of coal electric generation projects.

8 (b) Any application for a siting certificate pursuant to §24-2-11c of ~~the West Virginia~~ this
9 code filed with the Public Service Commission for development of a coal electric generation or
10 coke production project at a Designated Site shall be adjudicated, inclusive of public hearings, and
11 a final order issued by the Public Service Commission, within 270 calendar days after the date of
12 the filing of the application, notwithstanding the requirements of any other provision of this code.

13 (c) Nothing in this section is intended to preclude, modify, or establish new Public Service
14 Commission jurisdiction over:

15 (1) Any exercise of powers, duties, and obligations pursuant to the West Virginia Public
16 Energy Authority Act; ~~and~~ or

17 (2) The right of end-user consumers of electricity to develop, invest in, or otherwise
18 contract for on-site electric self-generation or cogeneration facilities, including those utilizing coal
19 as a fuel source.

20 ~~(3)~~ (d) This section does not:

21 (1) Alter, modify ~~and/or~~ or cancel any existing cogeneration ~~tariffs~~ tariff authorized by the
22 Public Service Commission, nor ~~(4) This section does not~~

23 (2) Authorize the sale of electricity to end-users in the state.

24 ~~(d)~~ (e) Where a designated site has been identified, in accordance with §22-5-11c of this
25 code, as a location where additional data would be helpful for modeling or other evaluation of the
26 potential emission of a coal generation project, the Department of Economic Development shall
27 construct such facilities as are necessary to acquire such data.

§5B-20-5. Timeframe and performance criteria for Department of Economic Development.

1 (a) The Department of Economic Development shall submit a preliminary report to the
2 Joint Committee on Energy and Manufacturing no later than December 31, 2025, outlining a
3 minimum of four initial locations under consideration each for coal electrical generation and coke
4 production, respectively.

5 (1) Two of the four locations considered for coal electrical generation shall be from a
6 geographical area north of Interstate 64, and two of the four locations considered for electrical
7 generation shall be from a geographical area south of Interstate 64.

8 (2) Two of the four locations considered for coke production shall be from a geographical
9 area north of Interstate 64, and two of the four locations considered for coke production shall be
10 from a geographical area south of Interstate 64.

11 (b) The Department of Economic Development shall identify and designate at least one
12 site each pursuant to §5B-20-4 of this code for coal electric generation and coke production,
13 respectively, and submit a report to the Joint Committee on Energy and Manufacturing regarding
14 the designation no later than December 31, 2026.

15 (c) The Department of Economic Development shall identify and designate at least one
16 additional coal electric generation site and one coke production site per year for the subsequent
17 five-year period following calendar year 2026. Not more than 60 percent of the total sites
18 designated for each such use may be above or below Interstate 64, respectively.

19 (d) Failure to meet the requirements set forth in this section constitutes a state of
20 noncompliance with this code and results in an automatic 25 percent reduction in spending
21 authority for the department in the following fiscal year.