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**“THE ENVIRONMENTAL AND ECONOMIC IMPACTS OF  
THE ANTHRACITE INDUSTRY IN NORTHEASTERN  
PENNSYLVANIA AND PENNSYLVANIA’S COAL REFUSE  
ENERGY AND RECLAMATION TAX CREDIT”**

**Testimony to the Senate Committee on Community, Economic  
and Recreational Development**

**On behalf of the  
Reading Anthracite Company**

**Presented by:  
Jason E. Kelso, Esq.  
General Counsel**

**Tuesday, September 27, 2022 - 1:30 p.m.**

**Hazleton City Hall, 40 N. Church St., Hazleton, PA 18201**



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Thank you for the opportunity to serve as a panelist in this hearing to discuss the environmental and economic impacts of the anthracite industry in Northeastern Pennsylvania and Pennsylvania's Coal Refuse Energy and Reclamation Tax Credit.

I currently serve as General Counsel for Reading Anthracite Company together with Schuylkill Energy Resources, Inc. and Ri-Corp. Development, Inc. d/b/a Gilberton Power Company ("Gilberton Power Company").

**I. Environmental and Economic Impacts of the Anthracite Industry**

***Reading Anthracite Company:***

Reading Anthracite Company is an anthracite mining company with its corporate office located in Pottsville, Pennsylvania. Our mining operations are located in Schuylkill and Northumberland counties. As is common in the Anthracite Region, our mining operations are on sites that were previously mined prior to the Surface Mining Conservation and Reclamation Act ("Act"). Upon the conclusion of our mining activities, we are obligated to reclaim these areas.

Reading Anthracite Company supplies anthracite to domestic and international consumers. We employ approximately 150 individuals directly, but we anticipate hiring more individuals as we expand operations to meet global demand for United States anthracite. In addition, we indirectly create jobs in the various services industries that support our mining operations, such as mechanics, trucking and hauling companies, electricians, fueling companies, machine and metal fabrication facilities, welders, equipment providers and many other service providers. Without Reading Anthracite Company, many of these service entities would scale back their employment.

Almost all of the United States mineable anthracite reserves are located in Northeastern Pennsylvania. Anthracite is a core energy, carbon and media solution to regional and national



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manufacturing industries. Anthracite is a vital and necessary source of carbon for the United States Steel Industry. Water treatment and filtration facilities use anthracite as a filter media solution. Anthracite is an important component of charcoal. Lastly, a small percentage of anthracite is used as a residential and commercial heating source. Anthracite is not used for power generation except for anthracite culm, also known as coal refuse, that is used by the coal refuse power generation industry.

The domestic steel industry relies heavily on us as the cleanest, most efficient source of carbon for injection into their Electric Arc Furnaces (“EAF”). The EAF method of making steel is rapidly becoming the preferred low carbon method of making steel. We made a substantial capital investment in order to produce anthracite that meets the carbon specifications of the domestic steel industry. In the past, we were price shopped against low-cost Russian imports. The Ukrainian conflict has exposed the steel industry to the dangers of relying on foreign carbon and has shed light on the fact that we are an essential market. If we are unable to produce anthracite domestically, it could be a matter of national security. Right now, the entire domestic anthracite industry is poised to grow, and everyone is looking towards large capital investments, updates to existing equipment, expanding mining operations and most importantly, hiring a multitude of people at family sustaining wages and benefits in order to meet the global demand for anthracite.

I was requested to speak about reclamation activities and other economic projects of Reading Anthracite Company on its former mine lands. Reading Anthracite Company together with other related entities own approximately 16,000 acres of real estate throughout Schuylkill, Northumberland and Columbia counties.



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Reclamation is more than just aesthetics. Our reclamation projects provide ongoing economic growth through tourism, future alternative energy projects, commercial development and agricultural uses.

Today, I would like to highlight some of our reclamation and economic projects together with future opportunities.

***Coal Creek Commerce Center in Saint Clair, Pennsylvania.***

Coal Creek Commerce Center is located in the heart of the anthracite region in Schuylkill County. For nearly one hundred (100) years, it was the site of one of the largest and richest veins of anthracite in the country. Considering that mining ceased in the area before the Act and reclamation bonding, the location, an old strip-mining pit, became an eye sore - a blighted and hazardous area.

However, this extensive mining property was reclaimed and redeveloped into a thriving commerce center generating hundreds of jobs for the local economy. The project started in 2001 and continues today. It has and features a Wal-Mart Super Center, Home Depot, Tractor Supply, restaurants, retail centers and service providers such as Aspen Dental and MedExpress. Today, it is the premier retail, service and restaurant destination within Schuylkill County.

Revitalization efforts at Coal Creek are ongoing. Currently, we are working with Schuylkill River Greenway Association to establish a non-vehicular trail over a portion of our property to connect the Borough of Frackville to the Borough of Saint Clair, including through Coal Creek Commerce Center. The intent is to create a recreation hub that will bring further economic development to this area.



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***Famous Reading Outdoors and the Tourism Industry.***

As part of our efforts to utilize our previously mined property and to promote tourism and economic growth, Famous Reading Outdoors was formed in 2017. Famous Reading Outdoors operates a family friendly, motorized and non-motorized recreation facility on former mine lands in Schuylkill and Northumberland Counties. Further, Famous Reading Outdoors partners with local non-profits to promote charitable events.

Famous Reading Outdoors extensive and inter-connected trail system has become a treasured destination for off-road enthusiasts. Each weekend, both in-state and out-of-state tourists travel to the anthracite region to participate and ride on our extensive trail system. We are also working with others to create a more extensive trail system and to provide further access directly from the trails to towns and commercial centers throughout the anthracite region. These efforts promote economic development beyond the off-road riding industry by promoting local restaurants, shops and even hotels and Air B&B locations in these communities.

In order to meet the demands of the tourism industry, we are exploring opportunities to transform former mine lands into commercial and service centers such as hotels, restaurants and gas stations. However, we view this as a collaborative effort, and we are working with various stakeholders in order to make this a reality.

In August 2022, the Department of Conservation and Natural Resources announced the acquisition of 5,600 acres parcel of land that will be developed into a motorized recreation area in the Weiser State Forest in Schuylkill and Luzerne Counties. This demonstrates the growth of the off-road industry, the potential economic growth, and tourism that it will provide to the anthracite region.



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In addition, and in conjunction with Famous Reading Outdoors, the Borough of Minersville recently enacted an ordinance to permit off-road vehicles to ride in town with a permit. The intent is that off-road riders will eat, shop and stay in our towns. The anthracite region is rapidly becoming a destination for off-road enthusiasts who travel here frequently, which fosters and promotes economic development.

***Commercial and Industrial Development.***

The anthracite region is in close proximity to major cities and interstate highways, which makes it an ideal location for commercial and industrial development, including serving as a prime site for logistics centers. In addition to using our former mine lands to promote tourism, we are exploring opportunities for commercial and industrial development, especially in the locations with convenient access to our interstate highways.

***Residential Development.***

In light of the influx of new jobs through the expansion of the mining, manufacturing and tourism industries, there is a need for housing. Frequently, off-road tourists mention how they want to invest in the area and purchase a weekend getaway. Further, our employees and people relocating to the area to work in the various industries are looking for housing and residential developments. With a new age of many individuals now working from home at least part time, there is a demand for housing in more affordable areas and away from the congestion of our cities. We are exploring plans to build residential developments on our former mine lands to address this housing need.



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***Alternative Energy Sources.***

With an abundance of former mine sites and open terrain, the anthracite region has numerous sites that are prime for alternative energy sources such as solar farms and wind turbines. As you travel through the anthracite region, you will see wind turbines from Interstate 81. With Schuylkill Energy Resources and Gilberton Power Company, we understand the importance of providing a reliable source of energy. As a result, we are exploring opportunities to transform some of our former mine lands into alternative energy sites such as solar farms and wind turbine parks.

***Agricultural.***

Reading Anthracite Company is working with Schuylkill Energy Resources to reclaim an area of land close to the Schuylkill Energy Resources power generation facility. This area was the site of pre-Act culm banks. Schuylkill Energy Resources used the culm as fuel to generate electricity. As part of the power generation process, the beneficial ash byproduct of Schuylkill Energy Resources was used to fill in an existing open pit. This pit was then reclaimed with the use of biosolids and re-vegetated and it is now the site of an agricultural and farming operation.

***Summary.***

As you can see from the highlights, it is an exciting time for the anthracite region as it is rapidly becoming a treasured destination for off-road enthusiasts. Moreover, the anthracite region, with its close proximity to highways and major cities, is becoming a manufacturing, industrial, and logistical center. Further, mining operations are expanding in order to meet the global demand for United States anthracite, which will result in new jobs at family sustaining wages and capital



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investment into our communities. Lastly, we greatly appreciate the hard work and support of our elected officials in all of these endeavors.

## **II. Coal Refuse Energy and Reclamation Tax Credit**

I also serve as General Counsel to Schuylkill Energy Resources and Gilberton Power Company. Both are anthracite culm power generation companies. Jaret Gibbons of ARIPPA will be discussing the impact and benefits of the Tax Credit and the coal refuse to energy industry; however, I would like to briefly address the impact of the two facilities on the various stakeholders.

Schuylkill Energy Resources is a 100-megawatt (net 80-megawatt) anthracite culm-fired cogeneration facility. Gilberton Power Company is an 88-megawatt (net 80-megawatt) anthracite culm-fired cogeneration facility. Both facilities use anthracite culm from existing abandoned culm banks to generate electricity. Anthracite culm is designated as a clean, preferred Tier II alternative energy source.

### ***Environmental Benefits***

It is estimated that approximately 180,000 acres of land holds more than 2 billion tons of coal refuse from legacy mining, which said waste coal refuse banks naturally emit CO<sub>2</sub> and result in acid mine drainage and stormwater runoff.

These facilities are part of the reclamation efforts to clean up our lands, water and air from the effects of legacy mining. The beneficial ash byproduct from these facilities is used to fill in mine pits and then these sites are re-vegetated. The long-term environmental benefits of this industry include, without limitation, the following:

1. Reduction in CO<sub>2</sub> air emissions from pre-Act waste coal banks;
2. Reduction in dust emissions from pre-Act waste coal banks;





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3. Reduction in solar heat absorption from pre-Act waste coal banks;
  4. Reduction in contaminated stormwater runoff from pre-Act waste coal banks;
  5. Reduction in acid mine drainage from pre-Act waste coal banks; and
  6. Remediation and re-vegetation enhances the aesthetical appearance of the land scape.

***Economic Benefits.***

Schuylkill Energy Resources has approximately 65 employees while Gilberton Power Company has approximately 40 employees. In addition, both facilities utilize the services of other companies to process and/or haul anthracite culm, to perform ongoing maintenance work at the facilities, and other services incidental and necessary for these facilities to operate.

***Coal Refuse Energy and Reclamation Tax Credit***

Lastly, I want to thank our Senators and Representatives that supported the tax credit. The tax credit was necessary for the coal refuse to energy industry to continue its environmentally friendly and economically essential operations. Without the tax credit, it is highly likely that some of these facilities would have ceased operations.

**III. Conclusion**

Thank you again for the opportunity to provide comments. As set forth herein, it is an important and exciting time in the anthracite region. With the continued support of our elected officials, we look forward to continuing our mining operations, power generation operations, and reclamation and economic projects.