

EXECUTIVE SUMMARY

Mountaintop removal coal mines are poised to begin operation on Coal River Mountain in Raleigh County, West Virginia. In West Virginia as well as surrounding states, hundreds of mountaintop removal mines have flattened hundreds of thousands of acres of mountain peaks in order to access the coal, while pushing the waste material into adjacent valleys and burying headwaters streams.

Coal River Mountain Watch—an organization that works to stop mountaintop removal mining and to help rebuild sustainable communities—is promoting an alternative: the development of a wind farm on Coal River Mountain. This alternative would protect the surface of the mountain, produce green electricity, and preserve current underground coal mining jobs.

This report presents two starkly different choices for Coal River Mountain: mountaintop removal versus a wind farm. As this report demonstrates (see Chapter 3), after mountaintop removal, Coal River Mountain would be rendered uneconomical for wind farm development.

Three scenarios are examined in this report: mountaintop removal, conservative wind, and local industry wind scenarios. Both wind scenarios envision 164 wind turbines on Coal River Mountain. The third scenario includes development of a local wind industry that, when combined with construction of wind turbines on Coal River Mountain, would further enhance the local economic benefits of wind.

For each scenario, the local economic benefits are quantified based on increased jobs, earnings, and economic output. In addition to these economic benefits, costs due to excess deaths and illnesses from coal production and local environmental problems are quantified and added to earnings to demonstrate how each scenario impacts the citizens of Raleigh County.

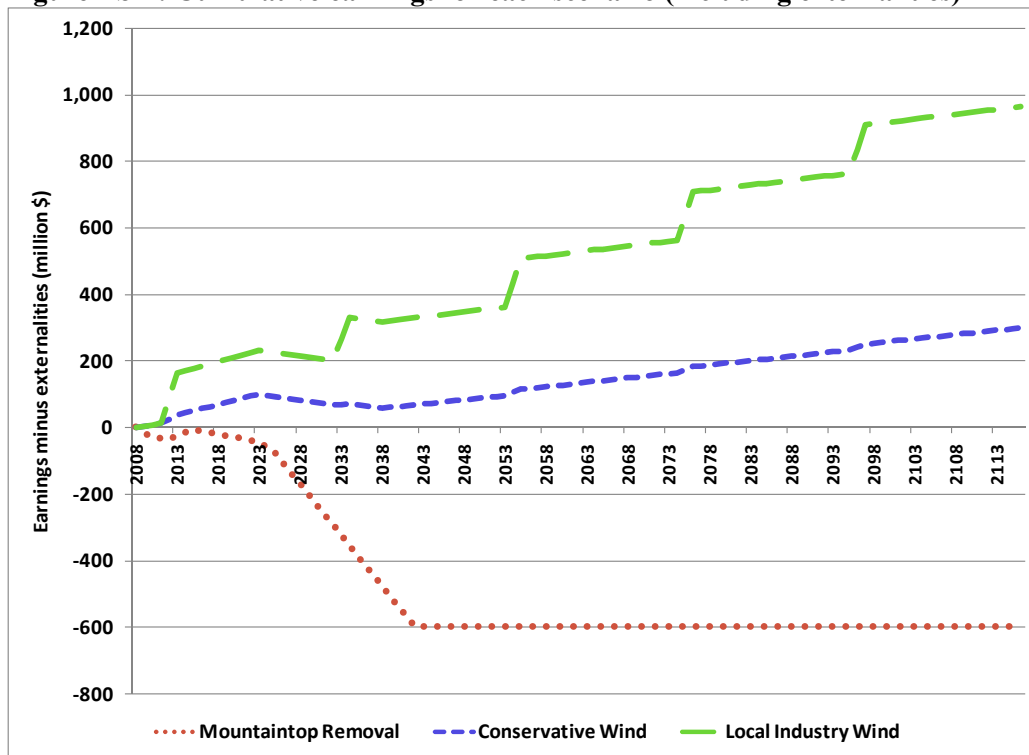
Other externalities—including global environmental costs; forestry; tourism; property values; and gathering, hunting, and heritage—are not quantified in this report. However, quantification of these additional externalities would tend to favor the development of a wind farm over mountaintop removal mines.

The economic results of the mountaintop removal and wind scenarios stand in stark contrast (Figure ES-1). For mountaintop removal, the cumulative external costs from coal production exceed the cumulative earnings in every year. Even without comparing it with the wind scenarios, the mountaintop removal scenario is not defensible from the perspective of Raleigh County citizens when considering just two externalities: excess deaths and illnesses, and environmental damage.

In contrast, both wind scenarios show cumulative earnings that exceed cumulative externalities in every year. Based on our economic analyses, the wind scenarios are preferable to mountain removal coal mining to the citizens of Raleigh County. When combined with a local wind turbine manufacturing industry, even more significant additional local economic benefits are achieved.

The timing of these costs and benefits are important. The benefits of mountaintop removal mining would end after 17 years when the mining ends, but the costs of mountaintop removal mining are projected to continue due to the expected deaths and illnesses caused by the coal mining. In contrast, the benefits from the wind scenarios continue indefinitely.

Figure ES-1: Cumulative earnings for each scenario (including externalities)



Even without considering externalities, the local industry wind scenario would provide more cumulative jobs than the mountaintop removal scenario after 2033—only eight years after the mountaintop removal mines would close.

In addition to higher local earnings, the wind scenario would generate significantly more local taxes for Raleigh County than the mountaintop removal scenario. Only an additional \$36,000 per year in coal severance taxes would be paid to Raleigh County by mountaintop removal mining on Coal River Mountain. In comparison, a wind farm would generate an additional \$1.74 million in local property taxes each year.

While wind provides greater economic benefits to the citizens of Raleigh County, a final decision about mountaintop removal rests with the landowners and leaseholders on Coal River Mountain, who are concerned with the value of their investments. This report computes the present value of revenues to landowners generated by a wind farm versus mountaintop removal. Wind farm revenues were found to be much lower than those realized through mountaintop removal. In addition, currently held coal leases on Coal River Mountain stay in existence until “all minable coal” is extracted, further inhibiting surface developments like wind farms.

It is therefore no surprise that both landholding companies and leaseholders have pursued coal mining as opposed to wind farm development on Coal River Mountain. Without societal intervention, these companies will pursue mountaintop removal in order to provide the greatest private profits possible from the land and coal resources on Coal River Mountain.

A wind farm on Coal River Mountain has been contentious since this concept was first proposed by Appalachian Voices and others in late 2006. However, the conclusions of this report confirm that a wind farm would produce greater economic benefits to citizens of Raleigh County, particularly when health and environmental externalities are included in the analysis.

There are several actions that could shift the current emphasis on coal production to one that includes coal and wind production. These actions include a change in the regulatory or legal landscape in regard to surface coal mining.

State and local leaders and stakeholders can all play a role to promote the use of wind energy. Based on the findings of this report, state and local leaders should reconsider their singular focus on extraction of coal resources in southern West Virginia and chart a common path forward with local citizens that not only preserves private profits, but also strives—as a central objective—to sustain the local economy over the long term.