



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



**Bureau of Mining Programs**

# Bureau of Mining Programs Update

January 11, 2018

Tom Wolf, Governor

Patrick McDonnell, Secretary

## Non Regulatory Agenda

- Processing Completion Reports
- Bonding-Direct submittal of Bonds
- Surface Water Protection-Underground Bituminous Coal Mining Operations
- Blaster's License Suspension
- Pre-applications
- Engineering Manual
- Civil Penalties
- Sub F
- Alkaline Addition



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# NPDES

# NPDES Permitting Update

- As of November 30, 814 Draft Permits have been sent to EPA
- EPA has commented or objected on 391
- Issues
  - Checklist
  - Sufficiently Sensitive Methods
  - Monthly Calls
  - WETT

# NPDES Permitting Statistics

	Issued	Could be Issued	Pending
Comments	376	14	1
No Comments (142 No Comment Letters)	377	41	5 (Awaiting 30 Days)



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# Historical Applications

# ▶ Historical Application Progress (Coal)

- As of November 30
  - 1574 of 1629 have been disposed
  - 55 (3.4%) remaining for action
    - 33 Renewals

4 Pottsville/51 California

0 Cambria/0 Greensburg/0 Moshannon/0 Knox



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# TRUSTS



# Trust Agreement/bond Status

	Dec 2015	Aug 2017	Nov 2017
Total Agreements (165)	132	141	141
Bonds	75	75	75
Fully Funded Trusts	44	51	51
Partially Funded Trusts	11 + 2 ABS	12 + 3 ABS	12 + 3 ABS

# Financial Summary

	Dec 2015	Aug 2017	Nov 2017
Bonds	\$226.2 M	\$ 234.2 M	\$ 233.3M
Fully Funded Trusts	\$72.9 M (\$82.6 M)	\$ 100.6 M (\$93.9 M)	\$100.5 M (\$ 93.9 M)
Partially Funded Trusts	\$62.2 M (\$124 M)	\$89.7 M (\$138.1 M)	\$ 90.8 M (\$ 138.1M)



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# LRFGs

# Land Reclamation Financial Guarantees

	Count (last report)	Average Amount
LRFG Operators	120 (119)	\$356 K (\$3 M Max)
LRFG Permits	212 (209)	\$201.5 K (\$2.1 M Max)
	Aug 2017	Nov 2017
Total Underwritten	\$43.3 M	\$42.7 M

# ▶ LRFG Account Reserve

Use of reserve (86.162b(e))

1. Reclamation Liabilities
2. Bio-energy Crop Bonding
3. Transfer to Rec Fee Account

# ▶ LRFG Account Status/Limits

As of November 30, the LRFG Account balance was \$14,390,989.10

\$10 M Designated

Potential Expenditures

\$34,000 Ralph Smith

\$200,000 Contingency

# ▶ LRFG Risk Management

- 4 Companies are close (<\$2.5 M) to limit.
- And of them, 2 are at limit (\$3.0 M)



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# Reclamation Fee Accounts



# Rec Fee Account Revenue-4th Qtr 2017

Month	Coal Civil Penalties	Interest
October	\$20,850.48	\$3,664.21
November	\$49,246.54	\$3,681.14
December	\$34,868.48	\$4,125.23
FY Total	\$160,890.50 (\$152,845.98)	\$22,546.85

# Other Revenue-4th Qtr 2017

Month	LRFG Premiums	LRFG Interest
October	\$17,205.91	\$14,889.18
November	\$32,988.30	\$14,721.09
December	\$108,122.00	\$14,532.60
FY Total	\$411,611.71	\$87,133.59

# Other Revenue Transactions

- LRFG Interest  
\$106,017.10 (October 2017)
- FY 2016-2017 Civil Penalties transferred  
\$500,00.00 (October 2017)

# Reclamation Fee Account Status

FY end Balance (June 30)	\$3,654,770.76
16-17 FY Expenditures	\$483,642.01
Proj. Expenditures (FY 17-18)	\$827,486.00
Balance (December 31)	\$3,980,694.21
FY 17-18 Expenditures (Dec)	\$302,640.50

## 86.17(e)(1)

The reclamation fee will be used by the Department to pay the construction costs and operation and maintenance costs associated with treating postmining pollutional discharges at ABS Legacy Sites, and the moneys may not be used for any other purpose.

## 86.187(a)(1)(iv)

The moneys deposited in the Reclamation Fee O&M Trust Account will be used to pay construction costs and operation and maintenance costs associated with treating postmining pollutional discharges at ABS Legacy Sites, and the moneys may not be used for any other purpose. For purposes of this section, operation and maintenance includes recapitalization costs.

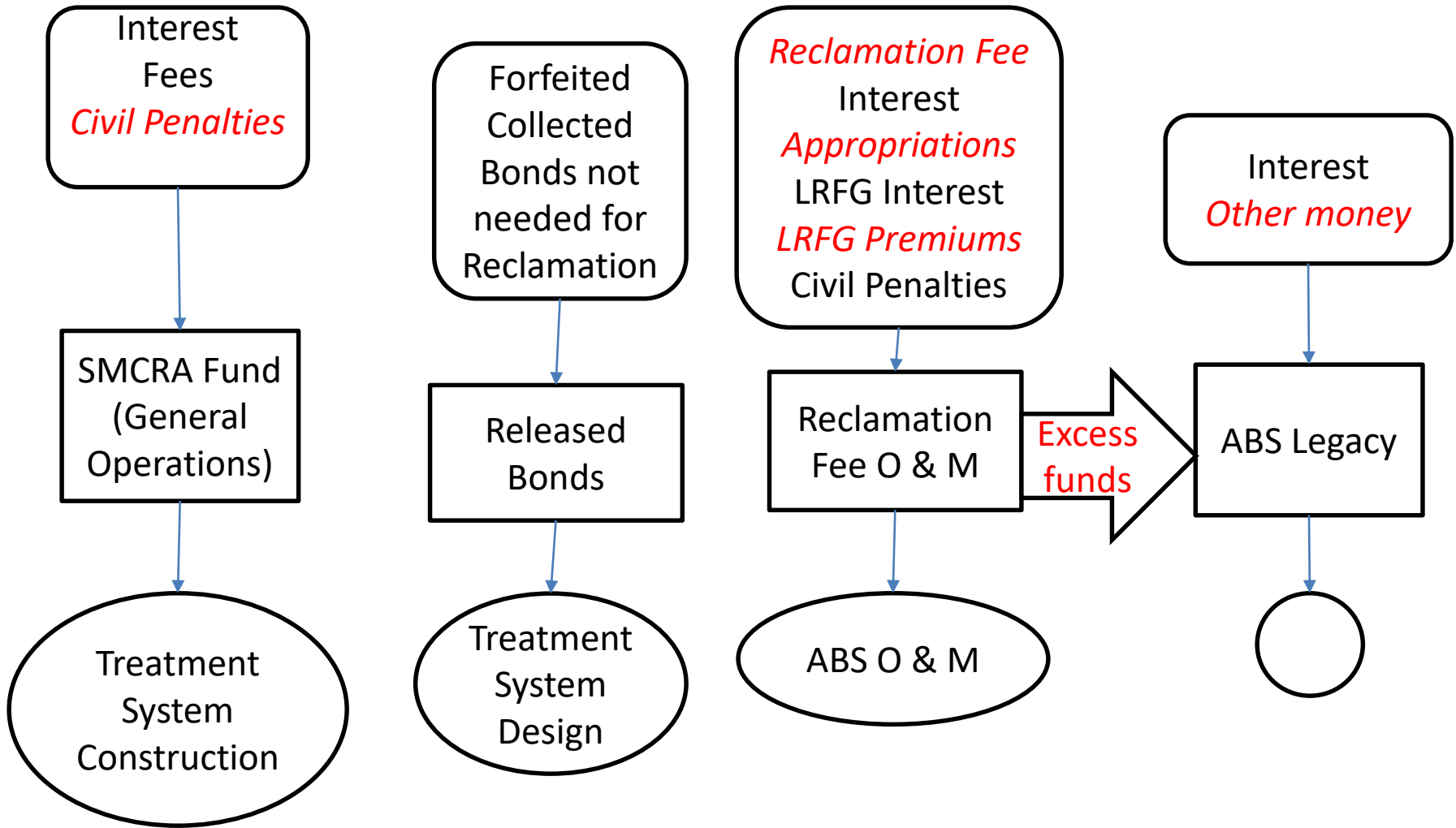
# ▶ ABS Project Funding Strategy

- SMCRA Account (48%)
  - ABS Treatment Construction (>\$2 M pending)
- Reclamation Fee O & M Account (42%)
  - O & M Contracts/Grants
  - DEP Direct Costs (Sampling and O & M)
- Released Bond Account (8%)
  - ABS Treatment Design (>\$300,000 pending)

# ▶ ABS Project Other Funds Sources

- Growing Greener
- OSM Title V
  - Required Inspections
  - Federal Civil Penalties





# Civil Penalty Transfer Options

- Retain in the SMCRA Fund
  - Funds available for other SMCRA obligations
  - ABS Construction costs (>\$2 M)
- Transfer all or part directly to ABS Legacy Sites Trust Account
  - Progress toward self-sustaining ABS

# Civil Penalty Transfer Options

- Transfer total remaining amount to Rec Fee O & M account as previously recommended
  - Relief from Reclamation Fee for several years
  - Does this impact an alternate funding source?
- Transfer some to Rec Fee O & M Account and some to the ABS Legacy Sites Trust Account
  - Provides immediate relief from the Reclamation Fee payments
  - Progress toward a self-sustaining ABS



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# Regulatory Update

# Regulatory Update

- Regulatory Agenda
  - Chapter 210/211-Routed for Final EQB
  - OSM Program Consistency
  - Water Supply Replacement (87 and 88)



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# Application Fee Revenue

# ▶ SMCRA Coal Fees Revenue

FY 12-13	\$54,417.00
FY 13-14	\$166,110.00
FY 14-15	\$100,962.43
FY 15-16	\$171,235.24
FY 16-17	\$114,200.00
FY 17-18 (Dec)	\$54,400.00

# CWF Mining Fee Revenue

FY 12-13	\$247,800.00
FY 13-14	\$523,296.00
FY 14-15	\$474,729.00
FY 15-16	\$646,950.00
FY 16-17	\$342,805.00
FY 17-18 (Dec)	\$184,950.00





**pennsylvania**

DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

# **Bureau of Mining Programs**

## **717-787-5103**