

MINUTES
MINING AND RECLAMATION ADVISORY BOARD (MRAB)
January 23, 2025

VOTING MEMBERS OR ALTERNATES PRESENT:

David Osikowicz (Original Fuels, Inc – Member)
Jack Chamberlin (Chamberlin Surveying & Consulting – Member)
Robert Burns (Burns Coal Company, Inc. – Member)
Henry Zielinski (Northampton Generating Co., LP – Member)
John St. Clair (Rosebud Mining Co./Citizens Advisory Council (CAC) – Member)
Rachel Gleason (PA Coal Alliance (PCA) – Alternate)
Glendon King (PA House of Representatives -- Alternate)
Emily Eyster (PA Senate -- Alternate)
Jacob Gery (PA Senate – Alternate)
Duane Feagley (PA Anthracite Council (PAC)-- Alternate)
Kenneth King (State Industries, Inc. – Alternate)
Ian Irvin (Executive Director CAC – Alternate)

OTHER ATTENDEES

Nathan Houtz (DEP – Active and Abandoned Mine Operations (AAMO))
Joseph Sassaman (DEP – Bureau of Abandoned Mine Reclamation (BAMR))
Patrick Webb (DEP – BAMR)
Gregory Greenfield (DEP – Mining Programs)
Sharon Hill (DEP – Mining Programs)
Laura Mensch (DEP – Mining Programs)
Daniel E. Snowden, D.Ed. (DEP - Mining Programs/Board Liaison)
Gregory Shuler (DEP – Mining Programs)
Rachel Colyer (DEP – Mining Programs)
Christopher Stewart (DEP – Mining Programs)
Alexandra Eberly (DEP -- Mining Programs)
Amy Berrios (DEP – AAMO)
Jennifer McLuckie (DEP – AAMO)
Randy Shustack (DEP – Bureau of District Mining Operations (BDMO))
Michael Bodnar (DEP – California District Mining Office)
Richard Marcil (DEP – Regulatory Council)
Laura Campbell (DEP – Policy Office)
Jack Palumbo (DEP – Policy Office)
Louie Krak (DEP – Infrastructure Implementation)
Andrew McClendon (Guest – EQT Corporation)
Michael Bodnar (Guest – Michael Bodnar LLC)
Jeffery Iavicoli (PA Senate -- Guest)
David Hess (Guest – PA Environmental Digest)

MEETING CALLED TO ORDER/INTRODUCTIONS

The meeting was called to order at approximately 10:00 a.m. by Chair David Osikowicz. The attendees present for the meeting then introduced themselves and Daniel Snowden determined that there was a quorum.

APPROVAL OF MINUTES

The minutes from the October 24, 2024 meeting were approved by the Board unanimously, without objection or comment.

PUBLIC COMMENT

There was no request to make any public comment.

CORRESPONDENCE

Daniel Snowden reported that there were no items of correspondence.

COMMITTEE REPORTS

Duane Feagley reported that Bond Rate Guideline report would be presented later in the meeting.

DELIVERABLES

Gregory Greenfield reported that one of the deliverables requested concerned having the committee meeting, which was held, and will be discussed further later in this meeting.

Also, there had been a request for future meetings to update the Board on bond rates, an item about a Land Reclamation Financial Guarantees (LRFG) report, for which Mr. Greenfield had a partial response (i.e., the bonding is handled in a 50/50 split) and, requested further clarification from the Board on what they were requesting. The Board indicated the question had initially been raised regarding the drastic rate increases in the bond rate guidelines about 18 months prior, and whether those rate increases would be able to be covered on a permits bond using LRFGs strictly because of the guideline increases. There was a follow-up question regarding what would need to happen to allow the percentage to exceed 50% of the bond increases on permits, per: a) if they are solely because of the increases in the bond rate guidelines; b) whether regulations did or did not allow for that; and c) what is being tracked.

Mr. Greenfield indicated that he would have a report for the April meeting addressing this question.

PRESENTATIONS

Coal Mining Program Updates

Laura Mensch and Sharon Hill provided the Board with the customary status reports involving financial summaries, revenues, permitting and technical items:

- Post-Mining Discharge Operations and Maintenance (O&M) Bonds: Ms. Mensch wanted to note the significant difference between the last meeting in October and the January reportables, due to the release of \$16 million in bonds in October when the Consol Global Trust was executed, shifting funds from the post-mining discharge bonds into the Trust for the water treatment.

- Trust Agreements: very small changes from the previous quarter were noted.
- Land Reclamation Financial Guarantees (LRFG) – there were very minimal changes here from the last quarter. The operators who are above the \$3 million are Atlantic, Blashack, and Reading Anthracite. Mr. Greenfield indicated that RES Coal LLC had a bond release, so they are back below that limit.
- Reclamation Fee Operation and Maintenance (O&M) Account - Ms. Mensch noted these numbers were year-to-date totals, July 1 to December 31, 2024.
- Actual Expenditures were noted as year-to-date, July 1 to December 31, 2024.
- Clean Water Fund (CWF) and the PA Surface Mining Conservation and Reclamation Act (PA SMCRA) Fund revenues were also reviewed.
- Permit application numbers were reviewed by Ms. Hill, who shared the in/out and in-process tables. She noted that the updated information for the entire year of 2024 was represented on the table. Applications received prior to November 1, 2023, when PAYback went into effect, are considered the “backlog”. The DMOs are making an effort to address the backlog though some may be considered immovable, not able to be issued at this time; for the rest, they will be discharged somehow via return, withdrawal, denial, or issuance.
- The Board did have a question regarding the number in backlog at the California DMO. Ms. Hill returned to correct the numbers she initially relayed as backlog, after running the report again: California DMO has 189, Cambria has 4, New Stanton has 76, and Pottsville has 46.
- Regulatory and Non-Regulatory Agenda update was provided by Ms. Hill, including information that there are no pending regulations in coal. She noted that the joint Regulation, Legislation and Technical (RLT) Committee, MRAB & Aggregate Advisory Boards meeting has been scheduled for February 27 to discuss water supply replacement Technical Guidance Documents (TGDs).

Bond Rate Guidelines

Ms. Mensch presented the information to the Board. The RLT Committee meeting was held the previous week. She noted that the DEP estimated numbers were determined by using BAMR Projects out for bid in 2024.

There were 11 Bituminous projects and 2 Anthracite projects, broken out by county. Grading Haul rates under and over 500 feet were also broken out, comparing from 2022 when this effort was first begun. The increase determined was 17%, to mitigate large jumps between years when there are no projects. This enabled the determination of the 2025 rates.

Ms. Mensch also noted that there had been an omission in the updated value in the PA Bulletin notice from April 1, 2024, for the revegetation cost per acre. Due to the omission from publication, the 2024 revegetation cost per acre was maintained at the \$3200 rate. Because of that, the larger increase originally proposed for the 2025 rates has been lowered to \$3600 per acre. Otherwise, all the numbers shown here were discussed at the RLT Committee meeting, and what will be published on April 1, 2025.

Updates from BAMR

The customary BAMR status report was presented by Patrick Webb, noting its completed, active, and future projects.

Funding Status:

- Projects Completed: In 2023, there were 135 projects completed, reclaiming 366 acres, at a cost of \$32.8 million. To date in 2024, there have been 109 projects completed, reclaiming 84 acres, at a cost of just over \$8.8 million.
- Projects Currently in Construction: There are 25 projects to reclaim 742 acres, at a cost over \$93.9 million.
- Projects Currently in Design: There are 132 projects to reclaim 3,400 acres, at a cost of just over \$486 million.
- Status of Bipartisan Infrastructure Law (BIL) Monies: In 2024, BAMR was awarded \$245 million, effective January 1, 2025; this included a one-time award of \$296,296 specifically for inventory updates. BAMR has proposed to use that additional inventory money to buy drones or unmanned aerial systems for project work; this idea is currently being reviewed by executive staff in the department. BAMR was able to apply the Stream Act funds of \$73.4 million for mine fires, subsidence and abandoned mine drainage (AMD) treatment. There are currently 3 contracts being advertised at approximately \$1.4 million combined. For 2025, there is one emergency contract totaling \$18,796.
- Emergency projects: In 2024 there were 83 emergency projects, addressed at a cost of just over \$2 million, with 73 small project and, 10 large projects (size determined by OSM based on cost). The average is about 80 emergency projects per year. So far, in 2025, there have been 6 emergency projects at an estimated cost just over \$31,000. The Board asked about BAMR's supervision of the subsidence emergency at the Marguerite Mine in Mount Pleasant, and the update was that it was close to being wrapped up: the hole was filled, there was additional drilling and grouting, and the old garage building is being torn down; when the weather warms, the final seating and mulching can be completed.
- Abandoned Mine Lands (AML)/AMD Subaward Program: For the combined funding sources for AML/AMD grant program, also known as our subaward program: in total, there are 64 grant awards totaling over \$223 million. So far in 2024, round 1 resulted in 6 subawards at an estimated cost of \$4.4 million. From round 2, had 9 subawards at \$23.7 million. Round 3 received 10 applications, with the award recommendation pending Governor's office approval at this point. In 2025, there will be two rounds: the first will open March 3, and extends to April 25; round two will open September 2 to October 25. The change to two rounds was to allow the grant applicants to receive feedback so that hopefully they will reapply. An additional requirement added for 2025 is an initial consultation meeting between the applicants and BAMR. These changes are an effort to make the program more successful and expand the communication.
- DES-22 Request for Proposals (RFPs): There are now 35 task agreements, totaling \$7.8 million.
- Staffing To date, BAMR has filled 63 of 71 vacant positions; the Bureau has 26 vacancies, 18 of which are considered AML/AMD positions and, 8 are funded through the Bipartisan Infrastructure Law (BIL).

The Board did have a request for future meetings to have a chart to identify project types and clarifications of acronyms discussed during the BAMR update; it was agreed to

provide this going forward. The Board also had questions regarding the recent pause to funding of projects, and whether the BIL money is part of that pause. The answer is that Office of Surface Mining (OSM) has to review this executive order, that yes, it is specifying BIL, the \$240 million per year enacted by a law, not an executive order. OSM has 30 days to review and respond, while with some sections they have up to 90 days to review and respond. BAMR has reached out to OSM requesting a status, and they are awaiting a response at this time. It has not changed the operations at this point, and BAMR will continue operating as normal until OSM's feedback is received and go from there; if there is a project which arises in the meantime, the request for authorization to proceed will be made as usual.

The Board also asked for further clarification as to the funds and whether they were Congressionally approved. The answer was yes: AML money is approved by Congress on a year-by-year basis; the BIL was enacted by Congress for a period of 15 years, set roughly in 2022. Another example noted to clarify was the STREAM Act, which was an amendment made by Congress to the BIL, as opposed to Environmental Justice (Justice 40), which was an executive order by then-President Biden, not a Congressional action, and, was never part of the BIL.

Reducing Industrial Sector Emissions in Pennsylvania (RISE PA)

Louie Krak, Director of RISE PA, joined the Board meeting virtually to discuss the \$396 million funding from the United States Environmental Protection Agency (US EPA) to launch a statewide industrial decarbonization grant program. This is the second-largest competitive award which PA has ever received to help address climate emissions, and also help industrial companies increase their competitiveness while reducing operating costs.

Mr. Krak indicated that the goal of RISE PA is to reduce both greenhouse gas and co-pollutant emissions from PA's industrial sector, as defined in the DEP Annual Greenhouse Gas Inventory. There, emissions from four subgroups are listed: industrial; fossil fuel combustion; industrial process emissions; and "fugitive emissions" from coal mines (including abandoned mines), mining, and natural gas production and distribution, a.k.a. natural gas and oil systems. The industrial sector accounts for 30% of PA's pollutant emissions, the largest statewide.

RISE PA will be offering grant awards across three tracks: small (500 or fewer employees on site), medium, and large, for a wide range of projects at industrial facilities and manufacturers, and which are designed to help offset the capital costs associated with project implementation. This is because there is no one-size-fits-all solution for decarbonizing industry. Mr. Krak stated that the definition of what an eligible project type would be is broad, and ultimately, projects have to deploy one or more of the decarbonization solutions shared in his slide presentation, a copy of which was included in the meeting packet materials. For the purposes of this Board audience, Mr. Krak wished to highlight the pertinent "fugitive emissions reductions" on the list, due to the ties to mines, abandoned mines and electricity usage at industrial facilities.

The award track for the small-to-medium manufacturer will be administered by the PA Technical Assistance Program (PENTAP), which is part of Penn State. These awards range from \$25,000, up to \$500,000, with the applicant providing a 50% cost match, meaning that if the total project cost falls between \$50,000 and \$1 million, that project would be in the small-scale award track.

The medium- and large-scale award tracks will be administered by DEP. There is \$100 million allocated to the medium-scale award track, awards issued ranging from \$300,000 to \$20 million, with the applicants providing a 70% cost match. If the total project cost is greater than \$1 million up to about \$66 million, the project falls into the medium-scale award track.

The large-scale projects, between \$66 million and up to \$366 million, will have \$220 million allocated, meaning a range from \$20 million up to \$110 million, with the applicant again providing a 70% cost match.

These projects must achieve a minimum 20% reduction in the total greenhouse gas emissions at the facility where the project will be implemented. It will be up to the applicant to define the boundaries of the industrial facility. The example Mr. Krak used was the installation of a regenerative thermal oxidizer on a mine shaft: a company could submit a project, for instance, which would consider the “industrial facility” to be a single borehole or ventilation shaft where the equipment would be installed. As long as the company could demonstrate that the equipment technology will reduce the emissions a minimum 20%, within the boundary the company defined (the single bore hole/ventilation shaft), the award could be given to them.

There will also be bonus awards available to increase the size of the grant and decrease the applicant’s cost share requirement, as long as they can meet the additional requirements. The Community Benefits Bonus is worth 10% of the total project cost and is awarded to those projects located in and benefitting low-income, disadvantaged communities. The Fair Labor Bonus, which is also worth up to 10% of the total project cost, increases the award size for applicants who can commit to Good Neighbor agreements, adhere to collective bargaining commitments (including a commitment to negotiate a project labor agreement for project construction) as well as participate in a program called the Commonwealth Workforce Transformation Program (providing on-the-job training for new employees brought on to the construction site).

The last bonus is only available for medium- and large-scale projects: the Greenhouse Gas Emissions Reduction Bonus, when the 20% minimum emissions reduction threshold is exceeded. This incremental emissions reduction bonus is worth up to 10% of the total project cost.

Both DEP and PENTAP have released program guidance documents, with the rules and requirements and how to apply outlined for the respective award tracks. DEP’s medium- and large-scale award track guidance is on the RISE PA web page, along with two fact sheets (one general information and one for potential applicants), additional program resources, and all future program updates to be made available, while the small-scale award track information is on PENTAP’s web page. The applications, not available at the time of this presentation, are expected to be available in late January or early February, and will remain open, with multiple rounds annually, until all funds have been obligated. The program will be carried out over five years, with first round review and award issuance expected in mid-2025.

The Board had a question for Mr. Krak about whether this grant money could be used in conjunction with other funding or grants, and whether that would impact or reduce the size of the RISE PA award they apply for. Mr. Krak answered yes, the funding could be used toward meeting the cost match: if a company has secured grant funding from state, local or federal sources, the funding can be used in conjunction with other funding, and it would not reduce the size of the

award. He did wish to clarify that any other funding must be already secured, in-hand, to use in your application cost match for the grants from RISE PA. This concluded the RISE PA presentation.

Deputy Secretary, Nate Houtz, was recognized as being present, and welcomed by the Chair, who offered him an opportunity to make any comments.

Mr. Houtz simply wished to note that he missed the last MRAB meeting due to his participation in the Interstate Mining Compact Commission (IMCC) meeting in October and had nothing further to add beyond what had already been covered regarding the BIL money, which he is hoping to sort through with OSM.

Updates from the District Mining Offices

Randy Shustack reported on the backlog within the District Mining Offices and how the initiative of combining resources of the Cambria DMO and New Stanton DMO technical sections is coming along. There has finally been a reduction in New Stanton's backlog, and he only anticipates this backlog reduction to improve each month.

Mr. Shustack indicated that he is also going to be conducting a test run for application review, taking some National Pollutant Discharge Elimination System (NPDES) applications out of the California DMO, and sharing them with the Knox and Moshannon offices reviews. If this goes smoothly, he wants to continue to send additional application types out of the California DMO to try to reduce the workload and move permits faster.

Mr. Shustack indicated that Rosebud agreed to be the tester, using a bore hole application. If this process works, it may open the door to other authorizations going to other DMOs. He indicated that he should have an update by the next meeting.

As far as vacancies, the California office is in the process of hiring a geoscientist, and either a Professional Geologist (PG) or Professional Engineer (PE), and he is hopeful that the selections will be made within the next two or three weeks.

NEW BUSINESS

The Board Chair wished to take a couple minutes to discuss Bond Rate Guidelines per the current system, which was developed using the BAMR projects as the basis for the bond rates. This was the only reasonable method that could be made definable in terms of developing what those costs were at the time. However, he does not believe this method is indicative of what is actually happening in the field.

The deliverables which were asked of Mr. Greenfield and Ms. Mensch to provide for the April meeting will hopefully help to develop an alternative, more predictable way to estimate those actual costs.

Duane Feagley made the suggestion for holding a Reclamation Committee meeting prior to the next MRAB meeting, if that information was available, to hopefully start the discussion before the 2026 bond rates are rolled out. It was noted that this year there have been more reclamation projects than ever before. The idea was met with positive reaction and will be discussed as the information can be provided.

In other new business, the 2026 Board meeting dates were announced by Daniel Snowden: January 22, April 23, July 23, and October 22. It was confirmed that all 2026 meetings will be held at 10:00 a.m. in Conference Room 105 of the Rachel Carson State Office Building. It was noted that these dates were chosen in advance to ensure this room could be reserved and there would not be issues with audio and video. If the need arises to have to change a date due to any conflict, advance time to reschedule meetings will be provided.

There was also a question from Hank Zielinski, who indicated that there was an issue with the Greenport system which he and other operators were encountering that he wished to bring to the attention of the Board. Mr. Zielinski indicated that although his operators use that system for their annual reporting of tonnages, man hours, etc., for which they receive a receipt via email. This system does not supply a record of the submittal that can be printed.

It was explained by Ms. Hill that BMP has no control over the Greenport app. While BMP could put in a request, it will not be able to be completed for this submission year. She will look into this with Keith Previc and get back to Mr. Zielinski with further information.

ADJOURNMENT

The Board adjourned its meeting at approximately 11:10 a.m.

NEXT MEETING

The Board will meet again at 10:00 a.m. on Thursday, April 24, 2025, in Conference Room 105 of the Rachel Carson State Office Building in Harrisburg.