



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Mining Programs

Mining Financial Guarantees Environmental Quality Board

July 15, 2014

Purpose

- Act 95 of 2012 (Bioenergy Crop Bonding)
- Act 157 of 2012 (Land Reclamation Financial Guarantees)
- Citation Corrections

Act 95

Established Bioenergy Crop Bonding Incentive

Sites must be:

- Remining
- Revegetated with bioenergy crops
- Stage 2 bond released

Context for Act 157

- In 2001 Pennsylvania converted from an Alternate Bonding System (ABS) to full-cost bonding
- Conversion assistance was provided
- ABS Legacy consists of about 100 post-mining discharges which require treatment which is funded through the Reclamation Fee O & M Account
- The Reclamation Fee O & M Account is funded by a variety of funding sources

Act 157

- Land Reclamation Financial Guarantees
- Gross Receipts Tax Transfer to Reclamation Fee O & M Account

Act 157

- The Land Reclamation Financial Guarantee program relies on funds appropriated in 2001 to support the conversion from an alternate bonding system to full-cost bonding (\$7 million) and the money paid by mine operators (more than \$5 million)
- The regulations will incorporate existing financial guarantees (about \$18 million)

Citation Corrections

- Act 157 appended section 19.2 to the end of the Surface Mining Reclamation and Conservation Act, so the citations to it need to be revised.
- Other citation errors were identified, too.

Regulatory Timeline

- Act 95 Enacted July 5, 2012
- Act 157 Enacted Oct. 24, 2012
- MRAB RLT Committee Meetings
 - Jan. 22, 2013 (Statutory Concepts)
 - May 30, 2013
 - July 30, 2013
 - Sept. 13, 2013 (Call)
- MRAB recommendation Oct. 24, 2013

LRFG Funds Management

Some of the funds will be designated to back LRFGs

The remainder will be kept in reserve to provide for:

1. Bioenergy crop bonding
2. Transfers to the Reclamation Fee O & M Account
3. Forfeitures

LRFG Limits

- Permit Limit: No more than 50 percent
- Operator Limit: No more than 30 percent of the designated amount
- Program Limit: Based upon historical forfeiture rate (around 10 percent)

Gross Receipts Tax Transfer

- Act 157 allows for up to \$2 million per year
- Provide information to the MRAB
 - Reclamation Fee Increase
 - Annual Report
 - Timing



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