Practical ideas for communities losing plants and mines

Peter Hille, President
MACED
We lost the jobs before we lost the mines
Economically distressed communities—even before we lost the jobs

ARC-Designated Distressed Counties, Fiscal Year 2013

Prepared by the Appalachian Regional Commission

Data Sources:
Income data: U.S. Department of Commerce, Bureau of Economic Analysis, REIS, 2009
Poverty data: U.S. Department of Commerce, Bureau of the Census, American Community Survey, 2008-2010
Factors impacting Central Appalachian coal

The easy coal has been mined out

Acid rain regulations from decades ago resulted in scrubbers on plants, higher sulfur coal can now be burned and is cheaper

Natural gas has become cheaper than coal

Increasing CO2/climate change awareness poses future challenges to coal
Coal vs Natural Gas 1997-2012

Historical Spot Prices for Coal and Natural Gas (in MMBTU, yearly average)
Coal prices as of March 6, 2015
Dollars per short ton

- Central Appalachia $53.06
- Illinois Basin $40.32
- Powder River Basin $11.55
The collapse of coal

Governor Beshear:

“There should be no doubt in anyone’s mind that [coal’s] role as an employer is reducing”

“To ignore that is to blindfold ourselves and stick our heads in the sand.”
Just Appalachian Transition

- A moment that demands and allows action
- A vision of a renewed region
- Strategies and approaches that create new opportunities
- Grounded in place and people
- Gathering political will for change
Economic opportunities

- Entrepreneurship
- Energy
- Forestry
- Health care
- Tourism
- Local foods
For more information contact: www.maced.org
Create the Conservation Plan

- Determine if the house is suitable
- Identify measures
- Estimate costs
Conservation Plan

The retrofit payment cannot exceed 90% of the projected savings

Payback in 15 years or less
1. MACED lends money to the co-op
2. Co-op pays the contractor
3. Customer saves money on their bill
4. Customer pays charge on bill
5. Co-op repays MACED
Comparison Results - Single Family Home

Estimated Savings: $44
Actual Average Monthly Savings: $52
On-bill Financing Charge: $22
Weather Normalized Savings of: 31%
Comparison Results - Double Wide Home

Estimated Savings: $55
Actual Average Monthly Savings: $146
On-bill Financing Charge: $30
Weather Normalized Savings: 69%
Estimated Savings: $25
Actual Average Monthly Savings: $35
On-bill Financing Charge: $18
Weather Normalized Savings: 28%
The Six Rural Electric Co-Ops in How$martKY
Program Stats

- Average cost per retrofit: $8000
- Average monthly charge: $40
- 5500 kWh
- Average annual savings: $52
- Average monthly savings: $40
The Next Phase of How$martKY

- Permanent tariff approved in August 2013
- Recruiting additional co-ops
- Expanding the program to scale
Policy Opportunities

- SOAR: Shaping our Appalachian Region
- President’s POWER Plus Plan
- 111(d) Rules
- Divestment/Reinvestment
The Basket
10.8 kW Solar Electric System
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