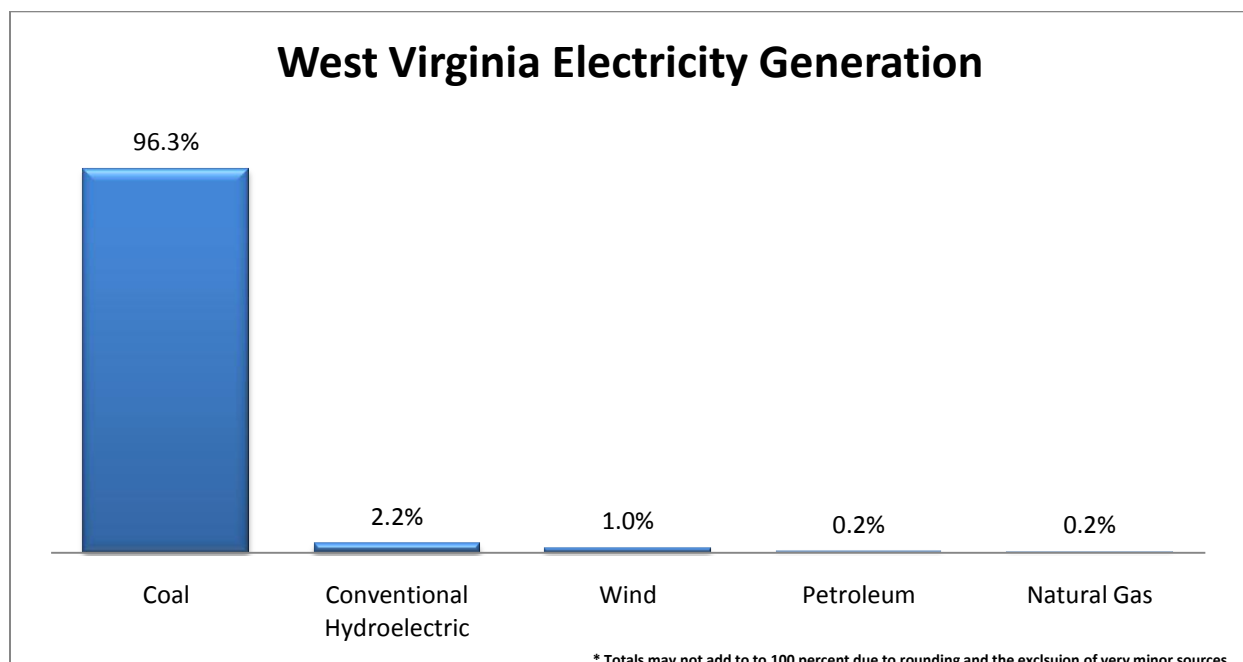




West Virginia Energy Facts

West Virginia – Select Economic and Energy Data [†]		State Rank
Real Gross Domestic Product, per capita	\$25,533	2nd lowest
Unemployment	9.5%	18th highest
Gasoline Price, per gallon	\$2.88	13th highest
Electricity Price, per kWh	6.64¢	5th lowest

West Virginia has some of the most affordable electricity prices in the nation, in large part because over 96 percent of West Virginia’s electricity is generated from coal, the most inexpensive source of electricity production.



West Virginia is the nation’s largest coal producer east of the Mississippi River and the second-largest overall, leading the nation in coal production from underground mines; it accounts for more than 10 percent of coal production in the United States, delivering coal to more than 25 states on the East Coast and in the Midwest. The state is the second largest net exporter of electricity in the country. Hydroelectric and wind power combine to produce just over 3 percent of the state’s generation.

Regulatory Impediments to Affordable Energy

Although affordable energy is a vital component of a healthy economy, regulations frequently increase energy costs. Regulations imposed in the name of reducing carbon dioxide and greenhouse gas emissions are especially costly. Carbon dioxide is a natural byproduct of the combustion of all carbon-containing fuels, such as natural gas, petroleum, coal, wood, and other organic materials. Today, there is no cost-effective way to capture the carbon dioxide output of the combustion of these fuels, so any regulations that limit carbon dioxide emissions will either limit the use of natural gas, petroleum, and coal, or dramatically increase their prices.

Below are some facts about West Virginia's regulatory environment that are likely to affect the cost of energy or the cost of using energy. West Virginia has thus far avoided many of the costly energy policies other states are implementing.

- **West Virginia does not cap** greenhouse gas emissions.
- **West Virginia is not a member** of a regional agreement to cap greenhouse gas emissions.
- **West Virginia requires** utilities to generate from renewable sources or alternative energy a certain percentage of the electricity that they sell. In July 2009, West Virginia enacted House Bill 103, the "Alternative and Renewable Energy Portfolio Standard."¹ This law requires investor-owned utilities with more than 30,000 residential customers to supply 25 percent of retail electricity sales from alternative and renewable energy by 2025.
- **West Virginia does not require** gasoline to be mixed with renewable fuels.
- **West Virginia does not impose** automobile fuel economy standards similar to California's, which include attempts to regulate greenhouse gas emission from new vehicles.
- **West Virginia does not require** new residential and commercial buildings to meet energy efficiency standards.
- **West Virginia does not impose** state-based appliance efficiency standards.
- **West Virginia does not allow** utilities to "decouple" revenue from the sale of electricity and natural gas. Some states decouple revenue from actual sales, allowing utilities to increase their revenue by selling less electricity or natural gas.

[†] Data Sources: Real GDP per capita 2008: Bureau of Economic Analysis, *News Release: GDP by State* (June 2, 2009), http://www.bea.gov/newsreleases/regional/gdp_state/gsp_newsrelease.htm; Unemployment: Bureau of Labor Statistics, *Regional and State Employment and Unemployment—February 2010* (Mar. 10, 2010); Gasoline Prices: American Automobile Association, *AAA Daily Fuel Gauge Report* (Mar. 30, 2010); Electricity Prices: Energy Information Administration, *Electric Power Monthly*, Table 5.6.B., Average Retail Price of Electricity, (March 15, 2010), http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html; Electricity Generation Data: Energy Information Administration, *Electricity Generation 2009*, http://www.eia.doe.gov/cneaf/electricity/epa/generation_state_mon.xls.

¹ H.B. 103 (W. Va. 2009),

http://www.legis.state.wv.us/Bill_Status/bills_text.cfm?billdoc=hb103%20ENR.htm&yr=2009&sesstype=1X&i=103.