# FUNDING FOR THE PURPOSES OF WASTE COAL & GARBAGE OF BITUMINOUS COAL REMEDIATION IN THE COAL FIELDS REGION OF THE COMMONWEALTH

2025

**REPORT TO THE GOVERNOR & GENERAL ASSEMBLY**

October 30, 2025

VIRGINIA Energy

# OVERVIEW

This report is created pursuant to the Commonwealth of Virginia Budget for the 2024-2026 biennium that was enacted by the 2025 Virginia General Assembly. The budget language states that the *Virginia Department of Energy (Virginia Energy) shall identify and apply for any available federal or other non-general funds for the purposes of waste coal and garbage of bituminous coal remediation in the coal fields region of the Commonwealth. The department shall report on such efforts and resulting funding by November 1, 2024, and by November 1 of each succeeding year to the Governor and General Assembly.*

The Virginia Department of Energy (Virginia Energy) monitored grant sources for potential funding opportunities for the recovery of waste coal or garbage of bituminous (gob) as directed by the Virginia General Assembly. Virginia Energy maintains a grant tracking system that is continuously updated by staff. Virginia Energy management reviews all updates at least monthly. The tracking system did not identify any funding sources that could advance this legislative directive.

Additionally, Virginia Energy contacted the Appalachian Region Independent Power Producers Association (ARIPPA), a non-profit trade association comprised of independent electric power producers, environmental remediators, and service providers located in Pennsylvania, Virginia, and West Virginia that use coal refuse as a primary fuel to generate electricity. ARIPPA was not aware of any additional funding opportunities beyond those already employed by the agency.

# AML FUNDING

Current federal funding sources in Virgina for recovery of Abandoned Mine Land (AML) waste coal-gob encompasses the Title IV fee-based program enacted by the Surface Mining Control and Reclamation Act of 1977 (SMCRA), the Abandoned Mine Land Economic Revitalization (AMLER) program and the Bipartisan Infrastructure Law (BIL) grant. All these programs have guidance structures to support AML waste coal-gob recovery and remediation.

The Title IV program was reauthorized by the BIL on November 15, 2021, which continued fee collection on coal mines at a reduced rate. This reduced rate and the downturn of the coal industry reduced the amount of the Virginia Energy AML annual grant to $3 million per year. As a “minimum program state” of that $3 million about $2.8 million pays for administrative, engineering design and construction of AML projects.

The AMLER program has seen great success throughout the southwest coalfields providing much needed economic stimulation and job creation projects on lands associated with AML. Since 2027 the AMLER program has received between $10 million - $11.8 million annually.

BIL reauthorized the Title IV program and created additional funding for AML cleanup and remediation. OSMRE received $11.8 billion dollars to be distributed to states with outstanding reclamation obligations. Virginia is ranked 7th highest and will receive a grant of $22.7 million annually for the next 15 years. Early estimates determined that approximately 70% of the currently identified AML hazards, including gob piles, in the state could be eliminated at the end of the 15-year period.1

## COAL WASTE & GOB REMEDIATION

Removal of GOB is most often achieved under the Enhancement Rule. Abandoned Mine Land Enhancement (AML) projects resulted from a 1999 rule change of the federal Office of Surface Mining (OSM) to increase the amount of reclamation accomplished. The rule change now allows government financing on projects to be less than 50% of the total budget, and the coal removal is exempt from permitting requirements. Proceeds from the sale of coal offset the cost of project reclamation. The enhancement rule requires Title IV (AML) and Title V (active surface mines) branches to make findings and set limits of coal removal. One finding must be that there is a low likelihood of the area being permitted and mined as a stand-alone permit. All coal removal must be an engineering necessity that is incidental to the reclamation project. Private operators are exposed to risk in enhancement projects as the government agency does not make any guarantee as to the quality or quantity of coal.

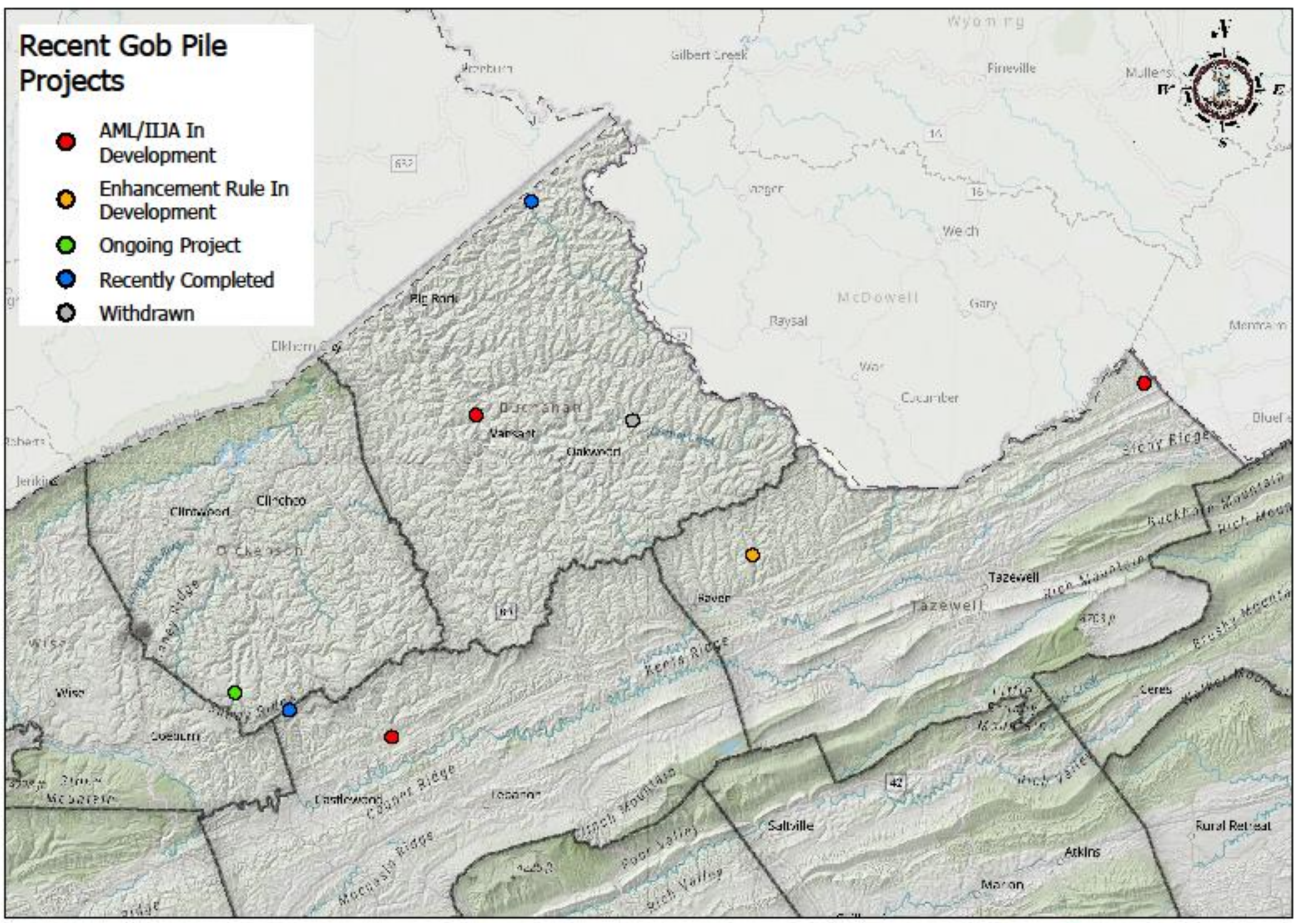
Enhancement projects are set up as routine AML projects. After consulting with state and federal agencies, the agency's Division of Mined Land Repurposing (MLR) submits a project document to OSM. After OSM review and approval, work can begin upon the contractor submitting bond and liability insurance. The government financing usually takes the form of tree planting on the project site. Gob piles and remnant highwall areas are features well suited for AML enhancement.

Another avenue for gob removal and clean-up is through the traditional AML project development and contracting. Previously the AML program did not have sufficient funding to clean up gob piles, which are considered low priority AML issues. The Enhancement Rule enabled contractors to clean up dozens of GOB sites, much of the recovered and processed GOB was utilized at the Virginia City Hybrid Electric Center (VCHEC) to produce electricity. However, as the gob within a close radius of the facility has been cleaned up, increased costs to transport gob by truck to the facility is making clean up financially unfeasible for contractors. To address this issue Virginia Energy AML is currently developing several AML projects for GOB removal with that cost included. These projects will include, within the project scope, transporting the material to its destination.

[1] The number of AML-related hazards continues to grow as the agency catalogs new features on an ongoing basis.

# RECENT AML GOB PILE PROJECTS

| Recently Completed | |
|---|---|
| West Dante Gob Pile | Russell County |
| Duty Gob Pile – Buchanan | Buchanan County |
| **Ongoing** | |
| Betty B Gob Pile | Dickenson County |
| **In Development: Enhancement Rule** | |
| Goodwin Hollow Project | Tazewell County |
| RCR Moss 3 | Russell County |
| **In Development: BIL Funded** | |
| Plaza Drive Gob Pile Removal Project | Buchanan County |
| Pocahontas Gob Pile Removal Project | Tazewell County |
| **Withdrawn** | |
| Spruce Pine Gob Pile | Buchanan County |




Recent Gob Pile Project Activity

0 5 10 20 Miles

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# NEW OPPORTUNITIES FOR WASTE COAL & GOB

Grant associations were noted for Rare Earth Elements (REE) extraction. The Virginia Energy Geology and Mineral Resources program is expected to begin working with Virginia Tech in December 2025 or January 2026 on a grant from the US Department of Energy to support research for the extraction of REE's from Virginia's coal mining waste resources.

Evolve Central Appalachia (Evolve CAPP) which focused on harvesting the industrial, environmental and economic potential of rare earth elements (REE), critical minerals (CM) and high-value, nonfuel, carbon-based products – all out of waste coal was completed in 2024. The team is preparing for the next phase of the project Expand Appalachia CORE-CM (Expand APP). The Expand APP project will provide foundational data, assessment methodologies, and implementation plans needed to catalyze economic growth and job creation by realizing the full potential value of the region's natural resources, specifically including unconventional sources of critical minerals and metals as well as non-fuel carbon-based products. Expand APP is expected to receive upwards of $10 million in grants from the U.S. Department of Energy, project partners and stakeholders.

On July 23, 2025, the Secretary of the Interior issued a Secretary's Order entitled "SO 3436 - Unlocking Critical and Strategic Minerals from Mine Waste, Cutting Red Tape, and Restoring American Dominance in Strategic Mineral Production". The Order instructs the Department of the Interior to revise regulations and evaluate incentives, including the redeployment of existing funds, to advance the extraction of critical minerals from waste coal. Virginia Energy will monitor the actions resulting from this order for opportunities for new programs or additional funding for the Commonwealth. On September 29, the US Department of Energy (DOE) announced $625 million investment to "expand and reinvigorate America's coal industry, aiming to boost energy production and support coal communities nationwide". As more details become available and formal funding opportunities are published, Virginia Energy will monitor opportunities to support waste coal remediation.

# CONCLUSION

Funding searches are continually conducted and funding paths mapped, however, this reporting year no viable connections or new sources could be utilized. Continued focus to identify funding sources for waste coal and gob utilization—as either an energy source or for extraction of Rare Earth Elements—is a priority for Virginia Energy. As funding sources are identified, Virginia Energy will pursue the funding and report the findings.

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