Alpha CEO talks future of coal, regulations, safety

By Adam Cavalier

March 28, 2012 - Alpha Natural Resources CEO came to University of Charleston to speak on the future of coal on the day when the Environmental Protection Agency put forth a new rule that would effectively stop coal-fired power plants from being constructed.

The EPA’s recent decisions were among numerous topics discussed by UC president Ed Welch and CEO Kevin Crutchfield.

The UC speaker series asked the question is “Coal Still King?” For Crutchfield, the answer is a definitive yes.

"The world is consuming seven billion tons (of coal),” Crutchfield said.

"The United States is consuming right at a billion tons. Even if you wanted to make it go away tomorrow, the vestige effect would take decades to wean ourselves off of coal. What we see is growth on a global basis.”

Alpha Natural Resources is the world’s third largest producer of metallurgical coal – or coal that’s used in the production of steel. However, it’s how the EPA regulates other emissions that concerns Crutchfield.

"There’s been a fair amount of regulatory fiat that’s occurred in the last few years,” Crutchfield said.

"There was a new announcement out today about the regulation of carbon dioxide emissions that was aimed squarely at coal fired power to the benefit of natural gas. I don’t have anything against natural gas, but it’s an uphill battle.”

Crutchfield recommended that states and nations carry a diverse portfolio when it comes to energy consumption. In other words, use some combination coal, natural gas, hydroelectric among others as energy sources.

Crutchfield cited West Virginia as getting 95 to 96 percent of its energy from coal. While pointing to coal’s prices, Crutchfield suggested that an open market would best determine which energy source wins out in the long haul.

"Let’s level the playing field and let the free market sort out whether people want to pay 24 cents a kilowatt hour for wind power or 7 cents for coal. Let the consumer decide and let the technology stand on its own two feet.”

In June of 2011, Alpha Natural Resources acquired Massey Energy Company for $6.7 billion. As a result, Alpha was named the most
controversial mining company of 2011, according to Swiss-based RepRisk – a group that advises investment banks of possible risks in the companies in which they have invested. However, Crutchfield said Alpha is well on its way to fixing any safety issues.

"The very first thing we focused on, three or four months ahead of the transaction, was how we are going to implement running right through the Massey sites day one. Since June 1, we have invested something like 70,000 man hours in training. Those were man hours spent not in a mine, but in a classroom."

Alpha owns more than 30 mines in West Virginia. In May, Crutchfield will take over as the company’s chairman of the board.

The next speaker in UC’s Energy: Who’s Got the Power series is Barry Worthington – the executive director of the US Energy Association. His talk is April 12 and it’s called Global Power Plays.