Western Kentucky coal mines drove the total production gains in the state during the third quarter of 2016. The region increased output by 8.9 percent to produce nearly 6.5 million tons for the quarter. Although eastern Kentucky’s coal production continued to decline in the third quarter of 2016, the decrease was less severe than the two preceding quarters. Eastern Kentucky coal output fell to just under 3.8 million tons, a decrease of 5.9 percent. The region’s production had fallen by 21.6 percent and 14.6 percent in the first and second quarters of 2016, respectively.

In the third quarter of 2016, surface mines in Kentucky produced almost 2.3 million tons of coal, a slight increase from the second quarter of the year. Underground mines accounted for 78 percent of coal production in the Commonwealth, while surface mines contributed the other 22 percent.

The annualized rate of coal production in Kentucky through the third quarter of 2016 is the lowest since 1935.
Many coal-fired power plants across the United States have closed in response to federal environmental regulations, high production costs, low natural gas prices, and low electricity demand, which has reduced demand for Kentucky coal. Approximately 85 percent of the coal mined in Kentucky in 2015 was used to generate electricity at 89 power plants in 15 states—located primarily in the Southeast. In 2016, Kentucky continues to sell coal to many power plants that are scheduled to close before 2019.

Preliminary data indicate that Pike County regained its spot as the top coal producing county in eastern Kentucky during the third quarter of 2016 by mining 1.1 million tons, a 27 percent increase from the previous quarter. Harlan County produced 816,889 tons to rank second in coal production in eastern Kentucky. The most prolific coal producing county in the region for the last two quarters, Perry County, dropped to third this quarter as output fell 20.3 percent to 686,727 tons.

While regional production fell in the third quarter of 2016, eight counties in eastern Kentucky increased production. This is up from the second quarter of 2016 when only five counties experienced production increases.
Western Kentucky coal production increased by 8.9 percent to over 6.4 million tons during the third quarter of 2016. However, output did not grow enough to equal the regional production level of the first quarter of 2016 when production was 6.7 million tons. The top five coal producing counties in western Kentucky all increased production during the third quarter of 2016. Union County mined over 2.2 million tons of coal during the third quarter of 2016, 1 million tons greater than the production of any other Kentucky county.

Ohio County experienced the largest production increases in western Kentucky during the third quarter of 2016, boosting output by 22.7 percent to 1.2 million tons.

Only McLean and Daviess Counties had declining coal production in western Kentucky during the third quarter of 2016. McLean County's output fell by 16.8 percent, while Daviess County's production decreased by 10.9 percent.
During the third quarter of 2016, eastern Kentucky coal mines decreased total employment by 192 jobs, a 4.3 percent drop from the second quarter of the year. Coal mines in western Kentucky decreased employment by 100 jobs or 3.7 percent. To check for an updated version of this report or for more detailed information on coal production in Kentucky, please visit us online at: energy.ky.gov/Pages/CoalFacts.aspx
In order to provide the public with timely access to these data, this report uses the best-available estimate for each factor at the time of publication. Data for Q3-2016 are preliminary and subject to revision. Data for previous dates have been revised.

This report is produced by the Kentucky Energy and Environment Cabinet using data from numerous sources including the U.S. Department of Labor’s Mine Safety Health Administration, the Kentucky Department of Revenue, and the Kentucky Division of Mine Safety.