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VIEWS & VISIONS

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A New Day is Dawning for the Appalachian Region



Tom Heywood
Bowles Rice

Tom Heywood is currently the Chair of Business Development and the immediate past Managing Partner of Bowles Rice, a position he held from 2008 to 2022. He has significant experience in health care, banking, and corporate/commercial law, and is frequently called upon by clients and community leaders for advice on business matters related to acquisitions, divestitures, and other transactional matters. As a former Chief of Staff to the Honorable Gaston Caperton, Governor of West Virginia, Heywood has extensive experience working with government officials at the federal, state, and local levels, and is an active member of the Bowles Rice Government Relations team.

I am in my 40th year of practicing law in West Virginia. Throughout my career, I have worked on a wide range of economic development projects. I have also had the pleasure of working in different capacities on these projects – as a lawyer; as a member of various nonprofit and community boards and organizations; and as a public servant.

Make no mistake, the past three decades have been challenging for our region. In the bi-coastal economy that evolved starting in the 1980s, West Virginia, Pennsylvania and Ohio found themselves squarely in our nation’s industrial heartland that was “hollowed out” by global economic forces. Our region witnessed the stagnation and decline of many of our key industries. This retrenchment had numerous adverse ramifications in terms of job loss, population decline, socio-economic issues, and governmental budgets.

A new day is dawning for our region. The forces driving this dramatic change are manifold, and include onshoring, reshoring and hybridization of supply chains in the Midwest; our rich and abundant energy supplies and other natural assets; and public and private investments and improvements in West Virginia, Pennsylvania, and Ohio over the last many years.

Like almost every region in the world, the Appalachian region has vigorously embraced an “all of the above” energy production

strategy in recent years. Unlike many places in the world, Appalachia can actually deliver on the promise of “all of the above.” Our abundant and rich fossil fuel resources will remain incredibly valuable and important for decades to come. Building on our fossil fuel abundance and our tradition of excellence in energy production and transmission, our region is rapidly adding wind, solar, hydro, nuclear, and hydrogen power production to its energy and power production mix. What this means for companies and residents in Appalachia is that we will enjoy reliable and secure sources of energy for decades to come, and we will have the ability to access all forms of energy going forward, regardless how the energy markets evolve in the years to come.

In short, for many years the Appalachian region has faced serious economic headwinds, both structural and cyclical. Today, we are enjoying economic tailwinds, both structure and cyclical. I believe these tailwinds will prove to be both powerful and persistent.

As a result of the factors noted above and other trends, never in my career have I had as many good, exciting projects on my desk as I do today. Investments are pouring into our region from all over the country, and indeed from all over the world. Many of these exciting investments are described elsewhere in this edition of Views & Visions, by leaders of the companies who have made the decision to invest in the Appalachian region.

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Consider some of the many other world-class companies that have announced investments, broken ground, or commenced operations in our region in the past couple years.

Berkshire Hathaway Energy Renewables is building a massive solar farm at the former Century Aluminum site in Jackson County, West Virginia. Co-located with this solar farm will be a new titanium smelter owned and operated by Precision Castparts; a new battery storage company (Our Next Energy, or “ONE”); and many other industrial end users yet to be announced.

A major South Korean pharmaceutical company, UNDBIO, has recently announced a \$100 million investment in Morgantown, West Virginia to develop and produce insulin through state-of-the-art technologies.

Shell’s new ethylene cracker plant in Beaver County, Pennsylvania commenced operations in 2022. The plant cost an estimated \$6 billion, and will support and drive economic growth in our region for decades to come.

In January 2022, Intel announced its plans to invest \$20 billion to build two new computer chip foundries east of Columbus, Ohio. This investment will have massive ripple effects across our region for years to come.

In West Virginia’s Eastern Panhandle, the nation’s largest and oldest metal recycling company, Commercial Metals Company, is building a \$450 million factory to make “green” rebar.

Form Energy is about to begin construction of a \$760 million iron-air battery manufacturing facility in Weirton, West Virginia. The plant will occupy a small portion of the former Weirton Steel plant site. The facility is expected to employ 760 people when fully operational.

Nucor Steel is in the process of constructing a \$3.1 billion steel manufacturing facility along the Ohio River in Mason County, West Virginia. The plant will employ 2,000 people during construction, and 800 full time employees once operational in 2025.

The Appalachian region is very likely to be selected as one of four hydrogen “hubs” across our country in a pending grant process conducted by the United States Department of Energy. The ARCH2 hydrogen hub would represent an investment of billions of dollars in our region, and create an exciting new source of energy, energy storage and power generation for our region for years to come.

The list of new investments in our region goes on and on. More announcements are forthcoming. West Virginia is truly entering its golden age. Thanks to the many companies featured in this edition of Views & Visions – and so many others – for making it so, and for their confidence and investment in our region. Together, we are creating a very bright future. **V**