NEW COAL-FIRED POWER PLANT

COMMENT SUMMARY FOR PUBLIC SCOPING MEETINGS

SALEM SITE AND SALEM INDUSTRIAL SITE

Southern Montana Electric Generation and Transmission Cooperative, Inc.
March 2005

CONTENTS

APPENDICES

1 INTRODUCTION

Southern Montana Electric Generation and Transmission Cooperative, Inc. (Southern Montana Electric), 3521 Gabel Road, Suite 5, Billings Montana, 59102 is in the process of development of alternative approaches to address a deficit in electric generation capacity that has been forecast through the electric system planning process. One of the alternatives being evaluated is the construction of a new 250 megawatt (MW) coal-fired power plant. Two alternative sites have been identified through a Site-Selection Study and are located in central Montana. The Salem site is located approximately eight (8) miles east of Great Falls, Montana near the intersection of Salem Road and an abandoned railroad bed previously used by the Milwaukee, St. Paul, and Pacific railroad and the Salem Industrial site which is located just east of Highway 87, approximately three-quarter mile north of the Missouri River, and one-half mile east of a mobile home park to the north of Great Falls, Montana. The schedule developed by Southern Montana Electric would place the facility in commercial operation by late spring of 2010. Other alternatives to be considered in an Environmental Impact Statement (EIS) include no action, purchased power, load management, renewable energy sources, distributed generation and alternative site locations. Southern Montana Electric has also requested and evaluated proposals from other utilities or companies that may be able to provide the necessary capacity.

An environmental review process under the National Environmental Policy Act (NEPA) is necessary for approval of the new coal-fired power plant should it be chosen by Southern Montana Electric as the preferred alternative for meeting their deficit in generation capacity. Because of the complexity and scale of the project, an EIS will be prepared by the Rural Utilities Service (RUS) to meet NEPA requirements (40 CFR 1501.4). The RUS will be the lead federal agency for the EIS review process. The State of Montana Department of Environmental Quality (MDEQ) will be a cooperating agency for the portions of the EIS that address requirements of the Montana Environmental Policy Act (MEPA).

Southern Montana Electric has pursued the consideration and evaluation of the proposed new coal-fired power plant in accordance with RUS bulletin 1794A-603 (Scoping Guide for RUS Funded Projects Requiring Environmental Assessments with Scoping and Environmental Impact Statements). Southern Montana Electric contacted the RUS to determine the project's classification pursuant to RUS Environmental Policies and Procedures (7 CFR Part 1794). A meeting was conducted with the RUS on July 29, 2004. Southern Montana Electric prepared an Alternative Evaluation Study and Site Screening Study. These studies were submitted to RUS in September and October of 2004. These same documents were distributed to various agencies both federal and state for review. These reports were available for public review at the public scoping meeting and for 30 day duration after the public scoping meetings at the following locations:

City Civic Center	Southern Montana Electric G&T Cooperative, Inc.
P.O. Box 5021	3521 Gabel Road, Suite 5
Great Falls, MT 59403	Billings, MT 59102

A Notice of Intent (NOI) to hold a public scoping meeting and prepare an EIS was published by the RUS in the Federal Register on September 24, 2004. A copy of the NOI is included in **Appendix B**.

The public scoping meeting was conducted on October 13, 2004 at the City Civic Center in Great Falls, Montana. The public was notified by advertisements in the local newspapers. Copies of the newspaper notices are included in **Appendix C**.

2 SOUTHERN MONTANA ELECTRIC-AGENCY MEETINGS

2.1 AGENCY MEETINGS

An agency introductory meeting was conducted during the preparation of the Site Selection Study to introduce the project. The meeting was held in Helena, Montana at the Montana Department of Environmental Quality. The meeting was held the afternoon of August 12, 2004. A second agency meeting was held by RUS at the Civic Center in Great Falls the morning of October 12, 2004 with a site visit after the meeting.

2.2 WRITTEN AGENCY COMMENTS

RUS sent a letter, dated October 5, 2004, to various federal and state agencies (letters are on file with RUS). Stanley Consultants sent a letter dated October 22, 2004 with a copy of the Alternative Evaluation Study and the Site Screening Study to various federal and state agencies. The letter provided a brief project description and information about the public scoping meetings as well as contact information for agency comments. Comments were received from the National Resource Conservation Service (NRCS), November 2, 2004. The NRCS provided information regarding prime farmland and agricultural drainage systems in the project area, and they requested that form AD-1006 be completed and submitted. The US Environmental Protection agency responded on October 15, 2004 with detailed instructions on preparing the EIS. The Montana DOT responded on November 4, 2004 with no comment, but requested a copy of the Draft EIS. The Army Corp of Engineers provided no information but requested additional documentation relevant to future review of the undertaking. The US Fish and Wildlife Service responded on November 9, 2004 with information regarding possible sensitive wildlife and plant species in the area and request for an assessment of the impacts to wildlife and plant species in the area. The Federal Aviation Administration responded on October 20, 2004. They had no comment, but requested that FAA Form 7460 be completed and submitted. The Montana Historical Society commented on October 25, 2004 that they did not feel that any action was required at this time. The Lewistown Water Resources Office sent a notification that they would comment at a later date. A copy of the mailing list and written agency comments are included in **Appendix D**.

3 PUBLIC SCOPING MEETING

The public scoping meeting for the project involved the following components:

- Providing project information to the public
- Notification of Public Scoping Meetings
- Conducting the public scoping meetings; and

- Collecting/reviewing public comments.

Additional public involvement consisted of addressing the public through individual member coop meetings, telephone conversations, and media releases. Additional project information is available on Southern Montana Electric's web page (www.smegt.com).

3.1 GOALS AND OBJECTIVES

The goal of a public scoping meeting is to solicit comments and encourage participation in accordance with RUS guidelines and MDEQ scoping requirements. The objectives of RUS and Southern Montana Electric are to establish a clear and open dialogue with the public and provide a forum and process for opportunity to identify and define the scope of issues to be addressed in the EIS.

3.2 NOTIFICATION PROCESS

A Notice of Intent (NOI) to hold public scoping meetings and to prepare an EIS was published by the RUS in the Federal Register on September 24, 2004 (Volume 69, Number 185). A copy of the NOI is included in **Appendix B.**

The public scoping meeting was conducted on October 13, 2004, near the two primary alternative site locations identified for the New Coal-fired Power Plant. The public was notified by a series of advertisements in the local newspapers. Copies of the newspaper notices and proof of publication are included in **Appendix C**. The following papers published the notice of public scoping meetings:

- THE BILLINGS GAZETTE published on October 2 and October 9, 2004
- THE GREAT FALLS TRIBUNE on October 2 and October 9, 2004

3.3 PUBLIC SCOPING MEETING

A public scoping meeting was held near the alternative power plant sites as part of the scoping process. The scoping meeting was conducted:

- October 13, 2004, 3p.m.-7p.m., at the City Civic Center in Great Falls, Montana.

The scoping meeting was set up in an open house format, featuring a series of information stations. Each station was staffed by Southern Montana Electric representatives or their consultants' representatives who could explain relevant aspects of the project and answer questions. In addition, RUS and Montana Department of Environmental Quality representatives were present. Fact sheets and other informational handouts were available, and a comment form was provided for attendees to complete.

Copies of the public open house materials are included in **Appendix E.** Like the open house, this appendix is organized by station, including all handouts distributed and informational materials displayed. The information content at each station is described below.

Welcome

People were also asked to sign in here and were given the comment form.

Who is Southern Montana Electric?

Information on the formation and membership of Southern Montana Electric was available at this station. It included a map of the Southern Montana Electric service territory, the Cooperative's Mission Statement, a discussion of why Southern Montana Electric was formed, and presented system statistics, both current and projected.

The Need for More Generation

The forecast deficit in Southern Montana Electric's power supply was described at this station. Also presented at this station was an explanation of the technologies considered in the Alternative Evaluation Study. Copies of the Alternative Evaluation Study and the Site Screening Study were available at this station.

Local Economy

Information on expected project employment both during construction and the full time plant employment were presented at this station. Also presented was information on the expected cost of the facility and its impact on area electricity rates.

Site Arrangement

A rendering of the facility, superimposed on one of the candidate sites, and a conceptual site arrangement of both candidate sites were revealed at this station.

Transmission

A discussion of the transmission issues related to the project was presented at this station.

Water Rights

The planned source of water for the project and the methodology required to obtain those rights was presented at this station.

Coal

Information at this station presented one of the options for the fuel supply for the project. It included a discussion of the economic and environmental issues related to the supply of coal for the project.

Power Plant

The way in which a circulating fluidized bed coal-fired generation plant works was described at this station. Details were provided on the generation process as well as air emission controls.

Environment

The Environment station discussed environmental issues under the broad categories of air, water and solid waste disposal. Measures to protect the environment were described. The magnitude of potential impacts was estimated as far as possible, given the relatively early stages of the planning/design process.

Engineering

This station included a presentation of the experience and capabilities of the engineer working on the project.

Construction Sequence

A continuous slide presentation of the construction sequence of a unit similar to the facility planned by Southern Montana Electric was presented at this station.

Comment Completion Area

Tables, chairs and writing materials were provided to enable participants to complete the comment forms and submit them at the venue. A box was provided for return of completed comment forms. Those that chose not to complete comment forms during the evening were allowed 30 days to return the comment forms to RUS and/or Southern Montana Electric.

Attendance

Based on the sign in sheets, the scoping meeting was attended by 74 people. Individuals at meetings that declined to sign in are not counted in the attendance figures.

3.4 PUBLIC COMMENTS

A total of 13 written responses containing 40 comments were received during the scoping comment period that ended November 15, 2004. Public comments were received in the form of direct letters mailed to Southern Montana Electric and RUS, emails, verbal comments, and completed comment forms. All written comments were entered into a spreadsheet for analysis and summary. A summary report of this information is included in **Appendix F**. All original completed public comment forms and sign-in sheets are on file at RUS.

SUMMARY OF COMMENTS BY CATEGORY

Air Quality

A total of 18 comments were received on air quality issues. Two thirds of the comments (12) express concern regarding the type of emissions associated with the power plant and what effect those emissions could have on air quality, crops and smog. Mercury emissions received an additional five (5) comments questioning the quantity, health effects and reduction measures that could be put in place. One (1) comment questioned whether the plant would have adequate air monitoring.

Alternative Technologies

Four (4) comments were received regarding alternative technologies. Issues centered on the need to use renewable resources in lieu of coal for generating electricity. Wind generation was the main technology listed as an alternative. One comment suggested study of Integrated Gasification Combined Cycle (IGCC) technology.

Cultural Resources

One (1) comment was received on cultural resources. The Montana State Historical Society made the general comment that they will provide information on historical sites as needed and requested.

Electric System

One (1) comment regarding the electric system was received. This comment questioned the need for (demand) power in Montana.

Environment (General)

There were 2 comments received on environmental issues. The comments centered on environmental impacts that could be caused by the emissions and pollution from the proposed power plant and the type of controls that would be put in place to minimize those impacts. One (1) comment was related to regulatory issues, mainly expressing the concern whether current laws and regulations would assure a safe power plant. The other comment was general concern for environmental quality.

Health & Safety

There were two (2) comments related to health and safety. The comments were general human health concerns associated with the proposed power plant including asthma and cancer.

Power Plant Operations

One (1) comment was received regarding power plant operations. This comment questionned the ability of clean coal technology to control emissions as compared to other technologies.

Socioeconomics

There were two (2) comments related to socioeconomics. One (1) comment was a concern that jobs for the plant construction may come from importation of labor from outside of the state. One (1) comment was in strong support of the plant.

Visual

Two (2) comments were received on visual impacts. Both of the comments regard aesthetics and visual impact from the power plant buildings.

Waste

There were two (2) comments regarding waste. Both of those comments are in regard to the proposed ash disposal site. Solid waste disposal topics include the amount of ash to be disposed, leakage, run-off and monitoring and the adequacy of current laws to regulate solid waste disposal.

Water

Three (3) comments on water issues were received. Two (2) of the comments expressed concern regarding pollution of water resources resulting from power plant emissions. Another issue is the effect power plant water use might have on reservoir and groundwater quantity and quality and how that would impact local wells.

4 OTHER PUBLIC MEETINGS AND NEWS RELEASES

This section summarizes meetings and news releases up to the end of January 2005. Public meetings and information about the project are ongoing.

In addition to the Public Scoping and Agency Meetings, Southern Montana Electric held 20 meetings with the Great Falls City Council, School Districts, environmental groups and individual coop membership meetings to keep the public informed of the project details. The project was also documented in 27 news articles in local papers. These articles and meetings happened before, during and after the public comment period. A listing of the dates and places of these additional meetings and all press clippings are included in **Appendix G**. A project brochure was mailed to all coop members that introduced the project. A copy of the brochure is included in **Appendix A**.

5 PROJECT STATUS

RUS and MDEQ, along with other cooperating agencies, will prepare an EIS to assess the potential impacts associated with the Salem and Salem Industrial site alternatives. It is anticipated the EIS will also assess no action, purchased power, load management, renewable energy sources, distributed generation and alternative site locations. Preparation of the EIS is anticipated to begin in the Second Quarter of 2005 and would then be expected to be completed approximately 12-18 months later.

The EIS process will include the preparation of a Draft EIS that will be available for a 45-day public review and comment period. The Final EIS will address comments received on the Draft EIS. The Final EIS will be available for a 30-day review and comment period after which RUS and MDEQ will prepare a Record of Decision (ROD). Notices announcing the availability of the Draft and Final EIS and the ROD will be published in the Federal Register and in Local newspapers.

Any final action by RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant federal, state and local environmental laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 CFR part 1794).

If you have any questions or desire additional information, please feel free to contact the following:

Nurul Islam
Environmental Protection Specialist Rural Utilities Service
Engineering and Environmental Staff
1400 Independence Avenue, SW, Stop 1571 Washington, DC 20250-1571

telephone: (202) 720-1414
email: nurul.islam@usda.gov

APPENDIX A

Project Brochure

WHO WE ARE

SMEG&T is a generation and transmission cooperative formed to bring reliable and competitively-priced long term wholesale power supply to its member systems.

Our G&T cooperative is made up of five distribution electric cooperatives and the City of Great Falls, which recently formed a municipal utility system.

YELLOWSTONE VALLEY ELECTRIC COOPERATIVE
P.O. Box 249 • 150 Cooperative Way • Huntley, MT 59037
(406) 348-3411

FERGUS ELECTRIC COOPERATIVE
84423 US Hwy 87 • Lewistown, MT 59457
(406) 538-3465

BEARTOOTH ELECTRIC COOPERATIVE
P.O. Box 1110 • 1306 N. Broadway • Red Lodge, MT 59068
(406) 446-2310

MID-YELLOWSTONE ELECTRIC COOPERATIVE
P.O. Box 386 • 203 Elliot • Hysham, MT 59038
(406) 342-5521

TONGUE RIVER ELECTRIC COOPERATIVE
P.O. Box 138 • Main Street/Hwy 212 • Ashland, MT 59003
(406) 784-2341

CITY OF GREAT FALLS, MONTANA
P.O. Box 5021 • Great Falls, MT 59403
(406) 455-8450

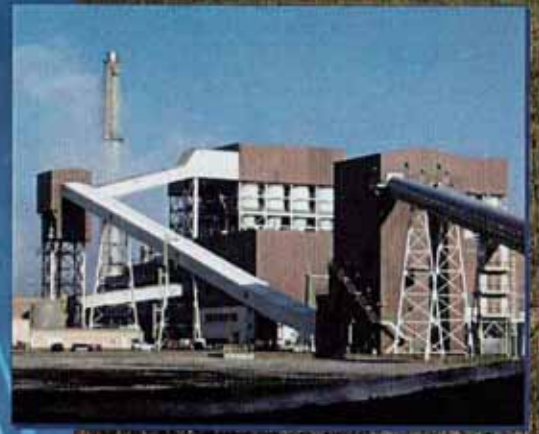
PRSRT STD
US POSTAGE
PAID
BILLINGS MT
PERMIT 294

SME
Southern Montana Electric
Generation & Transmission Cooperative, Inc.
3521 Gabel Road, Suite 5
Great Falls, MT 59102

SME
Southern Montana Electric
Generation & Transmission Cooperative, Inc.

PRESENTS

HIGHWOOD GENERATING STATION



SOUTHERN MONTANA ELECTRIC GENERATION & TRANSMISSION COOPERATIVE, INC.
3521 Gabel Road, Suite 5 • Billings, MT 59102
(406) 294-9527 • www.smegt.com

PRODUCED BY MONTANA LABOR...

THE 250 MW HIGHWOOD GENERATING STATION WILL:

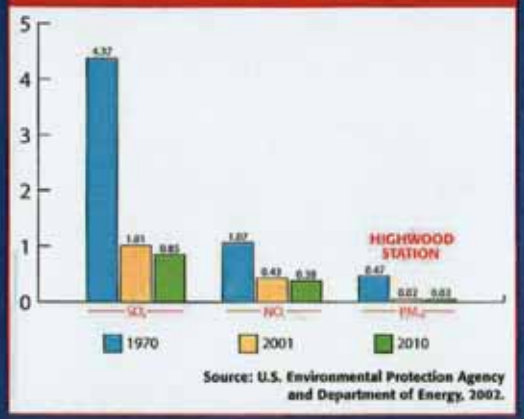
- Deliver cost-based electricity to Montanans, using Montana coal and Montana limestone resources
- Provide the power needs for the five distribution electric cooperatives and the City of Great Falls, benefiting nearly 150,000 Montanans
- Be the most modern, cleanest burning coal-fired plant in the U.S., using the latest technology
- Meet or exceed all Federal and State SO_2, NO, and CO_2 regulations
- Create 400-500 jobs for construction and 65-75 permanent operating and maintenance jobs
- Be produced by Montanans, for Montanans providing long term, stable electric rates
- Have a positive impact on the economy and the quality of life in Montana
- Cost $515 million in total project cost, with approximately $75 million dollars in construction wages
- Combine nicely with renewable energy, which will also be available for purchase
- Come online in 2010, when the members of SMEG&T will have the need for a new power source

POWERED BY MONTANA COAL...

WHY COAL?

Coal is a stable, low cost fuel. Higher cost fuels, such as natural gas, are the primary reason for higher future electricity prices. Coal is a readily available Montana resource and coal mining in Montana is considered (in 2000 by the Montana AFL-CIO) to be one of the "high wage/goods producing industries." Coal fuels over 50% of the U.S. electricity generation, while providing affordable energy. Additionally, coal consumption increases have actually coincided with declines in emissions.

INCREASINGLY CLEAN



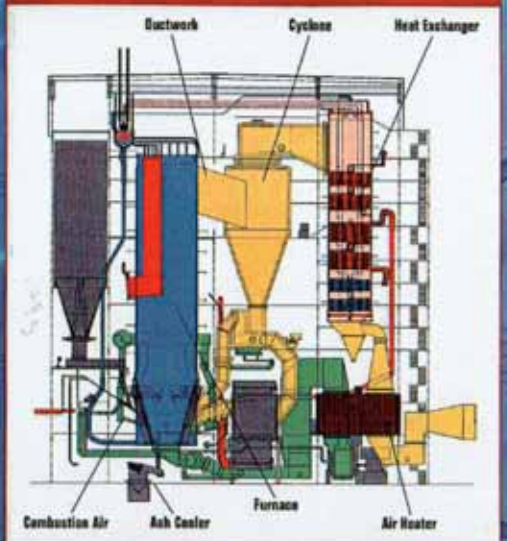
Source: U.S. Environmental Protection Agency and Department of Energy, 2002.

New technologies have enhanced the environmental performance of power plants that use coal. According to EPA data, the average emissions rate (emissions per unit of energy) for coal-based units has improved by about 77 percent for sulfur dioxide (SO_2), 60 percent for nitrogen oxide (NO_x), and 96 percent for particulate matter (PM_{10}) since 1970, while energy production has increased significantly.

POSITIVE IMPACT ON THE MONTANA ECONOMY

CIRCULATING FLUIDIZED BED (CFB) TECHNOLOGY

ALSTOM SIDE ELEVATION 250 MW CFB



Fluidized bed combustion is a technology capable of reliably burning a wide range of fuels to produce electricity, while meeting stringent environmental requirements. These newer technologies not only help reduce emissions, but the greater fuel flexibility means lower costs.

The "fluidized bed" refers to large amounts of air that are blown into the combustor. The fuel and limestone are actually suspended in the air as the fuel burns. The continuous recycling of solids rising in the combustor allows the CFB boiler to operate at lower temperatures than other types of power plants, allowing for the clean economical generation of electricity.

APPENDIX B

Notice of Intent

• *Mitigation.* Can negative environmental impacts of the action be reasonably mitigated, and what is the likelihood that mitigation measures will be successfully implemented? CEQ regulations (40 CFR 1508.20) indicate that mitigation to be considered in the scope of a NEPA document can include actions or decisions that avoid, minimize, reduce, rectify, or compensate for the adverse impacts identified. The EIS will consider the stewardship plan outlined in section VII. E. of the petition, which is designed to minimize inadvertent gene flow as well as to monitor and mitigate the potential development of glyphosate-resistant weeds. The EIS will also consider other actions, *e.g.*, deployment (release) strategies or management practices, including those that may be outside APHIS' jurisdiction, that might mitigate any adverse impacts identified, so as to alert those who may be in a position to implement them.

Comments that provide information relevant to the scope identified above or that identify other potentially significant environmental issues or alternatives that should be examined in the context of the EIS process would be especially helpful. All comments that we received in response to the January 2004 notice will be included as part of this scoping process; there is no need to resubmit those comments. We will fully consider all the comments received in response to the January 2004 notice and this current notice in developing a final scope of study and in preparing the draft EIS. When the draft EIS is completed, we will publish a notice in the **Federal Register** announcing its availability and inviting the public to comment on it. Following our consideration of the comments received, APHIS will prepare a final EIS; its availability will also be announced in the **Federal Register** along with a 30-day public comment period, after which the Record of Decision will be issued.

Done in Washington, DC, this 21st day of September 2004.

W. Ron DeHaven,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. E4–2372 Filed 9–23–04; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF AGRICULTURE

Natural Resources Conservation Service

Stemple Creek Watershed Project, Marin and Sonoma Counties, CA

AGENCY: Natural Resources Conservation Service.

ACTION: Notice of a Finding of No Significant Impact.

SUMMARY: Pursuant to Section 102(2)(c) of the National Environmental Policy Act of 1969, the Council on Environmental Quality regulations (40 CFR Part 1500) and the Natural Resources Conservation Service regulations (7 CFR Part 650), the Natural Resources Conservation Service, U.S. Department of Agriculture, gives notice that an environmental impact statement is not being prepared for the Stemple Creek Watershed Project, Marin and Sonoma Counties, California.

FOR FURTHER INFORMATION CONTACT: Luana E. Kiger, Special Assistant to the State Conservationist, Natural Resources Conservation Service, 430 G Street, Davis, California, 95616–4164, telephone (530) 792–5661.

SUPPLEMENTARY INFORMATION: The environmental assessment of this federally assisted action indicates that the modifications to the project will not cause significant local, regional, or national impacts on the environment. As a result of these findings, Charles W. Bell, State Conservationist, has determined that the preparation and review of an environmental impact statement are not needed for this action.

The project purpose is watershed protection for water quality improvement. The planned project includes improved waste management systems on about 16 dairies, approximately 29 miles of riparian stream habitat restoration, and land treatment on about 11,000 acres of rangeland. The work will be installed through long-term contracts with individual land users. Participation by land users is voluntary.

The Finding of No Significant Impact has been forwarded to the Environmental Protection Agency and to various Federal, State, and local agencies and interested parties. Basic data developed during the environmental assessment is on file and its review may be arranged by contacting Luana E. Kiger, Special Assistant to the State Conservationist.

No administrative action on implementation of the proposal will be taken until 30 days after the date of this publication in the **Federal Register**.

(This activity is listed in the Catalog of Federal Domestic Assistance under No. 10.904, Watershed Protection and Flood Prevention, and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials)

Dated: September 13, 2004.

Charles W. Bell,

State Conservationist.

[FR Doc. 04–21421 Filed 9–23–04; 8:45 am]

BILLING CODE 3410–16–P

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Southern Montana Electric Cooperative, Inc.; Notice of Intent To Hold a Public Scoping Meeting and Prepare an Environmental Impact Statement

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of intent to hold a public scoping meeting and prepare an environmental impact statement.

SUMMARY: The Rural Utilities Service (RUS) intends to hold a public scoping meeting and prepare an environmental impact statement (EIS) in connection with possible impacts related to a project being proposed by Southern Montana Electric Cooperative, Inc. (SME), of Billings, Montana. The proposal consists of the construction and operation of a coal-fired electric generation facility, consisting of a single 250 Megawatt (MW) unit, at a site near Great Falls, Montana.

DATES: RUS will conduct the public scoping meetings in an open-house format on October 13, 2004, from 3 p.m. to 7 p.m., at the Civic Center in Great Falls, Montana.

FOR FURTHER INFORMATION CONTACT: Nurul Islam, Environmental Protection Specialist, RUS, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250–1571, telephone: (202) 720–1414 or email: *nurul.islam@usda.gov*, or Tim R. Gregori, General Manager, Southern Montana Electric Cooperative, Inc., 3521 Gabel Road, Suite 5, Billings, MT 59102, telephone: (406) 294–9527, or email: *gregori@mcn.net*.

SUPPLEMENTARY INFORMATION: SME proposes to construct and operate a 250 MW coal-fired electric generation facility at one of two sites near Great Falls, Montana. The Salem Industrial site is located east of Highway 87 in the Great Falls Industrial Park. The Salem site is located near the intersection of Salem Road and the abandon

Milwaukee, St. Paul and Pacific railroad bed. Construction of the project at either site will require the construction of new electric transmission lines that will interconnect with the Great Falls Substation and the Great Falls to Broadview 230 kilovolt electric transmission line. The schedule developed by SME would place the facility in commercial operation by the spring of 2009. Alternatives to be considered by RUS include no action, purchased power, renewable energy sources, distributed generation, and alternative site locations. Comments regarding the proposed project may be submitted (orally or in writing) at the public scoping meeting or in writing within 30 days after the October 13, 2004 meeting to RUS at the address provided in this notice.

RUS will use input provided by government agencies, private organizations, and the public, in the preparation of a Draft EIS. The Draft EIS will be available for review and comment for 45 days. A Final EIS will then be prepared that considers all comments received. The Final EIS will be available for review and comment for 30 days. Following the 30-day comment period, RUS will prepare a Record of Decision (ROD). Notices announcing the availability of the Draft and Final EIS and the ROD will be published in the **Federal Register** and in local newspapers.

Any final action by RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant Federal, State and local environmental laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 CFR Part 1794).

Dated: September 20, 2004.

Mark S. Plank,

Acting Director, Engineering and Environmental Staff.

[FR Doc. 04–21511 Filed 9–23–04; 8:45 am]

BILLING CODE 3410–15–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Proposed Additions and Deletions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Proposed additions to and deletions from Procurement List.

SUMMARY: The Committee is proposing to add to the Procurement List products to be furnished by nonprofit agencies employing persons who are blind or have other sever disabilities, and to delete products and services previously furnished by such agencies.

Comments Must Be Received on or Before: October 24, 2004.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, Jefferson Plaza 2, Suite 10800, 1421 Jefferson Davis Highway, Arlington, Virginia, 22202–3259.

FOR FURTHER INFORMATION CONTACT: Sheryl D. Kennerly, (703) 603–7740.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to 41 U.S.C. 47(a)(2) and 41 CFR 51–2.3. Its purpose is to provide interested persons an opportunity to submit comments on the proposed actions.

Additions

If the Committee approves the proposed additions, the entities of the Federal Government identified in this notice for each product or service will be required to procure the products listed below from nonprofit agencies employing persons who are blind or have other severe disabilities.

Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. If approved, the action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities.

2. If approved, the action will result in authorizing small entities to furnish the products to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46–48c) in connection with the products proposed for addition to the Procurement List.

End of Certification

The following products are proposed for addition to Procurement List for production by the nonprofit agencies listed:

Products

Product/NSN: Tea Light Candles, Strawberry/M.R. 488, Unscented/M.R. 487, Vanilla/M.R. 486.
NPA: South Texas Lighthouse for the Blind, Corpus Christi, Texas.
Contract Activity: Defense Commissary Agency (DeCA), Ft. Lee, VA, Fort Lee, Virginia.

Deletions

Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. If approved, the action may result in additional reporting, recordkeeping or other compliance requirements for small entities.

2. If approved, the action may result in authorizing small entities to furnish the products and services to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46–48c) in connection with the products and services proposed for deletion from the Procurement List.

End of Certification

The following products and services are proposed for deletion from the Procurement List:

Products

Product/NSN: Enamel, Lacquer, 8010–00–935–7085.
NPA: None currently authorized.
Contract Activity: GSA, Hardware & Appliances Center, Kansas City, Missouri.

Product/NSN: Germicidal Cleaner/Degreaser, 7930–01–393–6756.
NPA: Lighthouse for the Blind, St. Louis, Missouri.
Contract Activity: None currently authorized.

Product/NSN: Portfolio, Plastic Envelope, 7510–00–995–4852, 7510–00–995–4856, 7510–00–NIB–0267, 7510–00–NIB–0268.
NPA: Bestwork Industries for the Blind, Inc., Runnemede, New Jersey.
Contract Activity: Office Supplies & Paper Products Acquisition Center, New York, New York.

Product/NSN: Solvent, Correction Fluid, 7510–01–013–9215.
NPA: Lighthouse for the Blind, St. Louis, Missouri.
Contract Activity: Office Supplies & Paper Products Acquisition Center, New York, New York.

Product/NSN: Standard Bus Equipment, 5999–00–NSH–0001.
NPA: Sheltered Workshop for the Disabled, Inc., Binghamton, New York.
Contract Activity: U.S. Coast Guard, Dept. of Transportation, Washington, DC.

Product/NSN: Tape, Postage Meter, 7530–00–912–3925.
NPA: Cincinnati Association for the Blind, Cincinnati, Ohio.
Contract Activity: Office Supplies & Paper Products Acquisition Center, New York, New York.

APPENDIX C

Newspaper Notices

AFFIDAVIT OF PUBLICATION
THE GREAT FALLS TRIBUNE
205 RIVER DR S
GREAT FALLS, MT 59405
Phone: (406) 791-1444
Toll Free (800) 438-6600

Terri VanLieshout, being first duly sworn deposes and says that GREAT FALLS TRIBUNE COMPANY is a corporation duly incorporated under the laws of the State of Delaware, that the said GREAT FALLS TRIBUNE COMPANY is the printer and publisher of the GREAT FALLS TRIBUNE, a daily newspaper of general circulation of the County of Cascade, State of Montana, and that the deponent is the principal clerk of said GREAT FALLS TRIBINE COMPANY, printer of the GREAT FALLS TRIBUNE, and that the advertisement here to annexed...

NOTICE – PUBLIC SCOPING MEETING

Has been correctly published **TWO** times in the regular and entire issue of said paper on the following dates:

OCTOBER 2ND, 9TH 2004

Terri E VanLieshout
STATE OF MONTANA
County of Cascade

On this **10TH** of **OCTOBER 2004,** before me the undersigned, a Notary Public of the State of Montana, personally appeared Terri VanLieshout, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

In witness whereof, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Becky Keith
Print Name

Becky Keith
Signature
NOTARY PUBLIC for the State of Montana
Residing in Stanford
My commission expires: 05/08/2006

SEAL

NOTICE
Southern Montana Electric Generation and Transmission Cooperative, Inc.; Notice of Intent to Hold a Public Scoping Meeting and Prepare an Environmental Impact Statement

Summary: The Rural Utilities Service (RUS) an agency delivering the United States Department of Agriculture's rural development utilities programs, intends to hold a public scoping meeting and prepare an environmental impact statement (EIS) in connection with

[redacted]

the possible impacts related to a project being proposed by Southern Montana Electric Generation and Transmission Cooperative, Inc. (SME), of Billings, Montana. The proposal consists of the construction and operation of a coal-fired facility, consisting of a single 250 Megawatt (mW) unit, at a site near Great Falls, Montana.

Date & Location: RUS will conduct the public scoping meetings in an open-house format on October 13, 2004, from 3 p.m. to 7 p.m., at the Civic Center, 2 Park Drive South, Great Falls, Montana 59401. The Civic Center is bounded on the north by 1st Avenue North and on the South by 1st Avenue South. Park Drive is on the east side of the Civic Center.

Directions from the North of Great Falls: Follow I-15 South to the Central Avenue exit. Exit onto Central Avenue and turn east. Central Avenue will become 1st Avenue North after crossing the Missouri River. Park Drive South is the second turn to the south after crossing the Missouri River. The Civic Center is on the right.

Directions from the South of Great Falls: Follow I-15 North to the Central Avenue exit. Exit onto Central Avenue and turn east. Central Avenue will become 1st Avenue North after crossing the Missouri River. Park Drive South is the second turn to the south after crossing the Missouri River. The Civic Center is on the right.

Directions from the East of Great Falls: Follow state highway 87 West to 2nd Street South. Turn north on 2nd Street South. Proceed to 1st Avenue South and turn left. Park Drive South is the first turn to the north. The Civic Center is on the left.

Directions from the West of Great Falls: Follow Central Avenue. Central Avenue will become 1st Avenue North after crossing the Missouri River. Park Drive South is the second turn to the south after crossing the Missouri River. The Civic Center is on the right.

For Further Information Contact: Nurul Islam, Environmental Protection Specialist, RUS, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington D.C. 20250-1571, telephone: (202) 720-1414 or email: nurul.islam@usda.gov, or Tim Rompkey, General Manager, Southern Montana Electric Generation and Transmission Cooperative, Inc., 3521 Gabel Road, Suite 5, Billings, MT 59102, telephone: (406) 294-9527, or email: sempc@msn.net.

Supplementary Information: SME proposes to construct and operate a 250 mW coal-fired electric generation facility at one of two sites near Great Falls, Montana. The Salem Industrial site is located east of Highway 87 in the Great Falls Industrial Park. The Salem site is located near the intersection of Salem Road and the abandoned Milwaukee, St. Paul and Pacific railroad bed. Construction of the project at either site will require the construction of new interconnections with the Great Falls Substation and the Great Falls to Broadview 230 kilovolt electric transmission line. The schedule for the project will place the facility in commercial operation by the spring of 2009. Alternatives to be considered by RUS include no action, purchased power, renewable energy sources, distributed generation, and alternative site locations. Comments regarding the proposed project may be submitted

[redacted]

(orally or in writing) at the public scoping meeting or in writing within 30 days after the October 13, 2004 meeting to RUS at the address provided in this notice.

RUS will use input provided by governmental agencies, private organizations, and the public, in the preparation of a Draft EIS. The Draft EIS will be available for review and comment for 45 days. A Final EIS will then be prepared that considers all comments received. The Final EIS will be available for review and comment for 30 days. Following the 30-day comment period, RUS will prepare a Record of Decision (ROD). Notices announcing the availability of the Draft and Final EIS and the ROD will be published in the Federal Register and in local newspapers.

Any final action by RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant Federal, State and local environment laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 CFR Part 1794).

(172070) 10/2, 9.

***** AFFIDAVIT OF PUBLICATION *****

The BILLINGS GAZETTE
401 N. 28th
Billings, MT 59101
Phone: (406) 657-1212 Fax: (406) 657-1345

Ad Number: 2625665

NOTICE

Southern Montana Electric Generation and Transmission Cooperative, Inc.; Notice of Intent to Hold a Public Scoping Meeting and Prepare an Environmental Impact Statement.

Summary: The Rural Utilities Service (RUS) an agency delivering the United States Department of Agriculture's rural development utilities programs intends to hold a public scoping meeting and prepare an environmental impact statement (EIS) in connection with the possible impacts related to a project being proposed by Southern Montana Electric Generation and Transmission Cooperative, Inc. (SME), of Billings, Montana. The proposal consists of the construction and operation of a coal-fired facility, consisting of a single 250 Megawatt (MW) unit, at a site near Great Falls, Montana.

Date & Location: RUS will conduct the public scoping meetings in an open-house format on October 13, 2004, from 5 p.m. to 7 p.m., at the Civic Center, 2 Park Drive South, Great Falls, Montana 59401. The Civic Center is bounded on the north by 1st Avenue North Street and on the South by 1st Avenue South Street. Park Drive is on the east side of the Civic Center.

Directions from the North of Great Falls: Follow I-15 South to the Central Avenue exit. Exit onto Central Avenue and turn east. Central Avenue will become 1st Avenue North after crossing the Missouri River. Park Drive South is the first turn to the south after crossing the Missouri River. The Civic Center is on the right.

Directions from the South of Great Falls: Follow I-15 North to the Central Avenue exit. Exit onto Central Avenue and turn east. Central Avenue will become 1st Avenue North after crossing the Missouri River. Park Drive South is the second turn to the south after crossing the Missouri River. The Civic Center is on the right.

Directions from the East of Great Falls: Follow state highway 87 West to 2nd Street South. Turn north on 2nd Street South. Proceed to 1st Avenue Street South and turn left. Park Drive South is the first turn to the north. The Civic Center is on the left.

Directions from the West of Great Falls: Follow Central Avenue. Central Avenue will become 1st Avenue North after crossing the Missouri

Tammy Haar, being first duly sworn, deposes and says: That she is the principal clerk of The Billings Gazette, a newspaper of general circulation published daily in the City of Billings, in the County of Yellowstone, State of Montana, and has charge of the Advertisements thereof.

That the: 185 line legal regarding:

NOTICE Southern Montana Electric

a true copy of which is hereto annexed, was published in said newspaper on the following dates, via:

10/a, 10/a/04

Making all 2 publication(s)

Mark below if certificatation for the State of Montana.

_____ I hereby certify that I have read sec. 18-7-204 and 18-7-205, MCA, and subsequent revisions, and declare that the price or rate charged the State of Montana for the publication for which claim is made in the attached papers in the amount of $ 561.05 is not in excess of the minimum rate charged any other advertiser for publication of advertisement, set in the same size type and published for the same number of insertions. I further certify that this claim is correct and just in all respects, and that payment or credit has not been received.

Tammy Haar

STATE OF MONTANA
County of Yellowstone

On this day of Oct 11, 2004, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Tammy Haar, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

Barbara A Pewitt

NOTARY PUBLIC for the State of Montana
Residing at Billings, MT
My commission expires: 10-06-2008

Barbara A. Pewitt

BARBARA A. PEWITT NOTARIAL SEAL STATE OF MONTANA

***** AFFIDAVIT OF PUBLICATION *****

The BILLINGS GAZETTE
401 N. 28th
Billings, MT 59101
Phone: (406) 657-1212 Fax: (406) 657-1345

River. Park Drive South is the first turn to the south after crossing the Missouri River. The Civic Center is on the right.

For Further Information Contact: Nurul Islam, Environmental Protection Specialist, RUS, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250-1571, telephone: (202) 720-1414 or email: nurul.islam@usda.gov, or Tim R. Gregori, General Manager, Southern Montana Electric Generation and Transmission Cooperative, Inc., 3521 Gabel Road, Suite 5, Billings, MT 59102, telephone: (406) 294-8527, or email: gregori@mcn.net.

Supplementary Information: SME proposes to construct and operate a 250 mW coal-fired electric generation facility at one of two sites near Great Falls, Montana. The Salem Industrial site is located east of Highway 87 in the Great Falls Industrial Park. The Salem site is located near the intersection of Salem Road and the abandoned Milwaukee, St. Paul and Pacific railroad bed. Construction of the project at either site will require the construction of new interconnections with the Great Falls Substation and the Great Falls to Broadview 230 kilovolt electric transmission line. The schedule for the project will place the facility in commercial operation by the spring of 2009. Alternatives to be considered by RUS include no action, purchased power, renewable energy sources, distributed generation, and alternative site locations. Comments regarding the proposed project may be submitted (orally or in writing) at the public scoping meeting or in writing within 30 days after the October 13, 2004 meeting to RUS at the address provided in this notice.

RUS will use input provided by governmental agencies, private organizations, and the public, in the preparation of a Draft EIS. The Draft EIS will be available for review and comment for 45 days. A Final EIS will then be prepared that considers all comments received. The Final EIS will be available for review and comment for 30 days. Following the 30-day comment period, RUS will prepare a Record of Decision (ROD). Notices announcing the availability of the Draft and Final EIS and the ROD will be published in the Federal Register and in local newspapers.

Any final action by RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant Federal, State and local environmental laws and regulations and

***** AFFIDAVIT OF PUBLICATION *****

The BILLINGS GAZETTE
401 N. 28th
Billings, MT 59101
Phone: (406) 657-1212 Fax: (406) 657-1345

completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 CFR Part 1794). 10-2 10-9-04

Revival of farm ltcy law headed to House

By TED MONOSON
Gazette Washington Bureau

WASHINGTON — Between their efforts to pass a corporate tax bill and

Washington

in the effort to make sure that control over intelligence agency budgets stayed within the Senate Appropriations Committee's jurisdic-

House and signed by the p
the House does not pass th
it returns for a post-election
session, the bill will die.
the Senate would have to
air to make it more

sonal bankruptcies

cost of drought aid to be offset from money set aside for farm bill conservation programs. The voted represented a switch because he had crossed party

"I've been aware of what he has done at Winnebago, on how he's taken basically a zero-based economy and turned it into a $100 million economic powerhouse," said Dave Anderson, assistant secretary for Indian Affairs.

Anderson wanted Morgan's help — and his business expertise — to fulfill his vision of using education and economic development to better serve Native people.

As the leader of Ho-Chunk Inc., the business arm of the Winnebago Tribe of Nebraska, the 36-year-old Morgan has helped transform the reservation town of Winnebago into a thriving community.

MORGAN a zealot and a believer" helps explain his part-time move to Washington: He is zealous about helping his tribe, and others, make money.

Officials from other tribes regularly travel to Ho-Chunk's headquarters for advice, and Morgan regularly visits their economic development departments.

Morgan seemed natural for what Anderson hopes to accomplish. "Who do I reach out to in Indian Country who has a proven track record, that understands all the dynamics of working with tribal economic development? I think all of us know there's only one person. That's Lance Morgan," Anderson said.

when Rehberg said he couldn't make that date. The U.S. House changed its voting schedule and required Rehberg to be in Washington, D.C., on Oct. 4 to vote, said Erik Iverson, Rehberg's chief of staff.

After Rehberg said he couldn't make the Oct. 4 debate, Velazquez accused the incumbent congressman of trying to avoid the event altogether. Iverson called Velazquez's accusations "bizarre" and reit-

to reschedule the debate ever since Rehberg discovered Oct. 4 wasn't going to work for him.

"While Ms. Velazquez was grandstanding and issuing press releases, Denny was working with the Salish-Kootenai Tribe to reschedule the debate, just like he said he would," said Dustin Frost, Rehberg's campaign manager.

Iverson said the congressman looks forward to the debate on the reservation, and

Building on the Salish-Kootenai College campus and is open to the public. The doors will open at 6:30 p.m., and the debate will start at 7 p.m. and run until 8:30 p.m.

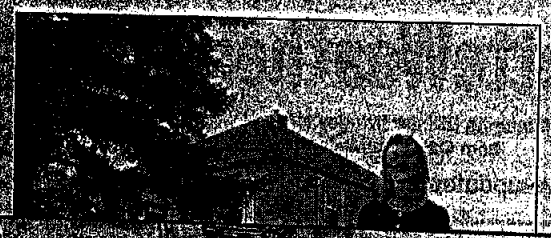
Rehberg, Velazquez and Fellows have debated three times so far — in Great Falls in June, at Montana State University-Bozeman in September and once over the airwaves of Billings-based Yellowstone Public Radio.

NOTICE

Southern Montana Electric Generating and Transmission Cooperative, Inc. is planning to construct a coalfired electric generation facility, consisting of a single 250 megawatt (mW) unit, at a site near Great Falls, Montana. A public scoping meeting will be held on October 13, 2004 at the Civic Center in Great Falls, Montana. For additional information, refer to our notice in the legal section of this newspaper.

Historic house saved from vacation

By LINDA HALSTEAD-ACHARYA
Of The Gazette Staff



Robin Watkins stands in front of the Halfway House, a local landmark that will be

...the new road will clip the Watkins' garage, shave a quarter-acre from their property and dis... MDT. Besides land, the redesign ... opposition after seeing the com... enough evidence to persuade a ... historian to take a closer ... They said we've got some...

NOTICE

Southern Montana Electric Generating and Transmission Cooperative, Inc. is planning to construct a coalfired electric generation facility, consisting of a single 250 megawatt (mW) unit, at a site near Great Falls, Montana. A public scoping meeting will be held on October 13, 2004 at the Civic Center in Great Falls, Montana. For additional information, refer to our notice in the legal section of this newspaper.

APPENDIX D

Agency Comment Letters

Montana Department of Transportation
2701 Prospect Avenue
PO Box 201001
Helena MT 59620-1001

David A. Galt, Director
Judy Martz, Governor

November 4, 2004

Ray Walters
Senior Project Manager
Stanley Consultants Inc.
9200 East Mineral Avenue, Suite 400
Englewood, CO 80112

Subject: Southern Montana Electric Generation & Transmission Cooperative, Inc, Coal Fired Power Plant Site Selection Study

We have reviewed the subject study and have no comments at this time. Once a site has been selected and a Draft EIS is prepared we would appreciate receiving a copy to review. A through review can then be completed to determine if there will be any impacts to the transportation system. Thank you for the opportunity to review this study.

If you have any questions please contact me at (406) 444-6303.

Dan Martin, Planner
Program and Policy Analysis Bureau
Rail, Transit and Planning Division

cc: Mick Johnson, Great Falls District Administrator
Ray Mengel, Glendive District Administrator
Sandra Straehl, Rail, Transit and Planning District Administrator

United States Department of the Interior

FISH AND WILDLIFE SERVICE

ECOLOGICAL SERVICES
MONTANA FIELD OFFICE
100 N. PARK. SUITE 320
HELENA, MONTANA 59601
PHONE (406) 449-5225, FAX (406) 449-5339

M.30 – REA (I)
Southern Montana Electric Cooperative

November 9, 2004

Stanley Consultants, Inc.
Mr. Rural Islam
1400 Independence Ave., SW, Stop 1571
Room 2240
Washington, DC 20250-1571

Dear Mr. Islam:

This letter responds to your correspondence received in our office on October 25, 2004 and your request for the U.S. Fish and Wildlife Service's (Service) comments on your proposed plan for the Southern Montana Electric G&T Cooperative coal fired circulating fluidized bed project. According to the documentation provided to us the proposed project will be located in Cascade County within the vicinity of Great Falls, Montana.

In accordance with section 7(c) of the Act, the Service has determined that the following listed species may be present in the action area:

CASCADE COUNTY

Haliaeetus leucocephalus	Bald Eagle	LT
Lynx canadensis	Canada Lynx	LT

LT = Listed Threatened

An additional table containing more specific species information is also enclosed with this letter. This data was collected within a 10 mile radius of the City of Great Falls. The information provided in this table was found at the Natural Resources Inventory System (NRIS) under interactive maps and data applications (http://nris.state.mt.us/).

The Service is providing this information to assist you in determining possible impacts to species of federal concern. There may be state species of concern in the vicinity of the project and we recommend contacting Montana Fish, Wildlife and Parks at 1420 East Sixth Avenue, P.O. Box 200701, Helena, Montana 59620-0701, 406-444-2535 or the Montana Natural Heritage Program, 1515 East Sixth Avenue, P.O. Box 201800, Helena, Montana 59620-1800, 406-444-5354.

For those actions wherein a biological assessment is required, the assessment should be completed within 180 days of initiation. This time frame can be extended by mutual agreement between the federal agency or its designated non-federal representative and the Service. If an

assessment is not initiated within 90 days, this list of threatened and endangered species should be verified with the Service prior to initiation of the assessment. The biological assessment may be undertaken as part of the federal agency's compliance of section 102 of the NEPA and incorporated into the NEPA documents.

We recommend that biological assessments include the following:

1. A description of the project.
2. A description of the specific area that may be affected by the action.
3. The current status, habitat use, and behavior of T/E species in the project area.
4. Discussion of the methods used to determine the information in Item 3.
5. An analysis of the affects of the action on listed species and proposed species and their habitats, including an analysis of any cumulative effects.
6. Coordination/mitigation measures that will reduce/eliminate adverse impacts to T/E species.
7. The expected status of T/E species in the future (short and long term) during and after project completion.
8. A determination of "May affect, likely to adversely affect" or "May affect, not likely to adversely affect" for listed species.
9. A determination of "is likely to jeopardize" or "is not likely to jeopardize" for proposed species.
10. Citation of literature and personal contacts used in developing the assessment.

If it is determined a proposed program or project "is likely to adversely affect" any listed species, formal consultation should be initiated with this office. If it is concluded the project "is not likely to adversely affect" listed species, the Service should be asked to review the assessment and concur with the determination of no adverse effect.

A federal agency may designate a non-federal representative to conduct informal consultation or prepare biological assessments. However, the ultimate responsibility for section 7 compliance remains with the federal agency and written notice should be provided to the Service upon such a designation. We recommend federal agencies provide their non-federal representatives with proper guidance and oversight during preparation of biological assessments and evaluation of potential impacts to listed species.

Section 7(d) of the Act requires that the federal agency and permit/license applicant shall not make any irreversible or irretrievable commitment of resources which would preclude the formulation of reasonable and prudent alternatives until consultation on listed species is completed.

If wetlands may be impacted by this project, Corps of Engineers Section 404 permits may be required. The Service suggests the proposed project be designed to avoid and minimize impacts to any wetland areas, stream channels and surrounding vegetation to the greatest extent possible. Where feasible, minimize the area necessary for construction to reduce direct habitat impacts. The applicant should analyze direct, indirect and cumulative impacts along with future activities required to maintain these improvements.

The Service's Billings, Montana Sub Office has spoken recently with Ray Walters, also with Stanley Consultants, Inc., and plans to provide comments on the proposed project's Draft Environmental Impact Statement once it is released for public comment. The comments contained within this letter are to be considered part of the early informal consultation process.

We look forward to receiving additional information on this project once it is available for public review.

The Service appreciates your efforts to incorporate fish and wildlife resource concerns into your project planning. If you have questions or comments related to this issue, please contact Sierra Harris at 406-449-5225, extension 202 or me at extension 205.

Sincerely,

R. Mark Wilson

R. Mark Wilson
Field Supervisor

Enclosure: Table containing NRIS *Species of Concern* data within a 10 mile radius of Great Falls, Montana

cc: USFWS, Billings, MT (Attn: Lou Hanebury)
USDA, RUS, Washington, D.C. (Attn: Dennis Rankin)

Athene cunicularia	Burrowing Owl	Animal	G4	S2B			SENSITIVE	1988	1988
Buteo regalis	Ferruginous Hawk	Animal	G4	S2B			SENSITIVE	1984-05	1997-05
Chlidonias niger	Black Tern	Animal	G4	S3B					
Haliaeetus leucocephalus	Bald Eagle	Animal	G4	S3	PS:LT,PDL	THREATENED	SENSITIVE	1943	7/7/1986
Larus pipixcan	Franklin's Gull	Animal	G4G5	S3B			SPECIAL STATUS		
Nycticorax nycticorax	Black-crowned Night-heron	Animal	G5	S3B			SENSITIVE	1965	6/10/1994
Plegadis chihi	White-faced Ibis	Animal	G5	S1B				1979	6/29/1988
Sterna hirundo	Common Tern	Animal	G5	S3B			SENSITIVE	1981	1988
Bacopa rotundifolia	Roundleaf Water-hyssop	Plant	G5	S1				1988-06	1988-06
Carex sychnocephala	Many-headed Sedge	Plant	G4	S1			WATCH	1891	1891-09-08
Centunculus minimus	Chaffweed	Plant	G5	S2				1890	1891-09-08
Entosthodon rubiginosus		Plant	G1G3	SH			WATCH	1891	1891-09-10
Funaria americana		Plant	G2G3	SH				1887-06	1887-06
Najas guadalupensis	Guadalupe Water-nymph	Plant	G5	S1				1902	1902
Psilocarphus brevissimus	Dwarf Woolly heads	Plant	G4	S2		SENSITIVE	WATCH	1891	1891-08-25
								1891	1891-08-13

Global / State Ranking Key

G1 S1	At high risk because of extremely limited and/or rapidly declining numbers, range, and/or habitat, making it highly vulnerable to global extinction or extirpated in the state.
G2 S2	At risk because of very limited and/or declining numbers, range, and/or habitat, making it vulnerable to global extinction or extirpated in the state.
G3 S3	Potentially at risk because of limited and/or declining numbers, range, and/or habitat, even though it may be abundant in some areas.
G4 S4	Uncommon but not rare (although it may be rare in parts of its range), and usually widespread. Apparently not vulnerable in most of its range, but possibly cause for long-term concern
G5 S5	Common, widespread, and abundant (although rare in parts of its range). Not vulnerable in most of its range.
FWS - LT	Listed Threatened Species

MONTANA HISTORICAL SOCIETY

225 North Roberts ◆ P.O. Box 201201 ◆ Helena, MT 59620-1201
◆ (406) 444-2694 ◆ FAX (406) 444-2696 ◆ www.montanahistoricalsociety.org ◆

October 25, 2004

Mr. Nurul Islam
USDA - RUS
1400 Independence Ave, SW
Stop 1571, Room 2240
Washington, DC 20250-1571

RE: STANLEY CONSULTANTS, SOUTHERN MONTANA ELECTRIC G&T COOPERATIVE. SHPO Project #: 2004102507

Dear Mr. Islam:

I have reviewed Stanley Consultants Inc. site selections study for the above-cited project. We feel that if the transmission lines will be installed along existing right of way for other transmission lines, existing roads, or railroads that there is a low likelihood cultural properties would be impacted. Therefore, we feel that a recommendation for a cultural resource inventory is unwarranted at this time.

However, If the transmission lines will be outside of existing right of way, and creating new ground disturbance for installation we feel that this project has the potential to impact cultural properties and recommend that a cultural resource inventory be conducted in order to determine whether or not sites exist and if they will be impacted. Thank you for consulting with us.

If you have any further questions or comments you may contact me at (406) 444-7767 or by e-mail at dmurdo@state.mt.us.

Sincerely,

Damon Murdo
Cultural Records Manager

cc: Ray Walters

File: USDA/RUS/2004

United States Department of Agriculture

NRCS

Natural Resource Conservation Service
Federal Building, Room 443
10 East Babcock Street
Bozeman, Montana 59715-4704

October 20, 2004

Mr. Nurul Islam
Rural Utilities Service.
1400 Independence Avenue, SW
Washington, DC 20250

RE: Environmental request from the Rural Utilities Service (RUS) in regard to Southern Montana Electric Generation and Transmission Cooperative's proposal to construct a coal-fired power plant near Great Falls, Montana.

Dear Mr. Islam:

Thank you for the letter of October 6, 2004, requesting NRCS's participation in a scoping meeting for the referenced project on October 13, 2004, in Great Falls, Montana. Unfortunately, we did not receive the letter in time to schedule NRCS participation.

As you are aware, the provisions of the federal Farmland Protection Policy Act (FPPA) require evaluation of important farmland status (prime farmland, farmland of statewide importance, or locally important farmland) when the actions or assistance of a Federal agency irreversibly converts (directly or indirectly) farmland. Because it appears that this project has the potential to irreversibly convert agricultural lands to non-agricultural uses, we recommend that a Farmland Conversion Impact Rating (form AD-1006) be completed for all of the alternative sites under consideration. I have enclosed a hard copy version of form AD-1006 and instructions for your use. The form AD-1006 may also be downloaded and/or the review process initiated through the World Wide Web at:

http://www.nrcs.usda.gov/programs/fppa/

The requesting agency or their representative, are to complete parts I and III and submit the form to the appropriate NRCS Field Office. In this case, the Great Falls NRCS Field Office (Cascade County) would be the office to which to submit. Please address all materials relative to this proposal to:

Dale Krause, District Conservationist
USDA, NRCS
12 3rd Street NW, Suite 300
Great Falls, Montana 59403

As a matter of interest in completing the form, under Part III, items A, B, and C, the amount for item A (acres directly converted) should reflect the number of acres to be built on or otherwise converted such as the acres within the immediate project area from which agricultural production will be lost. The item B (indirectly converted) entry should reflect acres associated with the project, but not actively altered or enclosed, such as the lands within the designated area, but not occupied

by a structure, pavement, active storage area, or building. Lands within a service facility area, if fenced off and no longer available for farming, would be considered a direct conversion.

Soil maps and interpretive information, as well as other natural resource information such as wetland designations and plant community classes, may also be requested from the Great Falls Field Office at the address provided. Please be sure to include a map or maps at a scale appropriate to allow determination of the location and size of any proposed facility sites. Should you have any questions, please do not hesitate to give me a call at (406) 587-6947.

Sincerely,

Tom Pick

TOM PICK
Water Quality Specialist/FPPA Coordinator

Enclosure:
Form AD-1006 and instructions

cc: w/o enclosure:
Dave White, State Conservationist, NRCS, Bozeman, Montana
Deborah Kaiser, Acting State Resource Conservationist, NRCS, Bozeman, Montana
John Streich, Acting Assistant State Conservationist for Field Operations, NRCS, Great Falls, Montana
Dale Krause, District Conservationist, NRCS, Great Falls, Montana
Rick Bandy, Resource Soil Scientist, NRCS, Great Falls, Montana

TOM PICK
Water Quality Specialist/FPPA Coordinator

Enclosure:
Form AD-1006 and instructions

cc: w/o enclosure:

U. S. Department
Of Transportation

**Federal Aviation
Administration**

AIRPORTS DISTRICT OFFICE
2725 Skyway Drive, Suite 2
Helena, MT 59602-1213

October 20, 2004

Mr. Nurul Islam
Rural Utilities Service
Engineering and Environmental Staff
1400 Independence Ave., SW, Mail Stop 1570
Washington, D.C. 20250

Dear Mr. Islam:

We received your letter regarding the EIS in connection with a proposal by Southern Montana Electric Generation and Transmission Cooperative of Billings, Montana, to construct a 250 MW, coal-fired power plant at a site near Great Falls, Montana. (copy enclosed)

You will need to submit the enclosed Federal Aviation Administration (FAA) Form 7460, which allows the different divisions of the FAA to do a study of the power plant and if it would impact any airport. Please send it to the Air Traffic Division of the FAA at the below address.

Federal Aviation Administration
Northwest Mountain Region
ATTN: ANM-520
1601 Lind Ave. SW
Renton, WA 98055-4056

If you have any questions, please contact me at (406) 449-5230.

Sincerely,

Gary Gates
Community Planner/Engineer

Enclosures (2)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8, MONTANA OFFICE
FEDERAL BUILDING, 10 West 15th Street, Suite 3200
HELENA, MONTANA 59626

RECEIVED
OCT 18 2004

Ref: 8MO

October 15, 2004

Mr. Nurul Islam, Environmental Protection Specialist,
Rural Utilities Service
Engineering and Environmental Staff
1400 Independence Avenue, SW., Stop 1571,
Washington, DC 20250-1571

Re: EIS Scoping for Proposed Southern Montana Electric Cooperative, Inc. (SME), Construction and Operation of 250 MW Coal-Fired Electric Generation Facility near Great Falls, Montana.

Dear Mr. Islam:

The Environmental Protection Agency, Region VIII, Montana Office (EPA) has reviewed the Notice of Intent to prepare an Environmental Impact Statement (EIS) for the proposed Southern Montana Electric Cooperative, Inc. (SME), Construction and Operation of a 250 MW Coal-Fired Electric Generation Facility, near Great Falls, Montana. The EPA reviews EISs in accordance with its responsibilities under the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act. Section 309 of the Clean Air Act directs EPA to review and comment in writing on the environmental impacts of any major Federal agency action. EPA's EIS comments will include a rating of both the environmental impact of the proposed action and the adequacy of the NEPA document.

We are pleased that the Rural Utilities Service (RUS) will be preparing an EIS to analyze the potential environmental, social and economic effects of the proposed action. At this early stage in this project we would like to provide EPA EIS guidance and scoping comments to assist in EIS preparation, and to help identify potentially significant issues and concerns that should be addressed in the EIS (see EPA EIS guidance and scoping comments attached). It is EPA's goal that the EIS fulfill the basic intent of NEPA to provide full public disclosure of all foreseeable direct, indirect, and cumulative environmental impacts of the proposed project, and encompass to the maximum extent possible the environmental and public involvement requirements of State and Federal laws, Executive Orders, and policies (e.g., Clean Air Act, Clean Water Act, Endangered Species Act, E.O.11990-Protection of Wetlands, etc,).

Please call Mr. Steve Potts of my staff in Helena, Montana at (406) 457-5022 or in Missoula, Montana at 406-329-3313 if you have any questions regarding these comments. Thank you for the opportunity to comment.

Sincerely,

John F. Wardell,
Director
Montana Office

Enclosures

cc: Larry Svoboda/Julia Johnson, 8EPA-N, Denver
Kathy Johnson, MDEQ, Helena
Tim R. Gregori, Southern Montana Electric Cooperative, Billings

U.S. Environmental Protection Agency Rating System for Draft Environmental Impact Statements

Definitions and Follow-Up Action*

Environmental Impact of the Action

LO - - Lack of Objections: The Environmental Protection Agency (EPA) review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

EC - - Environmental Concerns: The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce these impacts.

EO - - Environmental Objections: The EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no-action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

EU - - Environmentally Unsatisfactory: The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potential unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the Council on Environmental Quality (CEQ).

Adequacy of the Impact Statement

Category 1 - - Adequate: EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis of data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

Category 2 - - Insufficient Information: The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses or discussion should be included in the final EIS.

Category 3 - - Inadequate: EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the National Environmental Policy Act and or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

* From EPA Manual 1640 Policy and Procedures for the Review of Federal Actions Impacting the Environment. February, 1987.

ENCLOSURE

EPA EIS GUIDANCE AND SCOPING COMMENTS FOR SOUTHERN MONTANA ELECTRIC COOPERATIVE (SME) PROPOSAL TO CONSTRUCT AND OPERATE A 250 MW COAL-FIRED ELECTRIC GENERATION FACILITY NEAR GREAT FALLS, MONTANA

Table of Contents

Construction of the project at either site will require the construction of new electric transmission lines that will interconnect with the Great Falls Substation and the Great Falls to Broadview 230 kilovolt electric transmission line. SME's schedule would place the facility in commercial operation by the spring of 2009.

II. EIS Guidance and Comments

EPA's EIS guidance and scoping comments are intended to provide a scope of issues, consistent with EPA's concerns, that will assist in the preparation of the EIS. Each project analysis has its own unique scope, affected environment, past and proposed impacts, and will require its own level of analysis, and each project is unique and requires consideration above and beyond what is presented here. For this reason, it is not our intent to provide either a checklist or standard format. Instead, we hope to present you with our concept of the kinds of information and level of analysis we feel is appropriate for this type of project to effectively facilitate the disclosure of its proposed impacts and mitigation measures to the public.

The EIS should provide for the full public disclosure of all foreseeable direct, indirect, and cumulative environmental impacts of the Construction and Operation of 250 MW Coal-Fired Electric Generation Facility, and an improved decision-making process for selecting among alternatives. Clear, in-depth analysis of all relevant issues is a requirement in the preparation of an EIS. Readability, a logical presentation of information, consistency between sections of the plan and clarity are important to the reader. Our primary objective is that the overall thought process, analysis process and disclosure of effects in documents supporting the Record of Decision are clear, logical and comprehensive. EPA appreciates the effort and resources that are committed to the preparation of documents of this nature and hopes to facilitate the process with these comments.

When issued, EPA will review this EIS in accordance with our responsibilities under the National Environmental Policy Act (NEPA) and the Clean Air Act. Section 309 of the Clean Air Act requires the EPA to review all draft and final Environmental Impact Statement (EIS) documents, develop formal Agency comments and publish them for public review. The EPA publishes in the Federal Register, a dual rating of the DEIS based on the preferred alternative identified in the document. The rating summarizes EPA's evaluation of: 1) the environmental impacts of the proposal, and 2) the adequacy of the draft EIS (See summary explanation of EPA's rating system for EIS's attached). With this broad charge, EPA is not limited in its comments to only the spectrum of laws and regulations for which it has a primary regulatory role. Comments on any aspect of the EIS and supporting documents are appropriate. Ordinarily, the most substantive EPA comments continue to be in areas where it has a specific regulatory mission. These comments are organized into two sections: **Resource issues** and **NEPA issues**.

In those areas where the minor source baseline date has been triggered, the EIS should contain an analysis of the impact from the proposed project on Class I and II increments in the area. EPA has authorized Montana to administer the PSD process so that it has become a State (rather than Federal) process with EPA oversight that includes review of the PSD permit application and the permit itself. The Montana Department of Environmental Quality (MDEQ) should be contacted for information on the minor source baseline date (contact Don Vidrine, Administrator of the Air Resources Management Bureau, Permitting and Compliance Division at MDEQ in Helena, MT @ 406-444-2467).

The proposed air pollutant emission control equipment and technology should be clearly described. A comprehensive emissions inventory should be developed for the project, including the expected level of annual emissions of each pollutant and each emission unit at the proposed facility. The analysis should indicate the type, frequency and amount of material to be emitted. Air quality emissions and impacts should be assessed at all operating scenarios up to and including full capacity such that all potential scenarios ranging from intermittent use to baseload use for the facility's operation time are covered by the analysis. This should include, but not be limited to, power plant emissions during operation, construction related fugitive dust (particulate), and coal transport railroad diesel engine emissions. Activities should include direct and indirect consequences of the activity. For example, indirect consequences of the power plant would include air quality impacts associated with the increased development in the surrounding area, increased coal mining, rail transport of coal, etc,.

The EIS should also disclose all relevant air quality permits (construction and operating permits) required for emission of pollutants, and should assess all categories of emissions that will occur during the construction and operating phases of the project. This assessment should consider the cumulative impact of other reasonably foreseeable development, including energy development, in the area. Its scope should include reasonably foreseeable air quality impacts both of pollutants with regulatory standards and of pollutants for which regulatory standards have not been set.

The emissions inventory should be utilized in a modeling study that determines the impact of the proposed project on Class I and II areas that may be affected by the proposed project. In the initial phase of the NEPA effort a conservative screening model may be used to determine whether impacts may be expected. If the conservative screening model indicates adverse or borderline adverse impacts, a more refined modeling analysis should be completed to accurately portray the impact of the proposed project on Class I and II areas.

The EIS should also discuss the procedures and individual pollutant results used to determine the modeling impact area. According to Appendix W of 40 CFR Part 51, *Guideline on Air Quality Modeling* (i.e., *Modeling Guideline*), all nearby emissions sources expected to cause a significant concentration gradient in the vicinity of the sources under consideration should be explicitly modeled. Modeling should address all pollutant sources that could impact the area. Modeling should include the likely range of operating and load conditions at the plant including

Modeling must be completed that demonstrates the impact of the proposed project on the attainment status of areas potentially effected by the proposed project. As in the PSD analysis, an initial conservative screening analysis of the emissions associated with the proposed project should be evaluated to determine the potential for a violation of the NAAQS.

Should the screening analysis indicate the potential for violating the NAAQS, a more detailed modeling analysis should be performed to estimate the impact of the proposed project. If a State Implementation Plan (SIP) exists for an area, the SIP modeling should be repeated using the increased emissions form the project to show that the area can still attain and maintain NAAQS.

An air quality monitoring plan to ensure that modeling predictions reflect actual conditions should be described and assurance of plan implementation should be given.

c) Visibility:

The Clean Air Act states that for Class I areas that the Federal land manager has, "... an affirmative responsibility to protect air quality related values including visibility of any such lands within a Class I area...". A conservative screening visibility analysis should be conducted to determine if visibility impairment is expected within the Class I area. If the screening analysis indicates possible visibility impairment, a more refined visibility analysis should be conducted. Federal Land Management agencies (e.g., Forest Service and National Park Service) should be consulted in regard to potential air quality and visibility impacts to wilderness areas and national parks.

d) Hazardous Air Pollutants

The EIS should also analyze and discuss potential emissions of hazardous air pollutants to assure that the proposed alternatives would not cause significant adverse effects on human health in the surrounding area. Emissions from power plants have been identified as a significant source of atmospheric mercury. EPA's web site at http://www.epa.gov/oar/mercury.html has several reports summarizing the environmental impacts of mercury, primarily bioaccumulation in the aquatic food web. The relative levels of mercury emitted as a result of combustion, varies depending on the chemistry of particular coal/lignite deposits and the type of air pollution controls. Potential mercury emissions from the plant should be described, and we suggest that the EIS include a discussion of the current research that is under way to evaluate mercury emissions by the University of North Dakota (UND) or industry. We understand that UND will be studying the injection chlorine into lignite boilers at the Leland Olds and Antelope Valley plants to determine if chlorine addition changes mercury removal and/or emissions. The University has some information on mercury emissions from the coal mining industry at http://www.eerc.und.nodak.edu/catm.

be described. A schematic diagram of water use and water/wastewater disposal or discharge at the power plant should be provided.

Water resources baseline data and information should be presented that will adequately represent existing or background water quality in the affected area and the precipitation events that could be anticipated over the planning period. The water resources baseline data and study period should be correlated with historical precipitation data. Water balance assumptions could be materially effected by a lack of correlation with historical data.

Impacts to surface and ground water quality and quantity should be assessed and disclosed (including water quality, stream/river/reservoir hydrology, sediment transport, erosion and depositional processes, streambank and channel stability, riparian zones, wetlands, fisheries and aquatic life and their habitat, ground water recharge and maintenance of ground water levels). The EIS should describe the consistency of power plant operations with applicable State Water Quality Standards, and should clearly demonstrate that the proposed construction and operation will comply with applicable Water Quality Standards. The EIS should provide a quantitative basis to judge whether biological, chemical, and physical parameters, such as organic, microbial, and nutrient loading, toxic substances, temperature, turbidity, and sediment accumulation, aquatic habitat, will be kept at levels that will protect and fully support designated uses and meet applicable State Water Quality Standards under each alternative.

Aquatic biota found in the affected waters should be identified, and potential effects to fish and aquatic life from water diversions and withdrawals, and wastewater/cooling/process water discharges analyzed and disclosed. The extent of existing water quality and fisheries habitat impairments, fish passage and connectivity issues, and mitigation and reduction of these impairments and fish passage and connectivity issues from proposed plant construction and operation should be described. Water intake structures should be described, including screening to avoid entrainment of fish at diversions.

Pollutant discharges to be regulated via MPDES/NPDES permits should be described (contact Tom Reid at Montana DEQ at 406-444-5329). It is likely that a Storm Water Pollution Prevention Plan (SWPPP) will be required by the Montana DEQ to control stormwater runoff from the plant construction site. The Montana DEQ (Ed Thamke at 406-444-5300) should also be contacted in regard to potential permits that may be needed under the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments of 1984 (see website http://www.epa.gov/epaoswer/hazwaste/permit/prmtguid.htm#permit).

Stream segments designated as "water quality impaired" and/or "threatened" listed on State Clean Water Act Section 303(d) list in the planning area should be identified (see MDEQ website, http://www.deq.state.mt.us/wqinfo/303_d/303d_information.asp). Impaired 303(d) listed waters need development of a Total Maximum Daily Load (TMDL). The TMDL process identifies the maximum load of a pollutant (e.g., sediment, nutrient, metal) a waterbody is able to assimilate and fully support its designated uses; allocates portions of the maximum load to all

information on functions and values, although adjustments may be necessary to reflect the expected degree of success of mitigation, and provide an adequate margin of safety (i.e., greater than acre-for-acre replacement is suggested when impacted wetlands have high function & value and likelihood of replacement is low).

The EIS should also identify riparian areas potentially affected by project activities. EPA considers the protection, improvement, and restoration of riparian areas to be a high priority. Riparian areas increase landscape and species diversity, and are critical to the protection of designated water uses. Possible effects on riparian areas include impacts on water quality protection and improvement, habitat for aquatic and terrestrial life, channel and bank stability, flood storage, ground water recharge and discharge, sources of primary production, and aesthetics. Measures for avoidance and mitigation for riparian areas should be thoroughly discussed. Identification and protection of the unique, small but exceedingly important (ecologically) sites that function as key elements of the ecosystem (i.e., springs, seeps, moss dominated wetlands, etc.) also may be important.

404 Permits

If power plant construction and operation may involve deposition of dredged or fill material in waters of the United States, including wetlands, the U.S. Army Corps of Engineers should be contacted in regard to the need to obtain a 404 permit. Discharges of fill material into wetlands and other waters of the United States are regulated by Section 404 of the Clean Water Act, 33 U.S.C. 1344, which is administered jointly by the Corps of Engineers and EPA. It is important for the RUS and SME to ensure consultation with the Corps of Engineers to determine applicability of 404 permit requirements to specific project level construction activities in or near streams or wetlands, (e.g., contact Mr. Allan Steinle of Corps of Engineers Montana Office in Helena at 406-441-1375).

The 404(b)(1) Guidelines (found at 40 CFR Part 230) and Corps of Engineers, EPA, and USFWS Wetland Specialists should be consulted to provide specific environmental criteria and guidance when BIA projects need a 404 permit. We should also note that if a 404 permit(s) is eventually required to implement the proposed project there would be a need to appropriate water quality standards certification from the Montana DEQ in accordance with Section 401 of the Clean Water Act.

3. Wildlife

The EIS should evaluate impacts to wildlife and wildlife habitat from proposed power plant construction and operation. Affected environment sections should include current quality and capacity of habitat, usage by wildlife near the proposed project, and known wildlife corridors/trails. Environmental consequences sections need to evaluate effects on wildlife from habitat removal, and reduced access to available habitat. Effects on biodiversity, and estimated reductions in impact from mitigation should also be addressed.

4. Noise

The noise effects of the construction and operation of the proposed project and its reasonable alternatives should be evaluated and disclosed in the EIS. The evaluation should include the existing and anticipated land uses near the project site or route and identify receptors that have a sensitivity to noise and the number of people living adjacent to the proposed alternative sites; and the predicted noise levels from alternatives. We recommend that noise monitoring be included (at the closest residence) after the proposed plant prospectively becomes operational to document actual noise levels and that appropriate mitigation would be implemented. In addition to "normal" daily operational noise, occasional steam venting noise events may occur. The EIS should estimate how often such events would occur per time frame (day, month, year) and the approximate noise level at the nearest residence.

Potential mitigation measures could include reduced noise production at the plant (source reduction) through use of quieter turbines, etc. or various forms of shielding (at the plant) or interference between the plant and the residence such as vegetated berms or other barriers. Source reduction methods are preferred since they reduce the generation of noise rather than mitigate for generated noise, which is beneficial to nearby residents as well as plant personnel. Additional source reduction of the steam vent/safety valve releases could also be added as mitigation if noise levels are too high at the nearest residences or for OSHA regulations at the plant. If these events are predictable, SME may wish to issue local notices to prevent startle-effects by local residences.

5. Monitoring

EPA believes that monitoring is a necessary and crucial element in identifying and understanding the impacts of Federal actions, and should be an integral part of project implementation. Monitoring of operations and effects on the environment (e.g., air and water quality) and feedback of monitoring results to managers could be critical to the success of mitigation measures to avoid and reduce environmental impacts from power plant operations. It is only through monitoring of actual effects that occur that a manager will be able to determine whether environmental protection goals and objectives are being met and whether effects are as predicted and whether mitigation should be increased or decreased to be meet goals and objectives.

The RUS should work with SME and appropriate Federal and State agencies to develop a monitoring plan to establish the range of existing baseline environmental conditions (air quality, water quality, terrestrial and aquatic wildlife resources, noise levels, etc,) to help evaluate and assess impacts; and ensure that effects that may occur are detected and appropriate operational adjustments and mitigation actions can be initiated if necessary. There should be a feedback mechanism that uses monitoring results to adjust operating procedures, best management practices, and intensity of monitoring when adverse effects are first detected. Providing such a process for adjustment will ensure that mitigation will improve in the future and that unforeseen

7. Cultural Resources

The EIS should identify cultural resources that may be affected by power plant construction and operation. Knowledge of the presence or absence of significant cultural resources along the alternative sites or transmission line routes may be important for a reasoned choice among alternatives.

8. Environmental Justice

Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," requires that Federal agencies make environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health and environmental effects of its programs, policies, and activities on minority populations and low-income populations. The Executive Order makes clear that its provisions apply fully to Native Americans.

Environmental justice issues encompass a broad range of impacts covered by NEPA, including impacts on the natural or physical environment and interrelated social, cultural, and economic impacts. A strategy should be developed for effective public involvement of any minority and low-income populations in determining facility siting considerations, analyzing environmental, social, cultural and economic effects, and developing mitigation measures to assure that a disproportionate impact is not felt by low income or minority populations. Detailed guidance on addressing Executive Order 12898 in NEPA documents is available from the Council on Environmental Quality (http://ceq.eh.doe.gov/nepa/regs/ej/justice.pdf).

9. Pollution Prevention:

Pollution Prevention, also known as "source reduction," is any practice which reduces, eliminates, or prevents pollution at its source. By reducing the total amount of pollution that is produced, there is less waste to control, treat, or dispose of, and there are less hazards posed to public health and the environment. As Benjamin Franklin once said, "an ounce of prevention is worth a pound of cure." We raise the pollution prevention issue here in a general manner to simply note that there is a national policy directed at reduction of pollution, recycling, and conservation of resources. Under Section 6602(b) of the Pollution Prevention Act of 1990, Congress established a national policy that organizes preferences for pollution prevention:

- Pollution should be **prevented** or **reduced** at the source whenever feasible (i.e. increase efficiency in use of raw materials, energy, water, etc.);

- Pollution that cannot be prevented should be **recycled** in an environmentally safe manner whenever feasible;

Need statement, nor adequate explanation of why the analysis area boundary was established where it was. Potential impacts to air quality, water quality, fisheries, river and stream bank stability, wetlands, wildlife, biodiversity, cultural resources, social and economic effects, and connectivity to other projects may extend beyond such boundaries. An appropriate analysis area should encompass the potentially affected environment, and should be able to function as appropriate unit of analysis for projecting anticipated impacts and for measuring actual effects.

2. Alternatives

The EIS should support the purpose and need with a range of alternatives that will meet the goals and objectives of the purpose and need and that address issues of concern. In accordance with NEPA (40 CFR 1502.14) the EIS should:

a. Rigorously explore and objectively evaluate all reasonable alternatives.
b. Include reasonable alternatives not within the jurisdiction of the lead agency.
c. Include a no action alternative.
d. Identify the agency's preferred alternative(s).
e. Include appropriate mitigation measures not already included in the proposed action or alternatives.
f. Include appropriate mitigation measures.

All issues raised during scoping should be identified in the EIS. Issues considered as significant should be clearly stated along with a statement of how they will be addressed in the document. Those issues considered not significant to the decision to be made should be identified along with a statement of how they will be addressed in the document or otherwise dismissed.

Alternatives should address project purpose and need and significant issues, and mitigate adverse impacts of the proposed power plant. It is important that reasonable alternatives to all components of the proposed project are rigorously explored and objectively evaluated as required by the NEPA implementing regulations (see 40 CFR 1502.14(a)). The EIS process should identify and assess alternatives that will avoid or minimize adverse effects and demonstrate that all practicable means have been taken to avoid and minimize potential effects (see 40 CFR 1500.2 (e) and (f)).

The CEQ states in their *Forty Most Asked Questions Concerning CEQ's National Environmental Policy Act Regulations* (46 Federal Register 18026, March 23, 1981) that "in determining the scope of alternatives to be considered, the emphasis is on what is 'reasonable' rather than on whether the proponent or applicant likes or is itself capable of carrying out a particular alternative. Reasonable alternatives include those that are practical or feasible from the technical and economic standpoint and using common sense, rather than simply desirable from the standpoint of the applicant." Also, CEQ guidance states that "an alternative that is outside the legal jurisdiction of the lead agency must still be analyzed in the EIS if it is reasonable."

3. Affected Environment/Existing Condition

The EIS should succinctly describe the existing conditions using appropriate scales within the analysis area (e.g., watershed analysis where applicable). The EIS should identify and discuss:

* Existing power needs, power markets, customer bases, power supply contracts, energy conservation, power sources and fuels, alternative power sources, the generating capacity of the facility including maximum generation capability, available electric generation technologies, cost-effectiveness, financing, and power transmission issues, etc.;

* Environmental conditions at alternative power plant locations and transmission line routes should be described (i.e., characterize air, aquatic and biological resources which have a potentially greater importance or sensitivity to impacts). Resources where existing knowledge of the resource or its sensitivity is currently lacking should be identified, and efforts should be made to collect needed information (e.g., conduct field surveys), and/or explain why such information is unavailable and cannot be obtained.

Baseline resources information should characterize the biological and physical environment sufficient to determine adequacy of data and information for evaluating potential environmental impacts. This is needed to support plant construction and operation recommendations relative to resource protection, disclosure of mitigation measures, cumulative impact analysis, and to provide a reference for subsequent monitoring.

4. Environmental Consequences

The EIS should analyze and disclose the environmental impacts of the power plant construction and operation alternatives. From a NEPA perspective, the EIS should be representative of and assess the impacts at all operating scenarios up to and including full capacity such that all potential scenarios ranging from intermittent use to baseload use for the facility's operation time are covered by the document.

The disclosure of environmental consequences of the analyzed alternatives should include the effect of implementing the alternative on the physical, chemical and biological resources such as air and water quality, biologic components or ecosystems, and the likelihood of success of the proposed mitigation measures. The discussion should include analysis of impacts within the analysis area resulting from activities on all land ownerships, and should consider impacts associated with the production and transport of fuel (coal) to the power plant.

We believe the environmental consequences section should include evaluations of potential impacts on air quality, water quality, fisheries, river/stream hydrology, wetlands, ground water aquifers, wildlife, biodiversity, cultural resources, social and economic effects, and connectivity to other projects. It should also discuss unavoidable adverse environmental effects,

to be reasonably foreseeable and should be evaluated and disclosed as part of the cumulative effects analysis.

In January 1997 the President's Council on Environmental Quality (CEQ) published, "*Considering Cumulative Effects Under the National Environmental Policy Act*", guidance that provides a framework for analyzing cumulative effects. In May 1997 EPA published a document entitled, "*Consideration of Cumulative Effects in EPA Review of NEPA Documents.*" This document can be found at http://www.epa.gov/compliance/resources/policies/nepa/index.html (Click on cumulative effects document title). EPA considers five key areas of information in reviewing cumulative effects analyses:

1. Clear identification of resources being cumulatively impacted and the geographic area where impacts occur.
2. Use of appropriate analysis area boundaries for the resource and time period over which the cumulative effects have occurred or will occur.
3. Identify impacts that are expected to resources of concern in each area from the proposed management direction through analysis of cause-and-effects relationships (include scientifically defensible threshold levels).
4. Adequate evaluation of all past, present, and reasonable foreseeable future actions that have affected, are affecting, or would affect resources of concern (include adequate evaluation vs. benchmark or baseline or reference conditions).
5. Disclosure of the overall cumulative impacts that can be expected if the individual impacts are allowed to accumulate, and provide comparisons of cumulative impacts for the proposed management direction and the reasonable alternatives in relation to the no action alternative and/or an environmental reference point.

Indirect Effects

The Council of Environmental Quality (CEQ) regulations for implementing the procedural provisions of NEPA state that the environmental consequences section of an EIS should include: "Indirect effects and their significance (40 CFR 1502.16(b))." Indirect effects are defined as "...caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable. Indirect effects may include growth inducing effects related to induced changes in the pattern of land use, population density or growth rate, and related effects on air and water and other natural systems, including ecosystems" (40 CFR 1508.9(b)). Mining of coal for the power plant and transport of coal to the power plant are examples of potential indirect effects associated with the power plant. The CEQ regulations also indicate that the EIS should include the "means to mitigate adverse environmental effects." (40 CFR 1502.16(h)), which applies to indirect effects as well as direct effects.

From: Islam, Nurul -RUS [Nurul.Islam@usda.gov]
Sent: Wednesday, October 20, 2004 8:45 AM
To: waltersray@stanleygroup.com
Cc: gregori@mcm.net
Subject: FW: Scoping Meeting

-----Original Message-----
From: sirvin@state.mt.us%inter2 [mailto:sirvin@state.mt.us]
Sent: Wednesday, October 20, 2004 10:37 AM
To: Islam, Nurul -RUS
Subject: FW: Scoping Meeting

-----Original Message-----
From: Irvin, Scott
Sent: Saturday, October 16, 2004 7:46 AM
To: 'nurul.islam@usda.gov'
Subject: Scoping Meeting

Mr. Islam,

This note is to provide explanation of why my Department was not represented at the proposed coal-fired power plant interagency meeting or EIS public scoping meeting in Great Falls, October 13. Unfortunately, my office did not receive invitation to this meeting until late in the afternoon of Oct. 13, at which time I was in route to Helena for meetings on Oct. 14-15. The correspondence for this meeting was sent to the Department in Helena, and my office did not receive the information timely.

I apologize for any inconvenience this may have caused, and understand the importance of DNRC's water right permitting process in this project. I have had conversations with representatives of the proposed plant, and have let them know that site selection (in relation to water diversion facilities) is a key factor in their proposal.

I will contact you by phone next week to discuss how to interject my agency's comments into the EIS. For future reference, please put my regional office on your mailing lists. Thank you.

Scott Irvin, Regional Manager
Lewistown Water Resources Office
Dept. Natural Resources & Conservation
613 NE Main St., Suite E
Lewistown, MT. 59457

(406)538-7459

APPENDIX E

Public Open House Photos and Sign-in Sheet

Public Scoping Meeting
October 13, 2004

Please sign in below:

Name	Address	Phone Number
Mark Lindberg	Gov's office Helena	444-9757
Bill Landsruck	200 2nd Ave South # 11	453 56 X
Matt THOENX	1615 5TH ST N W	452-0714
Dan FLYNN	1901 S MONTANA BUTTE	723 3203
Duane Mellinger	110 N. Warren Helena	442-3185
RE WYNIA	203 20th ST S GT FALLS	727-3155
John Prinkki	Box 2120 Roberts mt	446-1201
Carol Lawton	1406 3rd West Hill Dr	727-8935
Dave Dobbs	609 40th St. N., G.F.	771-1258
Clayton Briden	1012 24th Ave S.W. GTF	452-3577
JOHN PEJKO	300 7TH AVE SO GT FALLS	452-1973
Diana Talcott	2004 1st Ave S 59401	454-3563
Jack Kovacich	PO Box 583 Lakeside MT	844-2236
Patrick G. Gordon	2919 5ST NE GTfalls	454-0430
Russell Rice	1925 4th AV N G.F.	761-2133
Dennis Tighe	717 13TH St S.W. G.F	761-5463
David Schmidt	303 Clark St Helena MT	443-6458
[illegible]	314 N. CUSTER AVE HARDIN	665-1902
Dave Kemp	1520 E. 6th Ave	444-0286
[illegible]	1817 Dover, RJ Bellows	591-3067
Peter Kleppberg	1601 Second Ave N., Suite 116 59401	453-1641
Tim [illegible]	303 Irene St Helena 59601	4435201

Public Scoping Meeting
October 13, 2004

Please sign in below:

Name	Address	Phone Number
Jesse Oldham	6100 Buckboard Ln, GF 59404	453-9103
Bob Walker	P.O. Box 57, Joliet, MT 59041	962-4098
Ted Church	PO Box 23 Hysham, MT 59038	342-5521
DENVER SCHLAEPPI	BOX 28792 BILLINGS MT 59104	652-6108
Rick Southwick	173 Cottonwood, Townsend	266-4360
MIKE JACOBSON	P.O. Box 5021, GREAT FALLS MT 59403	727-1325
John A. Cassidy	3712 7th Ave N. Gt Falls	761-1427
JoDee Black	G.F. Tribune	
Clayton M. Braden	2708 4th AVE N.W.	452-2973
Lee Ebe. jr	4700 Wilshire, GF	454-3517
Jim Whitaker	4020 · 5th Ave So	761-6676
Kelly Audet	P.O. Box 5021 - Gr. Falls MT	455-8440
RONALD YATES	3817 8th Ave. S. GFalls MT 59405	771-1631
Randy Bury	1500 1st Ave S. GtFalls	761-46[illegible]
Ken Thornton	31 Paradise Ln GF	452-1907
Megan McKay	405 27th St NW	264-5286
Ruth McDermott	3720 - 2nd Ave So	452-9350
Cheryl Lucas	1618 Central	455-8481
Nadine Aymond	1107 1st Ave S	4533265
STEVE & MARILYN KIND		7365475
JIM + MARCIA BUNDI	4410 10 Ave N GF 59405	

Public Scoping Meeting
October 13, 2004

Please sign in below:

Name	Address	Phone Number
TERRY HILGENDORF	3507 FAIRWAY DR GF	454-2711
Carol Peretti	1221 - 10th Ave S #0 GTF	453-4444
John Murphy	3506 2nd Avenue No	454-0779
Tom Ring	PO Box 200901 Helena, 59620-0901	444-6785
LeRoy Malcom	2400 Rivera Dr. North GF.	761-5050
Kathy Johnson	MT DEQ PO Box 200901 Helena 59620-0901	444-1760
EARL SALLEY	1104 18th ST S. GT.F	268-6628
Arthur Dethries	P.O. Box 156 Roberts MT 59070	445-2462
Coleen Balyanin	3230 2 Ave S GtFalls MT	7270784
Clark Fritz	P.O. Box 3, Decker, MT	853-1650
DAVID T. BROWN	P O Box 524, Great Falls, 59403	727-2753
BILL WISEMAN	3310 CENTENNIAL Dr GF 59404	452-3078
RANDY HANSON	Box 311 HAVRE 59501	262-9579
DAN HUESTIS	2901 4TH AVE NO GT FALLS	453-2137
Chris Janssen	715 3rd Ave NW	785-313-7103
MaryAnn Ellinson	10055 GRANT CK RD	406-721-6025
Kevin Caare		
Jay Barrett		
Charles Barrack	51- Prospect Dr.	406+727+1
Debbie Ball-Gioop	1417 - Old Hwy 91 Cascade	406-468-2201
Lori M. Kelly	1516 - 3rd Ave. S, Gt. Falls	761-58
Jennifer Rozzell		

Public Scoping Meeting
October 13, 2004

Please sign in below:

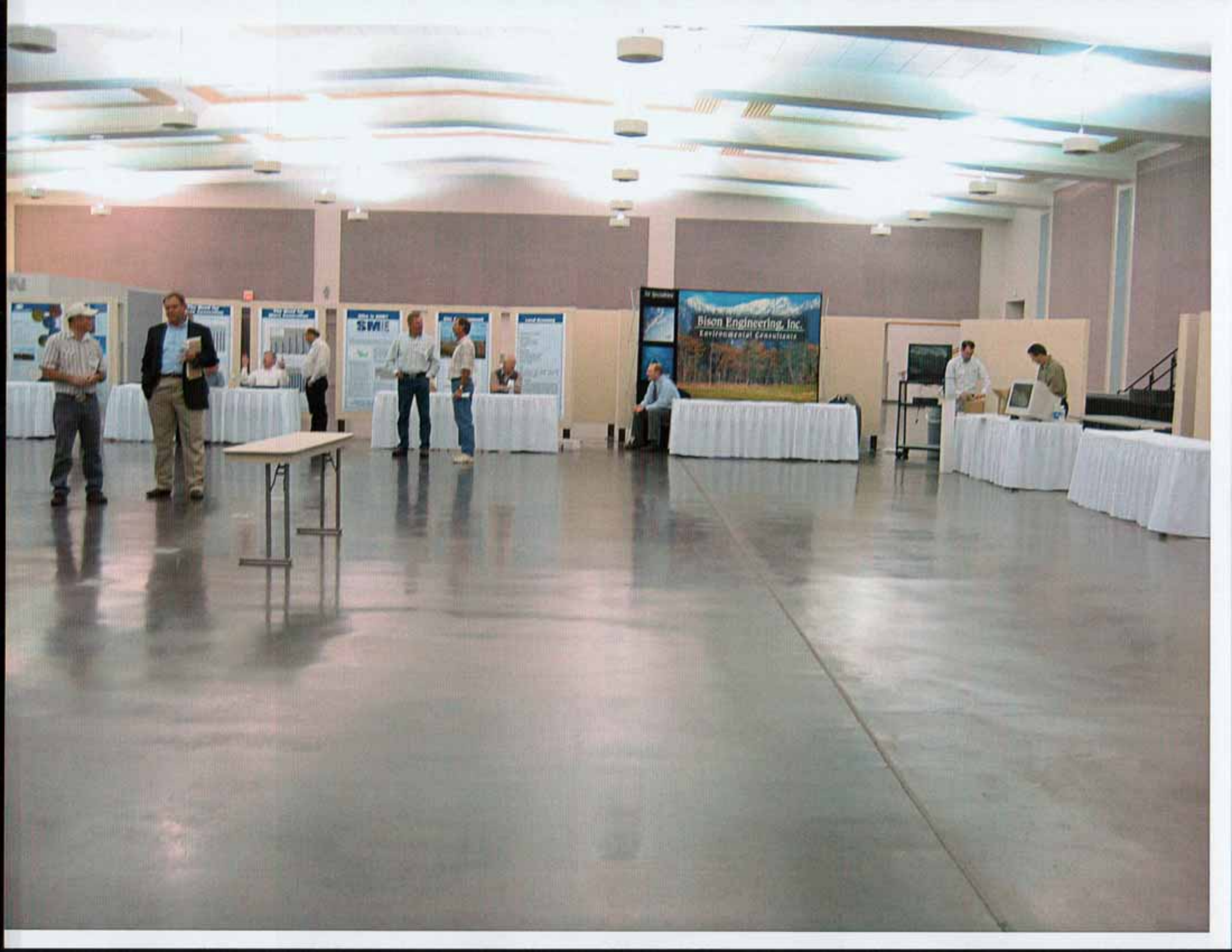
Name	Address	Phone Number
Pete McDermott	3720 2nd Ave. So.	452-9350
JAMES O'HARA	FORT BENTON	622-3017
JOANNE FISHER	GREAT FALLS MT	454-6950
Jaybe Floyd	12 Homestake Ln	
Russ-Patty Dunn	1510 Central	452-8883
June Dickenson	620-Riverview Dr E.	453-5274
Marcia Cappis	332 30th Ave NE	727-2837
MIKE	REFUSED TO SIGNIN	
RANDY HARMON	2224 2nd S. G.F.	


Water Rights


Need for
Generation
The Need for
More Generation
Who is SME?
SME
Southern Montana Electric


Kennecott Energy
Recipient
2004
Operations


CONCESSION


Bison Engineering, Inc.


ALST


ALSTOM
ALSTOM


ALSTOM
CFB – Clean Economic Power from Coal
ALSTOM
ALSTOM
ALSTOM
Clean, Flexible, Smart – CFB
ALSTOM


Stanley Consultants INC.
MORE THAN ENGINEERING
Working together
Listening to you
Understanding your needs
Providing solutions
Building relationships
Denver Office
Stanley Consultants INC.
innovative solutions to today's complex energy, environmental, and infrastructure problems requires experience, knowledge of regulatory procedures, and a commitment to excellence.
Satisfied clients include:
Public Utilities
Private Utilities
Domestic Governments
Foreign Governments
Industries
Institutional Organizations
Private Sector
Our Power and Energy services include:
Utility planning studies
Power generation
Hydroelectric installations
Cogeneration facilities
Industrial and institutional utilities
Remote generation
Transmission substations
Distribution substations
Instrumentation and controls
Utility distribution systems
Industrial buildings
Central chilling/heating plants
Industrial process facilities


The Need for More Generation
Who is SME?
SME
Site Arrangement
Local Economy
Employment Figures
Construction
500 to 600 full-time construction workers at peak
Permanent
65-75 full-time operations and maintenance staff
$4 to $5 million per year in local wages
Cost
$478 Million in total project cost, with approximately $75 million dollars in construction wages
Rate Stability
As a member of Southern Montana Electric Generation & Transmission Cooperative, and a participant in this project, the City of Great Falls is entitled to long-term, stable, electric rates.


Our Specialties
AIR
WATER
ison Engineering, Inc.
nvironmental Consultants

APPENDIX F

Public Comment Summary and Letters

Category	Sub- Category								Comments
	SO_2/NO_x	PM (Particulate Matter)	Mercury	Green House Gas (GHG) incl. N_20 & Methane	Chloride Dioxins	Water Use	Waste Disposal	Category Comment	Commenting Entity/Person/Basic Comment
Public Comments									
Air Quality	1		1	1	1				Charles Bocock
Air Quality		1							Courtney Feldman
Air Quality			1	1					Diana Talcott
Air Quality		1	1	1					Dr Cheryl Reichert, comments on burning of tires
Air Quality	1		1	1					Sue Dickenson, Rep., MT State House of Representatives
Alternative Technology								1	Dr Cheryl Reichert, recommends alternative resource (wind)
General Environment								1	Courtney Feldman
General Environment								1	Dr Cheryl Reichert, comments on inadequate environ. monitoring
General Comments								1	Lee Ebeling, strongly in favor of project
Health & Safety								1	Arlyne Reichert, Please insure clean & healthy environment
Health & Safety								1	Charles Bocock, Concerned with Global Warming
Visual								1	Courtney Feldman
Visual								1	Mike Hoy, these things are ugly, put it somewhere else
Waste							1		Courtney Feldman
Waste							1		Sue Dickenson, Rep., MT State House of Representatives
Water						1			Charles Bocock
Water						1			Courtney Feldman
Wildlife								1	Courtney Feldman
Public Advocacy Groups									
Air Quality	1	1	1	1					MEIC (Montana Environmental Information Center)
Alternative Technology	1								MEIC (Montana Environmental Information Center)
Electric System	1								MEIC (Montana Environmental Information Center)
Power Plant Operations	1								MEIC (Montana Environmental Information Center)
Waste						1			MEIC (Montana Environmental Information Center)
Water							1		MEIC (Montana Environmental Information Center)
Cultural Resources								1	MTHS (Montana State Historical Society), will provide info on historical sites, etc. to be considered on request
Agency Comments									
Environment/Wildlife								1	USFWS (US Dept of Int, Fish and Wildlife Service)
Environment/Wildlife: EIS Information Inclusion Recommendations								1	USFWS (US Dept of Interior, Fish and Wildlife Service)
Environment: EIS Information Inclusion Recommendations and Guidance								1	US EPA Guidance and scoping document for preparing EIS
Land Use								1	NRCS (USDA Natural Resource Conservation Service)
Land Use: EIS Information Inclusion Recommendations								1	NRCS (USDA Natural Resource Conservation Service)
Transportation/Airspace/Airports: EIS Information Inclusion Recommendations								1	USDOT FAA

Geology	
Noise	
Socioeconomics	
File:	
Folder (numbered for reference here only)	**Commenters / Basic Comments**
1: F-041117-USDANurullsalm-CommentsforProposals.pdf	NRCS (USDA Natural Resource Conservation Service)
1: F-041117-USDANurullsalm-CommentsforProposals.pdf	Arlyne Reichert
1: F-041117-USDANurullsalm-CommentsforProposals.pdf	Sue Dickenson, Rep., MT State House of Representatives
1: F-041117-USDANurullsalm-CommentsforProposals.pdf	Dr Cheryl Reichert
1: F-041117-USDANurullsalm-CommentsforProposals.pdf	Charles Bocock
1: F-041117-USDANurullsalm-CommentsforProposals.pdf	Courtney Feldman
2: F-041117-USDANurullsalm-CommentsfromUSEPA.pdf	USEPA (US Environmental Protection Agency)
3: F-DianaTalcott-041028-ReSMEComment0001.pdf	Diana Talcott
4: F-LeeEbeling-SME-CommentForm0001.pdf	Lee Ebeling
5: F-MTHistSoc-041021-COALFRDPWRPLNTSHPOPROJ20041012300001	MTHS (Montana Historical Society)
6: F-USDA-RuralDev-041101-ReFAA.pdf	USDOT FAA Airports District Office
7: F-USDA-RuralDev-041102-CommentLtrs.pdf	MTHS (Montana Historical Society) [same as file 5]
7: F-USDA-RuralDev-041102-CommentLtrs.pdf	NRCS (USDA Nat'l Res. Conservation Service) [same as file 1]
7: F-USDA-RuralDev-041102-CommentLtrs.pdf	Diana Talcott [same as file 3]
8: F-USDA_RuralDev-011124-CommentsFromUSFWS.pdf	USFWS (US Dept of Int, Fish and Wildlife Service)
9: FW 250 MW coal fired power plant near Great Falls MT.htm	Allan Steinle, Corps of Engineers, Omaha District
10: FW Comments on SMEGT electric generating project.htm	Sue Dickenson, State Rep., comments on the way
11: FW comments on Southern MT Electric Co-op project.htm	MEIC (Montana Environmental Information Center)
12: FW EPA review of Southern Montana Electric Coal-Fired Power Plant EIS.txt	EPA, Stephen Potts request for booklets
13: FW MEIC comments -- without attachments.htm	MEIC (Montana Environmental Info. Center) [same as file 11]
14: FW Power Plant in Great Falls.txt	Mike Hoy, these things are ugly, put it somewhere else
15: FW Scoping Meeting.htm	Scott Irvin, Lewistown Water resources Office, Dept. Natural Resources & Conservation, will call re comments
16: FW SME project EIS.htm	Lisa Hamilton, Maxim Technologies, environmental engineering co., fishing for work.
17: FW Trade press request for info on SME coal-fired power plant.txt	Wayne Barber, editor, "Generation Markets Week" magazine, request for info.
18: GenMarkets101204.pdf	pdf of publication
19: Leg-coal comments (2).doc	Sue Dickenson, Rep., State House of Rep. [sames as file 1]
20: Leg-coal comments.doc	Sue Dickenson, Rep., State House of Rep. [sames as file 1]
21: on_CFB__GHG.pdf	National Coal Council, "Coal-Related Greenhouse Gas Management Issues, May 2003, Findings and recommendations concerning greenhouse gas management
22: PDNA101404.pdf	"Power Daily, North America" publication
23: L-USEPA-041015-EIS-SCOPING-SME.pdf	US EPA guidance and scoping document for preparing EIS
24: L-MontanaDOT -041104-SMECoalFiredPwrPlntSiteSelStdy.pdf	Montana DOT, no comments at this time

Comment Form for Southern Montana Electric Generating and Transmission Cooperative, Inc.'s Proposed 250 MW Coal Fired Plant near Great Falls in Cascade County, Montana

October 13, 2004

Submit to RUS representative at this meeting or send to RUS within 30 days to:

Nurul Islam
Rural Utilities Service
Stop 1571
1400 Independence Ave., SW
Washington, DC 20250-1571
Fax (202) 720-0820
E-mail: Nurul.Islam@usda.gov

Name: John Prinkki

Address: Box 2020

Roberts, MT, 59070

Phone Number: 406-446-1231

Fax Number:

E-Mail:

Comments

This will be a tremendous resource for the community and the State of Montana. It is very greatly needed.

Attach Additional Pages if necessary

Comment Form for Southern Montana Electric Generating and Transmission Cooperative, Inc.'s Proposed 250 MW Coal Fired Plant near Great Falls in Cascade County, Montana

October 13, 2004

Submit to RUS representative at this meeting or send to RUS within 30 days to:

Nurul Islam
Rural Utilities Service
Stop 1571
1400 Independence Ave., SW
Washington, DC 20250-1571
Fax (202) 720-0820
E-mail: Nurul.Islam@usda.gov

Name: Ken Thornton

Address: 31 Paradise Ln.

Phone Number: 452-1909

Fax Number:

E-Mail: KKMIT@SOFAST

Comments

My concern for this project is based in its use of coal. The main problem with coal being its CO_2 emissions. This area is ideal for wind/natural gas cogeneration. This facility sited in this area will greatly hamper the development of our local wind resources while exporting jobs during the construction phase because of the fact that these plants are built using out of area labor.

Attach Additional Pages if necessary

Comment Form for Southern Montana Electric Generating and Transmission Cooperative, Inc.'s Proposed 250 MW Coal Fired Plant near Great Falls in Cascade County, Montana

October 13, 2004

Submit to RUS representative at this meeting or send to RUS within 30 days to:

Nurul Islam
Rural Utilities Service
Stop 1571
1400 Independence Ave., SW
Washington, DC 20250-1571
Fax (202) 720-0820
E-mail: Nurul.Islam@usda.gov

Name: MATT THOENY

Address: 1612 5TH ST. NW
GREAT FALLS MT
59404

Phone Number: 406 452-0714

Fax Number: _____

E-Mail: _____

Comments

I am glad to have been able to attend this event.
Many of my Questions were answ.
The presentation by Kennecott Energy was the most information about coal and how it was mined.
Alstoms experience and goals are impressive in building plants that provide clean source of power for Great Falls

Attach Additional Pages if necessary

Comment Form for Southern Montana Electric Generating and Transmission Cooperative, Inc.'s Proposed 250 MW Coal Fired Plant near Great Falls in Cascade County, Montana

October 13, 2004

Submit to RUS representative at this meeting or send to RUS within 30 days to:

Nurul Islam
Rural Utilities Service
Stop 1571
1400 Independence Ave., SW
Washington, DC 20250-1571
Fax (202) 720-0820
E-mail: Nurul.Islam@usda.gov

Name: Diana Talcott
Address: 2004 1st Ave S
Great Falls, MT 59401
Phone Number: 406-454-3563
Fax Number:
E-Mail: dtdtdt@bresnan.net

Comments

Although I support public power 100%, I have reservations about this proposed coal fired plant. I worry about any mercury emissions. My understanding is there is mercury in the breast milk of women (in Montana) who try to eat mostly organic foods. Where is it coming from? If we can equalize CO_2 emissions by planting 1000 trees, let's do it. I will help. I and others are willing to pay more for clean power. Please consider the ultimate in clean technology. Our grandchildren's children deserve our long-term thoughtful commitment to clean air and water.

Attach Additional Pages if necessary

Diana Talcott

From: Islam, Nurul -RUS [Nurul.Islam@usda.gov]
Sent: Tuesday, November 16, 2004 11:46 AM
To: waltersray@stanleygroup.com
Subject: FW: comments on Southern MT Electric Co-op project
I believe this the same comment that I sent you earlier today.

NURUL
-----Original Message-----
From: pjudge@meic.org%inter2 [mailto:pjudge@meic.org]
Sent: Thursday, November 11, 2004 10:52 PM
To: Islam, Nurul -RUS
Cc: lmcclain@meic.org%inter2
Subject: comments on Southern MT Electric Co-op project

Hello Mr. Islam,
Please accept the following comments from the MontanaEnvironmental Information Center. I would also be happy to faxthe comments on our letter head, or send them through the mail, butwanted to make sure you received them in time. I will be out ofthe office on Friday (November 12), but Leslie McClain could help getthem to you in the proper form, if email is not sufficient. Heremail address is lmcclain@meic.org, and she can be reached at406/443-2520 or 406/431-3283 (cell).
Best regards,
Pat

(Comments prepared by Patrick Judge, EnergyProgram Director)
November 12, 2004

These commentspertain to Southern Montana Electric Cooperative's proposal toconstruct a 250 MW coal-fired power plant in the Great Falls area. Montana Environmental Information Center (MEIC) has numerous concernsabout this plant, and requests that the Rural Utilities Service (RUS)take these concerns into account when preparing the EnvironmentalImpact Statement (EIS).

For therecord, MEIC is a non-partisan, non-profit environmental advocacygroup founded in 1974 to "protect and restore Montana's naturalenvironment." From its beginning, MEIC has been activelyinvolved in energy policy issues in Montana and the PacificNorthwest. MEIC has 4500 members, many of whom live and work inthe in the vicinity of the proposed power plant.

MEIC is deeplyconcerned about the rush to build new coal-fired generating facilitiesin Montana. Simply put, coal-fired resources have anunacceptably large impact on human health and the environment. Coal represents the most polluting way to generate a kilowatt-hour ofelectricity, across a wide range of pollutants. And the GreatFalls plant would be no exception, contributing significant quantitiesof sulfur dioxide, nitrogen oxides, particulate matter, mercury, etc.to the atmosphere. Other concerns include water usage, and wastedisposal. By any measure, the proposed project constitutes amajor industrial development that must be looked at very carefully. For example, the plant's water requirement of 3000 gallons perminute represents approximately one-quarter of the remaining waterrights for the City of Great Falls, and is enough to meet the domesticneeds of approximately 24,000 people.

While theparticular technology being considered (circulating fluidized bed) mayhave some advantages over traditional / pulverized coal (PC)technologies, it cannot credibly be considered a "clean" resourcewhen looking at the full spectrum of fuels and technologies (naturalgas, conservation, renewable energy, etc.). And when it comes togreenhouse gases, CFB may actually perform worse than PC, dueto the emission of nitrous oxide (in addition to the large quantitiesof carbon dioxide that are released). N2O has a heat trappingability approximately 300 times greater than CO2. (seeattachment)

Before authorizing additional polluting activities of thismagnitude, it is important to first establish whether they are evenneeded. Montana already produces nearly twice the electricitythat it consumes (3000 aMW vs. 1600 aMW). And 63% of thatproduction already comes from coal-based resources

(see"Understanding Energy in Montana"). Montana's "energyportfolio" is overly dependent on this one fuel source, which putsthe state in an unnecessarily risky position. As any investmentprofessional knows, diversity provides an important hedge againstvolatility.

And when it comes to coal, the fuel price risk is substantial-- due to potential future environmental regulation of greenhousegases. Just this month, Russia became the 126th nation to signthe Kyoto Protocol, giving the agreement the final push it needed totake effect. Note also that the Northwest Power and ConservationCouncil's draft "Fifth Northwest Electric Power and ConservationPlan" (released September 22nd) estimates a 67% probability thatcarbon dioxide will be regulated by 2025, with penalties of up to $30per ton beginning in 2016. The draft plan also recommends just400 MW of new coal-fired capacity for the entire region, versus 2,800MW of new conservation and 6,000 MW of new wind by 2025.

The SME project would do nothing to increase the diversity ofMontana's generation mix, and would undoubtedly account for anoverwhelming share of SME's portfolio. (According to thedeveloper, the combined load of SME will likely be 150 MW or less,compared to a generating capacity of 250 MW for the power plant.) MEIC is also curious about how SME plans to meet what will likely be ahighly variable load shape (low load factor), with a single baseload(non-dispatchable) resource.

Unfortunately, the State of Montana nolonger conducts an analysis of "need" for power projects of thistype. Due to changes made in the 1997 and 2001 legislativesessions, coal-fired power plants are completely exempt from reviewunder the Major Facility Siting Act (MCA 75-20-101). Hence, itis critically important to examine all of these issues as thoroughlyas possible in the EIS process.

MEIC is currently tracking more than 5000MW of proposed new coal-fired capacity in Montana. In thiscontext, a proper analysis of both "need" and cumulative impactsis clearly warranted.

MEIC is pleased to see that RUS willbe considering the alternatives of "no action, purchased power,renewable energy sources, distributed generation, and alternative sitelocations," but would point out that energy efficiency andIntegrated Gasification Combined Cycle also need to be on the list. Mitigation options such as carbon offsets and technologies such asActivated Carbon Injection (for mercury control) need to be consideredas well.

MEIC is appreciative of this opportunity tocomment.

--

--
Patrick Judge, Energy Program Director
Montana Environmental Information Center
P.O. Box 1184
Helena, MT 59624
406/443-2520
406/443-2507 fax

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

REPRESENTATIVE SUE DICKENSON
(HD 47) NOW HOUSE DISTRICT 25

HELENA ADDRESS:
PO BOX 200400
HELENA, MONTANA 59620-0400
(406) 444-4800

HOME ADDRESS:
620 RIVERVIEW DRIVE E.
GREAT FALLS, MONTANA 59404
(406) 453-5274

COMMITTEES:
STATE ADMINISTRATION
NATURAL RESOURCES
LEGISLATIVE ADMINISTRATION

Dear Mr. Islam:

I have three concerns with the proposed Southern Montana Electric Generating and Transmission coal fired generating plant in Great Falls, MT. I am writing both as a state legislator and as a citizen of Great Falls. First I am aware of carbon injection technologies in place at other coal fired generating plants which can eliminate 60% plus of mercury emissions. Mr. Gatton of Alston Power said that technology was still experimental and would not be part of this development. A 30-40% elimination of mercury emissions was the best they could promise and that is not good enough. Mercury is a neuro-toxin of great concern worldwide. This project can be profitable and include the best technology available for mercury emissions.

Second, I am concerned about C02 emissions. It is time that we become a more responsible world citizen and begin controlling greenhouse gases better. I appreciate the technology at this SMEGT project which greatly reduces the SOx and NOx. Technology exists to deal with the CO2 and I believe SMEGT should incorporate it in the design of this project.

Finally, the developer has said he will follow all state and federal environmental requirements. However in Montana, our MEPA and the Major Facility Siting Act(MFSA) have been emasculated to the point where they offer no requirement to mitigate the adverse environmental effects which are identified. Utilities are exempted totally from MFSA. One of my main concerns is a total lack of regulation of the solid waste from electrical generating facilities. Mr. Gatton of Alston Power said when running at capacity, this plant will create 6 tons of ash an hour. In handling the solid waste, I would require the final dumping place to be lined, as well as holding ponds, and for ground water monitoring on a regular basis. As a legislator, I am introducing legislation to remove "electrical generating facility" from the list of exclusions to the Solid Waste statute(MCA 75-10-214(a)). For this facility to go forward and avoid litigation over this waste stream, it is essential that it goes through the review and licensing procedures that other facilities do in regard to solid waste.

If you have any questions, call me at home or contact me at suedickenson@yahoo.com. Thank you for your attention to this project.

Sincerely yours,

Sue Dickenson

From: Islam, Nurul -RUS [Nurul.Islam@usda.gov]
Sent: Monday, October 18, 2004 10:55 AM
To: waltersray@stanleygroup.com
Cc: gregori@mcm.net
Subject: FW: SME project EIS

-----Original Message-----
From: lhamilton@maximusa.com%inter2 [mailto:lhamilton@maximusa.com]
Sent: Thursday, October 14, 2004 12:30 PM
To: Islam, Nurul -RUS
Subject: SME project EIS

Hello again Mr. Islam,

We met yesterday at the public meeting in Great Falls. I just wanted to follow up with you after our conversation. As I mentioned, Maxim Technologies is a full service environmental engineering firm, with a great deal of experience in Montana and the West handling all the details of projects just like the SME project. We have a local office right there in Great Falls, with other offices nearby in Helena, Billings, Bozeman and Missoula. We would like the opportunity to put in a proposal to do the EIS, but we could help with a larger amount of the work, if you or SME desired. We can organize and run the public meetings and collate responses, help with applying for all the permits that will be needed, complete the EIS, even supply experienced construction oversight. So I am seeking your guidance on what you feel is needed.

Folks who had attended the morning meeting made reference to a short list of firms under consideration for doing the EIS work. I was wondering, is it possible to find out which firms are on this list? Both Maxim Technologies and our parent company, Tetra Tech, have current GSA contracts in place. We have also been in contact with a small Arizona-based company called EPG, who may want to partner with us on an EIS proposal.

It was really nice meeting you yesterday. I hope we can be of service to you on this and future projects.

Thanks much,
Lisa Hamilton

Lisa Hamilton, Marketing
Maxim Technologies
406.443.5210

FW Power Plant in Great Falls

From: Islam, Nurul -RUS [Nurul.Islam@usda.gov]
Sent: Monday, October 18, 2004 10:59 AM
To: waltersray@stanleygroup.com
Cc: gregori@mcm.net
Subject: FW: Power Plant in Great Falls

-----Original Message-----
From: Mike@MontanaReds.Com%inter2 [mailto:Mike@MontanaReds.Com]
Sent: Friday, October 15, 2004 6:56 PM
To: Islam, Nurul -RUS
Subject: Power Plant in Great Falls

My name is Mike Hoy and I live at 232 Salem Road Great Falls.

My house is right across the street from one of the proposed sites for this power plant. First I find it strange that if one of the site is across the street why has nobody spoken to me about it? I would think the people in the local area would be a prime concern but I guess not! Why has nobody spoken to the people on Salem road?

I feel putting the power plant on Salem road is the wrong idea, it will ruin a great area with it's huge man made, ugly outline. Why would you want to place the thing right in the middle of a beautiful setting like this? Put the thing over in the industrial park where the area is already cluttered with building like this, there is already a malting plant being built why not put this over there too? Why ruin 2 areas with huge ugly plants?

Mike Hoy
232 Salem Road
Great Falls, Montana 59405
406-453-2039

Comment Form for Southern Montana Electric Generating and Transmission Cooperative, Inc.'s Proposed 250 MW Coal Fired Plant near Great Falls in Cascade County, Montana

October 13, 2004

Submit to RUS representative at this meeting or send to RUS within 30 days to:

Nurul Islam
Rural Utilities Service
Stop 1571
1400 Independence Ave., SW
Washington, DC 20250-1571
Fax (202) 720-0820
E-mail: Nurul.Islam@usda.gov

Name: [illegible]

Address: 4700 [illegible]
G.F.

Phone Number: 454-2517(H) / 761-1085 (W)

Fax Number: 761-4026

E-Mail: [illegible]@3rivers.net

Comments

Very good presentation — very informative — We are strongly in favor of this project. It will provide a stable source of electrical energy @ reasonable rates. The environmental effects are minimal for a commodity we all use - electric energy. It would be good to have it produced locally. Staff has done their homework —

[illegible]

Attach Additional Pages if necessary

Arlyne Reichert
1409 4th Ave S
Great Falls, MT 59405-2415

November 5, 2004

Dear Mr. Dolan:

Thank you for giving me the opportunity to comment on the proposed coal-fired generating plant in Great Falls, Montana.

As a great-grandmother & one of the delegates to the Montana Constitutional Convention in 1972, I feel strongly that we are entitled to a clean & healthy environment. Please do everything in your power to insure this quality of life for future generations.

Sincerely,

Arlyne Reichert

DR. CHERYL REICHERT M.D., PH.D.
Pathologist • 51 Prospect Drive
Great Falls, MT 59405
Home Phone (406) 727-1964

November 4, 2004

Nurul Islam, Environmental Protection Specialist
Rural Utility Service,Engineering and Environmental Staff
1400 Independence Ave. S.W., Stop 1571
Washington D.C. 20250-1571

Dear N. Islam,

I am writing to express my concerns about a proposed 250 megawatt coal-fired electric generating plant to be constructed by Alston Power Inc. at a location northeast of Great Falls, Montana. While I laud Great Falls City Manager John Lawton and other members of the Southern Montana Electric Cooperative for their foresight in developing an independent regional electric generation facility, I am dismayed that an estimated $470 million is going to be spent on a facility that relies on coal instead of a nonpolluting, renewable, futuristic energy source such as wind power.

My concerns are several fold:
1) **Generation of greenhouse gases.** As reported by the *Washington Post*, a recently completed international assessment of Arctic climate change has documented "unprecedented increases in temperature, glacial melting, and weather pattern changes, with most of these changes attributable to greenhouse gases from automobiles, power plants, and other sources". Global warming is also thought to increase the incidence and severity of forest fires.

2) **Mercury contamination.** The mercury emitted by coal plants eventually enters our waterways, contaminating drinking water and fish and entering the food chain. Mercury is a toxin and is especially damaging to nervous system of children and can also damage the kidneys. While there is currently no governmental emission standard for mercury, this contentious matter is likely to be addressed before the facility is built. When the new standards are established, the plant should expect to become compliant and not "grandfathered" in perpetuity. While Alston Power Inc. claims that its new circulating fluid bed technology boilers reduce acid rain by reducing emissions of sulfur and nitrogen, the company does not provide quantitative data for mercury emissions. The amount of mercury produced by the facility is dependent upon the source of the coal. The environmental assessment should be based on the actual coal source, which has been stated in the *Great Falls Tribune* as originating in southeastern Montana (and not upon theoretical data from surrogate coal fields containing better quality coals).

energy

3) **Aerosols of particulate matter.** Not only may particulate matter create hazy veils over our beautiful blue skies, but also adversely affect the health of residents with breathing disorders such as chronic bronchitis and asthma. The electric blackout of August 2003 in northeastern United States provided an opportunity for researchers to evaluate air quality over Pennsylvania 24 hours after the grid shut down. The scientists were impressed by the magnitude of the improvements, with a 90% reduction in sulfur dioxide, 50% reduction in smog, and increased visibility by 20 miles due to less particulate matter in the air. The scientists reported that emissions from power plants can contaminate the air hundreds of miles downwind.

Reichert p.2, continued...

4)**The potential for "Bait and Switch"**. The circulating fluid bed technology is stated to be "fuel flexible". A comprehensive environmental assessment for the Great Falls facility should evaluate noxious and hazardous wastes from all likely fuel sources, and specific exclusions should be indicated. For example, the 294 megawatt coal fired plant that is currently being built by Alston in Maysville, Kentucky, is cited as an example for the comparably sized facility near Great Falls. According to the company literature, the Kentucky plant is also designed to burn "approximately 5 million waste tires" per year. Burned tires are reported to release styrene, butadiene, toxic heavy metals such as lead, mercury, and cadmium, and chlorinated compounds such as carcinogenic dioxins and furans. Another example of the "bait and switch" tactic comes from Thompson Falls, Montana, where irate local citizens discovered that after the plant went through the Montana Department of Environmental Quality permitting process in 2001, Thompson River Co-Gen LL changed its predominant energy source from biomass/wood to coal. According to a March 26, 2004, article that the *Missoulian*, legal challenges by the Thompson Falls citizen's group are likely.

5) **Adequacy of environmental safeguards.** Who will monitor the emissions of the electric generating plant? How will the monitoring be done? Will there be detectors mounted in the stacks? Will there be ambient air monitoring and monitoring of the plume by airplanes? Who will obtain baseline levels of contaminants now present in the water and soils and fish so that there can be future legal recourse if the company does not meet environmental standards? The technology is being "sold" to the community as the newest and cleanest, but the company literature indicates that "for the majority of applications and fuels, in-furnace control is sufficient to meet regulatory requirements". For a price, "additional SO2 removal is possible with Alstom's tail end Flash Dry Absorber, which activates and further utilizes unreacted bed material". Is this option included in the plant proposed for Great Falls? Because of the spiraling costs of steel and transportation, there are likely to be cost overruns; what guarantees that the optional scrubbers will be installed and maintained?

The Southern Montana Electric cooperative does not have the right to pollute the air and water of our downwind and downstream neighbors. Recently reelected Montana Supreme Court Justice James Nelson has stated that he thinks that Montana's Legislature has a duty to pass laws enforcing Montana's constitutional guarantee of "a clean and healthful environment". Montanans need electricity, but we also need clean air and water.

Sincerely yours,

Cheryl M. Reichert

Cheryl M. Reichert, M.D., Ph.D. (Biological Chemistry)
reichert@sofast.net

copy: Cheryl Patton, Assistant City Manager, Great Falls
Randy Gray, Mayor of Great Falls
Brian Schweitzer, Montana Governor-elect
George Golie, Representative, Montana House District #20
Bryony Schwan, Women's Voices of the Earth
Kris Thomas, Montanans Against Toxic Burning
Missouri River Citizens
Montana Environmental Information Center
Citizens Coal Council

November 5, 2004

Nurul Islam
Rural Utility Service
Engineering and Environmental Staff
1400 Independence Ave. SW Stop 1571
Washington D.C. 20250 - 1571

I am writing this letter to explain why my grandchildren and the citizens of Montana should not be subjected to the coal fired power plant being purposed for Great Falls, Montana.

Montana's Constitution guarantees our right to a "clean and healthful environment". Coal plants have long been notorious because of the havoc they wreak on hapless communities and environments. Coal is the most carbon intensive among fossil fuels, emitting 29 percent more carbon per unit of energy than oil and 80 percent more than gas. Coal plants have long been identified by scientists the world over as major contributors to the atmospheric accumulation of greenhouse gases that are thought to be responsible for global warming and climate change. Toxic gases like nitrogen oxides and sulfur dioxide are infamous byproducts of coal plants which are responsible for acid rain and a host of serious lung diseases. Dioxins, a known human carcinogen, can also be formed when coal is burned, because most coal contains chlorine. In 1995 the US Environmental Protection Agency (EPA) reported that utility and industrial burning of coal is responsible for the sixth largest source of dioxin emissions to the air.

Nevertheless, proposals for new coal plants continue to emerge all over the West. In Helena, Montana, Patrick Judge, the energy policy director for the Montana Environmental Information Center, says, "There is a fear up here that we are becoming a kind of sacrifice zone for the rest of the nation." As reported by *High Country News* in Dec 2003, as many as nine

coal plants are being proposed in Montana, a state that "is already a net exporter of electrical energy", according to Patrick Judge.

It is helpful to compare the proposed Great Falls facility with other coal-fired plants of similar size. If Nevco Energy Co. has its way, a 270-megawatt power plant could be on line in SIGURD, UTAH, a community close to Salt Lake City, as soon as 2008. The company, which is based in the Salt Lake community of Bountiful, says the plant will burn coal, using a technology called "Circulating Fluidized Bed Combustors" that sharply reduces most emissions as compared to older coal plants. This is the same "NEW" technology that is purposed for Great Falls.

NOV. -17' 04(WED) Based upon proportional calculations from the emissions projected for the Utah plant (which plans to burn Powder River Wyoming coal) the purposed "CLEAN" 250 megawatt plant in Great Falls, Montana, using the 'Circulating Fluidized Bed Combustors' could produce approximately 1,183 tons of Carbon Monoxide, 987 tons of Nitrogen Oxides, 217 tons of Sulfur Dioxide, along with Lead and pounds of Mercury. (Western Roundup Dec. 2003) This is a wake up call for area grain farmers. Will their crops be less productive or refused by the new barley "malting " plant?

The deadly neurotoxin mercury is so dangerous that it only takes .002 of a POUND of MERCURY or .000125 of an ounce or 1 /70 of a teaspoon to contaminate a 25,981 acre lake to the point where fish in that lake are no longer safe for human consumption. (Environment Canada Feb.2004)
Mercury is capable of causing severe brain damage in developing fetuses and mild tremors, mental disorders, motor and emotional disturbances, even death, in exposed adults. The exposure to mercury depends on its form, with mercury vapor and methyl mercury being the most deadly, since they are nearly completely absorbed into the body. Once mercury enters water – either directly or through deposition from the air – biological processes transform it into methyl mercury, a highly toxic form of mercury that bioaccumulates in fish and other animals that eat fish. When a substance bioaccumulates, its concentration increases as it moves through the food chain. This is a wake up call for The Montana Fish

and Game Dept.; for downstream Fort Benton and any bodies of water that will be subjected to the mercury from the atmosphere, to say nothing of the famous "Fort Peck" reservoir.

Coal fired power plants are currently the most significant source of atmospheric mercury emissions; the lack of governmental standards or regulations on mercury emissions from these facilities will surely be challenged by our constitutional right to a clean and healthful environment.

A recent report by more than two dozen climate scientists and engineers from Scripps Institute, The University of Washington, the Department of Energy, and the U.S. Geological Survey, predict that global warming will have a devastating effect on water resources in the West. The report says that reservoir levels may drop by more than a third and hydropower generation will drop by as much as 40 percent. The report also found that increases in summer temperatures and decreases in summer humidity may cause a "substantial increase in fire danger over much of the West".

Why would the State Department of Environmental Quality or the Federal Environmental Protection Agency want to add to these problems by approving yet another coal fired plant?

The resurgence of coal was inevitable, says Janet Gellici, executive director of the Colorado-based American Coal Council, an industry advocacy group. Basically, the pendulum has swung so far to the natural gas side that we won't be able to meet future needs."
Other industry insiders confide that energy companies saw the gas shortage coming. But rather than turning to alternative energy, like solar, wind, or fuel cells, they encouraged the crisis, knowing that it could revive coal, which utilities have shied away from in the last 20 years.

President Bush's energy policy has lowered the environmental standards. The 1,700-page document details the upcoming emission requirements that should make coal a safe bet again, says Gellici. It also includes tax breaks for utilities using coal, and millions of dollars for large-scale coal fired plants in the Great Plains and Midwest.

At a time when things are looking up for our beautiful city of Great Falls why do we want to create numerous problems for our citizens and especially the people living downwind and downstream from us?

Montana already exports power to other states, so our power need are not critical. The City of Great Falls and its leaders need to look to the future using more modern methods

We don't need more power, we need a more environmentally safe and beneficial way to produce the power we presently have.

Sincerely yours,

Charles Bocock

November 1, 2004

Nurul Islam
Environmental Protection Specialist
Rural Utility Service
Engineering and Environmental Staff
1400 Independence Ave S.W. Stop 1571
Washington, D.C. 20250-1571

To Whom It May Concern:

This letter is in regards to a proposed coal-fired electricity plant to be built near the city of Great Falls Montana. I would like to say that I am strongly opposed to the building of this plant in this area.

I have read the newspaper articles and listened to presentations about how the proposed plant will provide electricity to the city and co-ops. Articles state that this will be the cleanest coal fired plant in North America, but they do not state what their standards are for "clean." How many parts per million or thousand of air and water contamination do they consider "clean?" At this time we have none. They talk about lined ponds that will be constantly monitored as part of the plants operations, what happens if there is a leak? Why are they lining these ponds if there is not water contamination created from this process. I live only a couple of miles down the road from the proposed site of this plant, when will I be told that there has been a leak? Will it contaminate the groundwater in our well that I drink from freely every day? Not only am I concerned about the future welfare of our family farm but also the possible contamination of this pristine area. In close proximity are Glacier National Park, Yellowstone National Park, the Bob Marshall Wilderness, and the Rocky Mountain Front. Will ash spewed into the air from this plant have harmful effects on these areas? Yes it will. When will we discover the repurcussions of building this plant? When it is far too late to recover the environmental damage that we have caused all in the name of electricity and more money. I am sure you are aware that there close proximity to the Missouri River may endanger native fish species not to mention disrupt the environment along the Missouri River Breaks that has remained somewhat unchanged since Lewis and Clark traveled through this area. Our landscape is made of clear blue sky, mountains, wheat fields, rolling hills, and green trees as far as the eye can see, not large smoke stacks or lined contaminated water ponds. Elk travel through these wheat fields from the Missouri Breaks to the Highwood or Belt Mountains, can you tell me that a large, noisy, coal fired electricity plant will not disrupt this? I do not believe so. If energy conservation is the primary motivator for this plant, why are we not looking into hydroelectric or wind generated electricity, there are a number of existing dams in place to provide this opportunity without contaminating the environment.

I hope that this letter has provided some information as to the disruption this plant will cause in this area. This is not what Montana and certainly not what Great Falls needs. I would hope that someone from your office will look into this matter before it is too late and we lose another piece of our environment and heritage all in the name of big business and more money.

Sincerely

Courtney Feldman

Courtney Feldman
746 Highwood Road
Great Falls, MT 59405

APPENDIX G

Other Public Meetings and Press Releases

ADDITIONAL PUBLIC MEETINGS

September 2, 2003

Presentation to the City Council of Great Falls. Meeting was announced in the Great Falls Tribune and televised. Resolution was passed to form Electric City Power.

November 10, 2003

Addressed Great Falls City School District at school board meeting

March 1, 2004

Addressed Great Falls City School District

June 3, 2004

Met with the Great Falls Tribune about project

June 4, 2004

Met with Billings Gazette announcing project and to address environmental attributes of plant

June 9, 2004

Public meeting with Tongue River members in Terry, MT

June 9, 2004

Public meeting with Tongue River members in Miles City, MT

June 10, 2004

Public meeting with Tongue River members in Broadus, MT

June 10, 2004

Public meeting with Tongue River members in Ashland, MT

June 11, 2004

Taped KTVQ2 television show discussing project with Terry Holzer from Yellowstone Valley Coop

June 23, 2004

Public meeting with Beartooth Coop in Bridger, MT

June 23, 2004

Public meeting with Beartooth Coop in Roberts, MT

June 24, 2004

Public meeting with Beartooth Coop in Columbus, MT

August 4, 2004

Made presentation to Cascade County Commissioners at Cascade County Courthouse in Great Falls, MT

August 23, 2004

Public meeting with Mid-Yellowstone membership in Hysham, MT.

September 7, 2004

Public meeting with Fergus Coop membership in Lewistown, MT

September 7, 2004

Public meeting with Fergus Coop membership in Round Up, MT

September 8, 2004

Meeting with environmental groups in Helena, MT. Presentation by Alstom.

September 18, 2004

Presentation to Beartooth Annual Meeting. Approximately 200 people present.

September 25, 2004

Project presentation to Democratic Candidates morning breakfast

October 12, 2004

Public meeting with Great Falls City Council. Public invited in Great Falls Tribune.

October 22, 2004

Project presentation to Congressional staff of Representatives Burns, Baucus, and Rehberg in Billings, MT.

November 10, 2004

Public meeting with Yellowstone Valley membership in Huntley, MT.

November 11, 2004

Public meeting with Yellowstone Valley membership in Custer, MT.

November 17, 2004

Public meeting with Yellowstone Valley membership in Laurel, MT.

Billings Gazette
Oct 1, 2004

Great Falls gets power from co-op

GREAT FALLS (AP) — This city is now buying electricity from Southern Montana Electric Generation and Transmission under a contract approved by city commissioners.

The city decided to purchase electricity from the co-op planning to build a coal-fired generating plant in Great Falls at a rate of $36 per megawatt-hour for five megawatts of electricity for five years.

"The new contract price is 10 percent below the going rate right now" with NorthWestern Energy, said City Manager John Lawton. "But there are always uncertainties in the market."

The city's electric bill for the fiscal year that ended June 30, 2003, was $1.6 million, according to city controller Coleen Balzarini. The cost was $1.8 million for the fiscal year ending June 30, 2004.

Lawton said he expects the city to use roughly half the power being purchased under the new contract. The rest will be sold to Great Falls public schools, the airport and related facilities on Gore Hill.

Contracts with the other users haven't been signed, but Lawton said he has received letters of intent.

The city is charging $37.60 per megawatt-hour for the electricity. The lower-priced power isn't available to private customers, but Lawton said the city is considering buying wholesale power to supply Great Falls residential and commercial customers in the future.

Billings Gazette

Sunday, September 26, 2004

Vermont joining farmers for energy production

MONTPELIER, Vt. — Vermont's largest power company has won state approval for a plan to have dairy farmers generate energy from decomposing cow manure to sell back to the utility.

Central Vermont Public Service Corp. now hopes to sign up farmers willing to set up a generator on their property and go into the power business on a small scale.

The farmers will be paid market price plus another 4 cents per kilowatt-hour. CVPS won't make any extra money from the project, said spokesman Steve Costello.

"Our customers have asked for renewable power, and this is one more way we can offer it," Costello said. He added the plan was also aimed at helping farmers, many of whom are also CVPS power customers.

"To help farms become more financially strong, that's beneficial not only to us but to the state," he said.

Methane gas, created by the decomposition of matter such as trash or cow manure, can be burned to create energy.

Billings Gazette

2B Thursday, September 23, 2004 3

Great Falls officials OK power plan

GREAT FALLS — City commissioners have approved a plan for the city to purchase power from an electric co-op to run the city's facilities.

City Manager John Lawton recently announced a deal to purchase five megawatts of electricity from Southern Montana Electric Generation and Transmission, beginning on Oct. 1. The co-op is selling the power at $36 per megawatt-hour and the city will resell it to its agencies at $37.60, still below the nearly $42 the city is paying NorthWestern Energy.

The power will be used to operate the water and sewer plants, as well as school district buildings and the airport for the next four years.

billingsgazette.com
Billings Gazette

http://www.billingsgazette.com/index.php?display=rednews/2004/09/18/build/state/30-nwc-great-falls.inc

Great Falls buying co-op's electricity

By JIM GRANSBERY
Of The Gazette Staff

In a historic moment Friday, a group of rural electrical cooperatives in the state became the wholesale supplier of electricity to a Montana city.

The city of Great Falls will provide electricity to its residents, and eventually sell power to the city's public schools, the airport and its related services. "This is what deregulation was supposed to do," said John Lawton, Great Falls city manager. "It allows us to shop (for power) in the marketplace."

He was referring to the Legislature's deregulation of electrical power in 1997. It was intended to allow energy customers to buy electricity in a competitive supply market, which until now has not materialized.

This is the first step in becoming an electrical supplier, he said. It would be the first municipal power district in the state.

Lawton said the plan will be presented to the Great Falls City Council Monday. "I have kept them apprised every step of the way. This comes as no surprise to them."

Montana resource

Lawton was in Billings Friday to join with officials from the Southern Montana Electric Generation and Transmission Cooperative, which includes Great Falls and five rural electric co-ops in Red Lodge, Lewistown, Hysham, Ashland and Huntley.

Tim Gregori, general manager of SME, said his group has contracted for 5 megawatts of electrical power from PPL Montana for four years.

"This is a Montana resource generated in Montana for one of the largest cities," he said. "This is bridge energy until our own generation comes on in the first quarter of 2009."

SME has plans to build a 250-megawatt coal-fired generator near Great Falls. Called Highwood Station, the site was considered for a coal generator by Montana Power Co. in the late 1980s.

Gregori said the environmental impact statement process on the plant will begin with an open house in Great Falls on Oct. 12-14, when the proposal will be explained to the public. The plant will cost $470 million to bring online.

Dumping NorthWestern

The Highwood Station would use a circulating fluidized bed boiler and clean coal, making it environmentally attractive, he said.

In anticipation of lawsuits against the plant, Gregori said he hopes that "people understand that there is a difference here. This is a Montana resource, a Montana facility for Montana people. It is for our neighbors."

It should produce power for about $40 a megawatt-hour, he said.

As for the contract with Great Falls, Lawton said the municipal power district is the "first major exiting from the default

supplier (NorthWestern Energy). We cut a better price," he said.

NorthWestern Energy, the successor to Montana Power Co., is the designated default supplier for MPC's former gas and electricity customers. NorthWestern's parent company is currently in bankruptcy proceedings, but it intends to exit as an investment grade utility.

Claudia Rapkoch, director of corporate communications for NorthWestern, said Friday that the Montana Public Service Commission has specific rules for entering and exiting the default supply.

"Other than that, there is no specific impact to NorthWestern," she said.

Great Falls will get the power from SME for $36 a megawatt-hour and will sell it for $37.60 a megawatt-hour in the first year.

"We can guarantee prices below $40 a megawatt for the four years of the contract," he said.

Gregori said the price is significantly below the current NorthWestern price of almost $42.

He added that this will demonstrate that cooperatives are able to provide quality, affordable, reliable service.

PPL spokesman David Hoffman said his company "was pleased to sell even more of the energy we generate to customers in the state." The company also has a contract to supply NorthWestern.

PPL bought MPC's hydro- and coal-generating assets when MPC decided to become a telecommunications company, Touch America, which subsequently went bankrupt.

The rural electric co-ops making up SME are Beartooth, Fergus, Mid-Yellowstone, Tongue River and Yellowstone Valley electrical cooperatives. They serve 23,000 member-customers.

Click here to return.

MONTANA

Coal plant officials offer update

By JO DEE BLACK
Tribune Staff Writer

Carol Peretti stopped by an open house Wednesday afternoon to learn a little more about a 250-megawatt, coal-fired generating plant proposed for the Great Falls area.

"I own farmland near the commodity park, which is one site they are looking at," said Peretti, a Great Falls resident. "I want to see what they have in mind, find out if there will be problems with the environment, if it will be s[illegible]v."

Southern Montana Electric Generation and Transmission Cooperative, a coalition of the city of Great Falls and five rural electric co-ops, are behind the $470 million project.

Wednesday's "scoping meeting" was the first step in deciding what will be included in a pending environmental impact statement.

The U.S. Department of Agriculture's Rural Utility Service is the likely financier of the project, and the agency requires an environmental impact statement.

The meeting at the Civic Center Convention Center was a chance for people to look over displays and talk to engineers and others involved in the project.

By 5 p.m., two hours into the four-hour event, about 50 people had passed through the displays.

"Most people have questions about how the technology works, what happens with the ash produced," said Vincent Pacello, regional sales manager for Alstom, the company that will provide the plant's boiler.

SME officials say the plant will use "circulating fluid bed" technology that produces far fewer emissions than at older coal-fired plants.

It's well-tested technology, Pacello said.

"We've produced several hundred of these boilers. It's proven equipment," he said.

Nineteen-year-old Chris Janssen, a crewmember with the Montana Conservation Corps, showed up to find out how the plant will impact the environment and why more electricity generation is needed.

"There are five dams on the river near the city," he said.

Those dams are owned by

See COAL PLANT, 2M

To comment

Documents dealing with the pending environmental impact statement for Southern Montana Electric Generation and Transmission Cooperative's proposed coal-fired electricity plant will be posted online at www.usda.gov/rus.

Comments about the plant will be gathered by the U.S. Department of Agriculture's Rural Utility Service until Nov. 12.

Send comments to:

Nurul Islam, environmental protection specialist, Rural Utility Service, Engineering and Environmental Staff, 1400 Independence Ave. S.W., Stop 1571, Washington, D.C. 20250-1571, or e-mail nurul.islam@usda.gov.

Coal plant

FROM 1M

PPL Montana, which can sell the electricity it generates to the highest bidder.

SME officials say by owning a plant, they can provide stable-priced power to their members.

Public comment will be collected for the next 30 days, then a scoping report will be issued, said Nurul Islam, an environmental protection specialist with the Rural Utility Service.

"That report includes how many people showed up, who commented and what the concerns are," he said.

That report will be used to determine what needs to be emphasized in the EIS.

Next, a draft EIS will be issued, and the public will have a chance to comment on that document.

The final EIS will be issued after those comments are addressed.

"After those basic federal requirements are complete and the required state permits are obtained, then building can begin," Islam said. "I'm estimating that will take two years."

SME hopes to be up and running by the beginning of 2009.

Questions aside, Peretti says she thinks the plant will be a good thing for the local economy.

"I think Great Falls needs a boost. We've watched other cities growing while we are not," she said. "We're in the middle of the state. We should be growing."

Reach Black at (406) 791-6502 or by e-mail at jdblack@greatfal.gannett.com.

Plant backers tout technology for clean power

By JAMES E. LARCOMBE
Tribune Business Editor

Backers of a 250-megawatt generating plant near Great Falls said Tuesday they would use the latest technology to build the cleanest coal-fired plant in the United States.

Officials of the Southern Montana Electric Generation and Transmission Cooperative updated about 30 community leaders and other officials on the proposed $470 million project during a session in Great Falls.

An open house "scoping session," the first step in producing an environmental impact statement for the project, is 3 to 7 p.m. today.

"When it is built, it will be the cleanest coal-fired plant in the United States," Great Falls City Manager John Lawton said.

The city is one of six players in the generation co-op and has a big stake in the development of the generating plant.

"It's a complex project that will have a very large impact on the economy of Great Falls," Lawton said.

The plant will use the latest version of what is called "circulating fluid bed" technology to greatly reduce emissions, officials said. Emissions of nitrogen, sulfur, carbon dioxide and very small amounts of mercury

See COAL, BACK PAGE

Coal: New method cuts emissions

FROM 1A

are often concerns with coal-fired plants.

But new technology that will burn coal at lower temperatures and use limestone to cut sulfur emissions should greatly reduce traditional concerns about emissions, said Larry Gatton, an engineer with Alstom Power, the company that will build the boiler for the plant.

Gatton said a plant in eastern Kentucky, a model for the Great Falls-area plant, releases 95 percent less nitrogen than old-style coal-fired plants. In addition, more than 98 percent of the sulfur has been removed from emissions at the plant, he added.

It is not unusual for coal-fired plants to have stacks with no visible emissions, Gatton said.

As for mercury, the amount emitted varies widely, depending on the type of coal and burning technology used, he said. The Great Falls-area plant will emit very little mercury, officials said, noting there is no government emission standard for the substance.

Tim Gregori, the generating co-op's general manager, told Sue Dickenson, a local Democrat and legislator, that ash from the plant may be reused in road-building materials or even particle board.

Dickenson also asked if water from the plant will be held in lined ponds and whether monitoring will take place. Gregori said lined ponds will be built, and consistent monitoring will be part of plant's operation.


Stephens

Paul Stephens, a local Green party member and political activist, said it seemed odd to be advocating the use of coal at a time of growing concern about global warming.

Gregori told Stephens that the Great Falls plant would be the cleanest, most technologically advanced coal-fired plant in North America.

The city and five electric cooperatives are joining together to pursue building the generating plant, which would supply electricity to the co-ops and the city, at least initially.

Ray Walters, an engineer with Stanley Consultants, a Colorado firm, said the Great Falls site won out over potential locations for several key reasons.

The plant site's location near rail lines, Missouri River water and links to the electrical power grid played a key role.

Walters said the estimated $470 million price tag for a plant near Great Falls also was crucial. The cost of a plant near Hysham, the next cheapest site, was $545 million, he said.

While the preferred site for the plant is on farmland east of Malmstrom Air Force Base, the co-op is also considering a site north of the Missouri River, not far from the International Malting Co. plant, which is under construction.

Local economic development leaders have said locating the plant north of the river could help in attracting other users to an industrial park being developed in the area.

"To be impartial in our analysis, we are looking at both sites," Gregori said. "What will drive our decision is where we can produce electricity at the lowest possible cost and be consistent with solid business principles."

Larcombe can be reached by e-mail at blarcomb@greatfal.gannett.com, or by phone at (406) 791-1463 or (800) 438-6600.

Open house

A public open house with information on a proposed 250 megawatt coal-fired electricity plant to be built near Great Falls will be held from 3 to 7 p.m. Wednesday at the Civic Center Convention Center.

Southern Montana Electric Generation and Transmission Cooperative is the project's developer.

To comment

Comments will be gathered by the U.S. Department of Agriculture's Rural Utility Service until Nov. 12.

Send comments to:

Nurul Islam, environmental protection specialist
Rural Utility Service
Engineering and Environmental Staff
1400 Independence Ave. S.W., Stop 1571
Washington, D.C. 20250-1571

Or e-mail nurul.islam@usda.gov.

MONTANA
GREAT FALLS TRIBUNE
TUESDAY, OCTOBER 12, 2004

Schools will buy city's power

Board also approves distance learning plan

By PETER JOHNSON
Tribune Staff Writer

The Great Falls School Board Monday signed the district up for a new electricity contract provided by the city and joined a group of schools hoping to share distance learning classes across the state.

Trustees also took more criticism and questions from East Middle School supporters for their May 25 decision to close that school rather than Paris Gibson Middle School next fall.

The board unanimously approved a motion saying the district will sign a contract with the city of Great Falls to receive electricity through Dec. 31, 2008.

The city is buying electricity from Southern Montana Electric Generation and Transmission, the co-op that is planning to build a coal-fired generating plant at Great Falls. The city is using about half the power it is buying; it is selling the rest as Electric City Power to Great Falls public schools, the Great Falls International Airport and related facilities on Gore Hill.

Under the school district contract, which actually went into effect last Friday, the district is buying electricity from the city for $37.60 per megawatt hour to $30,000 the first year. That's about 6 percent less than the $40.50 per megawatt hour that it had purchased power from last year from Northwestern Energy, said Business Manager Bob Odermann, who estimated the district will save $25,000 during the first year.

Just as important is a cap that will prevent large increases during the contract, he said, noting that the district suffered an 18 percent electricity hike last year. The contract locks in that rate for the first year, with only minor increases, if any, over the next three years. The rate is guaranteed not to exceed $40 per megawatt.

See TRUSTEES, 2M

Trustees: East supporters on hand

FROM 1M

Trustees Anne Martinez and David Reeves asked whether the contract could be risky if the coal plant is not built.

Superintendent Bryan Dunn said the co-op is buying power in advance on the open market, and just about any energy decision these days includes some risk.

School trustees also agreed to spend $4,000 to join a group of schools that hopes to develop distance-learning opportunities among widely scattered schools in Montana.

The plan, by the members of the Montana School Boards Association, calls for recruiting and training teachers and districts interested in offering high-quality programs this year and starting classes next falls.

Assistant Superintendent Dick Kuntz said the program will benefit Great Falls students by allowing them to take even better classes from some of the state's other very good teachers. It also could make it easier for students who had failed courses to make them up on-line, he said.

Middle school issue

A few East Middle school supporters made comments, to lengthy applause from other supporters crowded into the room.

For instance, Larry Rapstad, who spoke from a wheelchair, said he was glad the school closure didn't occur when his children were in middle school. It would have forced his able-bodied son to choose between attending the handicapped accessible North Middle School so his father could attend his events, or going to the less accessible Paris with his grade school friends.

"I challenge the board to not just do what may be legal under the Americans with Disability Act, but to follow the spirit of the law," he said, adding that at one time earlier laws would have allowed racially segregated schools and prevented women from voting.

Retired teacher Jan Johnson said she recalled problems getting students out of the multi-floored Paris school during fire drills.

East librarian Leah Schmirer Flaten said she has had knee problems at times that forced her to use a wheelchair or cane. She said she would not have been able to get around Paris, which has two floors, a basement and no elevators.

Jan Cahill, a leader in the East support group, asked about rumors that the district is negotiating a contract to let the crowded MSU-Great Falls College of Technology lease all or part of East when it is closed.

Superintendent Bryan Dunn said he has had no conversations with MSU Tech officials.

Trustee Reeves said all school board discussions have been "open and above board."

Trustee Jake Allen said the closure decision was tough for all trustees.

He said he agrees Paris is not the best building but said he opted to keep it open because it would mean busing fewer low-income and Native American children than if East were kept open and Paris closed.

Allen said being at a school within walking distance would allow Indian students to take part in more school activities, which could improve their graduation rates.

GREAT FALLS TRIBUNE

MONTANA

MONDAY, OCTOBER 11, 2004

Trustees expected to OK power contract

By PETER JOHNSON
Tribune Staff Writer

■ Great Falls School Trustees meet at tonight at 7 at the District Office Building, 1100 4th St. S.

The Great Falls School Board is expected to give final approval Monday to a contract in which it will buy electricity for four years from "Electric City Power" at a first-year savings of about 6 percent.

The city of Great Falls is buying electricity from Southern Montana Electric Generation and Transmission, the co-op that is planning to build a coal-fired generating plant at Great Falls.

The city is using about half the power it's buying and selling the rest as Electric City Power to Great Falls public schools and the Great Falls International Airport and related facilities on Gore Hill.

Under the school district contract, which actually went into effect last Friday, the district is buying electricity from the city for $37.60 per megawatt-hour during the first year. That compares with the $40.50 per megawatt-hour that the district bought power for last year from Northwestern Energy, Business Manager Bob Odermann said.

With 21 schools and four other buildings, the district is a big user of electricity. The lower rate will save the district an estimated $25,000 the first year, Odermann said.

Just as important is a cap that will prevent large increases during the contract, he said, noting that the district suffered an 18 percent electricity increase last year.

The contract locks in that rate for the first year. And over the next three years, the rate is guaranteed not to exceed $40 per megawatt-hour.

School trustees also

See TRUSTEES, 3M

Trustees: Meet tonight

FROM 1M

will be asked to spend $4,000 to join a group of schools that hopes to develop distance-learning opportunities among widely scattered schools in Montana.

The plan, by the members of the Montana School Boards Association, calls for recruiting and training teachers and districts interested in offering high-quality programs this year and starting classes next falls.

Superintendent Bryan Dunn said the program might primarily benefit rural schools that could take advantage of upper level classes offered by larger districts. But there could be some sophisticated classes, such as linear algebra, that might draw too few students to be offered even in a larger district such as Great Falls, but could be offered if more students around the state wanted them, he said.

Bigger districts also could benefit by offering distance learning classes to home-schooled students or by attracting students who had dropped out back into schooling, the school board association says. That would help the bigger schools since state funding for schools is based on the number of students enrolled.

Johnson can be reached by e-mail at pejohnso@greatfal.gannett.com, or by phone at (406) 791-1476 or (800) 438-6600.

GREAT FALLS TRIBUNE
Sunday, October 10, 2004

Public invited to open house on proposed power plant

By JO DEE BLACK
Tribune Staff Writer

Backers of a proposed $470 million coal-fired electricity plant to be built near Great Falls will showcase the project at an open house Wednesday.

Southern Montana Electric Generation and Transmission Cooperative wants to build a 250-megawatt plant to supply electricity to its members — five rural electric co-ops and the city of Great Falls.

Displays of the technology that will be used in the plant, presentations from coal industry personnel and the engineering firm that will prepare the state air-quality permit application will be part of the event.

"It's a chance for people to get more information about the project," said Tim Gregori, general manager for SME.

It's also a chance for members of the public to offer comments on the plan.

SME wants to build the plant in order to provide its members with stable-priced electricity.

Funding most likely will come from the U.S. Department of Agriculture's Rural Utility Service, which is why that agency is involved.

The open house also is a chance for the federal agency to meet with state and local officials to learn what permits Montana requires.

"Every state is different," said Nurul Islam, environmental protection specialist with the Rural Utility Service.

Just what permits are needed won't be known until a formal application for the project is submitted, said Tom Ellerhoff, environmental program manager for the Montana Department of Environmental Quality.

"They will need an air-quality permit and possibly a water-quality permit," he said. "And they will probably need a solid waste disposal permit for the ash."

Gregori said there has been progress on the project since it was announced last summer.

"We are looking at two sights, but nothing is specific yet," he said.

The preferred site is an area east of Great Falls near Salem Road. There have been preliminary talks with landowners in the area. The plant will need to buy 190 acres.

The other site would be north of Black Eagle near where International Malting Co. is building a malting plant.

See PLANT, 5M

Plant

FROM 1M

SME also has drilled some core soil samples, talked to fuel supply sources and refined an analysis of what water is available.

"There's been a myriad of things to keep this going forward," Gregori said. "The timeline is still to be operating by the first quarter of 2009."

The co-op also has met with environmental groups.

Patrick Judge, the energy program director of the Montana Environmental Information Center in Helena, said his organization continues to have reservations, even though the developers say they will use the latest, most clean-burning technology available.

"We are concerned about greenhouse gas emissions, mercury and the co-op's dependence on one power source," he said. "Coal is the most polluting way to generate electricity when you look at the big picture."

GREAT FALLS TRIBUNE
Friday, October 1, 2004

City using new source of power

By PAULA WILMOT
Tribune Staff Writer

The city of Great Falls plugs into a new power source today.

Under a contract unanimously approved by city commissioners Sept. 21, the city is buying electricity to operate city buildings and street lights from Southern Montana Electric Generation and Transmission, the co-op that is planning to build a coal-fired generating plant at Great Falls.

The city's rate with SME G&T for five megawatts of electricity is $36 per megawatt-hour for five years. Until today, the city's price with NorthWestern Energy has been $41,798.

"The new contract price is 10 percent below the going rate right now," City Manager John Lawton said Wednesday. "But there are always uncertainties in the market," he added.

The cost of electricity is a big one for the city of Great Falls.

> "The new contract price is 10 percent below the going rate right now."
> — City manager John Lawton

For the fiscal year that ended June 30, 2003, the city's bill came to $1.6 million according to Coleen Balzarini, city controller. The cost jumped to $1.8 million for the fiscal year ending this past June 30.

Lawton figures the city will use roughly half the power being purchased under the new contract. The rest, he said, will be sold to Great Falls public schools, the Great Falls International Airport and related facilities on Gore Hill, including the Montana Air National Guard and FedEx.

Contracts with the other

See POWER, 2M

EPA criticized lax on pollution rules

WASHINGTON — The Environmental Protection Agency's inspector general accused the agency Thursday of inadequately enforcing a law that would require major reductions in harmful air pollutants from coal-fired power plants.

EPA inspector general Nikki L. Tinsley said in a report that the Bush administration's "dramatic" change to the "new-source review" rule had hindered litigation, out-of-court settlements and new enforcement actions against the utilities. The change "has seriously undermined EPA's ability to effectively enforce long-standing (new-source review) requirements," her report said.

Top EPA officials replied that the report "misleads the public" because it ignored the administration's proposal to reduce power plant emissions through a market-based program. That approach, which has not been enacted, eventually would result in deeper pollution reductions than the enforcement actions, the officials said.

The nation's 1,032 coal-fired power generators produce almost 60 percent of its sulfur dioxide and nearly 20 percent of its nitrogen oxide emissions — pollutants that cause chronic and acute respiratory ailments and premature death.

Power: Change in electricity suppliers

FROM 1M

users haven't been signed, Lawton said. "But we have letters of intent."

The city is charging $37.60 per megawatt-hour for the electricity if is selling. The rate difference will help the city recoup $119,000 in capital costs in conjunction with the co-op project so far. Soon, the city will have to spend another $323,000 for SME G&T.

The lower-priced power won't be available to private customers in the city, although Lawton said the city is exploring the possibility of buying wholesale power to supply Great Falls residential and commercial customers in the future.

Great Falls was one of several Montana cities that had a special contract to buy low-cost power from NorthWestern until the company pulled out of the contract last year. Cancellation of that contract forced the cities into a pool of higher-priced power that NorthWestern supplies to its 300,000 Montana customers.

When the power contract with SME G&T was announced, Tim Gregori, general manager of the co-op, said the electricity for Great Falls would be purchased from PPL Montana and sold wholesale to Great Falls. PPL is the company that bought Montana Power Co.'s power plants in Montana in 1999.

Wilmot can be reached by e-mail at pwilmot@greatfal.gannett.com, or by phone at (406) 791-6594 or (800) 438-6600.

City: Money would help businesses

FROM 1A

the company that operates the city's wastewater treatment plant, renewed its 10-year contract with the city last month and gave the city $400,000 to use for economic development.

The city proposes to borrow $200,000 at 5 percent interest from the Veolia money to buy 10 acres next to the future Centene complex, to be located south of the Juvenile Detention Facility and the Forest Glen South development on 26th Street South.

The extra acreage would be used to encourage added development of the medical park. The purchase, from landowners John Sheffels, the Spencer Trust and Robert W. Dean Revocable Trust, is termed "a good buy" by Commissioner John Rosenbaum, a builder who is familiar with local property values.

Structures to house the Centene operation will be built by the Great Falls Development Authority, using about $3.5 million borrowed from the Montana Board of Investments. Centene has agreed to lease the buildings for 20 years.

The ag park sewer main project will cost close to $3 million to complete, Lawton said. If commissioners approve the contract Tuesday night, the $1.4 million first phase will be built by United Materials of Great Falls.

"IMC won't be the only user of this sewer line," Lawton said. "It opens a whole new industry for the community," he added.

It's not unusual for communities to make investments like this to get jobs, said Commissioner Bill Beecher, a retired banker.

Centene is promising 250 jobs. The $60 million malting company expects to hire 35 workers.

"It's jobs that develop the houses. It's not the other way around," Mayor Randy Gray said.

Sewage rates that IMC will pay won't cover the cost of extending the service to the park. The city manager makes no bones about that.

"But their fees will cover treatment costs and some of the construction costs," Lawton said. And, he expects more ratepayers to come after the startup of the malting plant. Another 400 to 500 acres will be available for other value-added projects, he said.

Regardless, the mayor said he expects to hear from naysayers.

Attorney William Scott, who served as city commissioner in the 1970s, isn't convinced that the city should be spending the taxpayers' and sewer ratepayers' money to lure companies to Great Falls.

"Sure, you have to create a favorable climate for business," he said. "But government doesn't have any money that it hasn't taken from somebody else, and it offends me to see government spend my money this way. Private enterprise keeps any profit made at our expense; it's not returned to the taxpayers," he added.

Commissioners also will vote on a resolution authorizing them to exercise the powers of a port authority. Once a part of the Great Falls Development Authority, the port authority has been mothballed for some time, Lawton said. It needs to be revived to handle property transactions for the Centene project, he added.

Specifically, the port authority is needed to qualify the project for the Montana Board of Investments loan program that offers interest rate reductions based on job creation, Beecher explained.

With the city commission as port authority, it would work hand in glove with the development authority, Lawton said.

Wilmot can be reached by e-mail at pwilmot@greatfal.gannett.com, or by phone at (406) 791-6594 or (800) 438-6600.

To attend

City commissioners meet at 7:15 p.m. Tuesday in the Civic Center Commission Chambers.

The meeting will be broadcast live on Cable Channel 7. View the complete agenda at www.ci.great-falls.mt.us.

No work session is scheduled.

September 20, 2004

City to vote on developme

More than $1 million would 'prime the pump' fo

By PAULA WILMOT
Tribune Staff Writer

The Great Falls City Commission votes Tuesday on spending some big bucks — $1.6 million of them — on projects that will add jobs and tax base to the city.

As City Manager John Lawton puts it, the cash will "prime the pump for new industries."

Specifically, the expenditures bolster development of the medical park, a related medical park, the barley malting plant and the value added Agri-Business Park.

Commissioners will vote on spending $200,000 to buy 10 acres adjacent to the 25-acre site purchased by Centene Corp. for its claims processing operation, and $1.4 million to build the first phase of the sewer main extension to the International Malting Co. plant and ag park north of the city.

City commissioners also will be asked to approve the city's new power contract.

City officials announced Friday a plan to start buying lower-cost electricity next month from Southern Montana Electric Generation and Transmission Cooperative, a Billings-based co-op that the city joined last year.

The electricity will power the city's operations, such as the water and sewer plants — and may be extended later to public schools and the airport.

The new power contract runs through the end of 2008.

Also on the agenda for Tuesday's meeting is a $39,000 engineering con-

A South Vietnamese police of gial executes a Viet Cong guerr la in this photo taken by Edd Adams in 1968.

Photo chronicler Eddie Adams dies

NEW YORK — Eddie Adams, a photojournalist whose half-century of arresting work was defined by a sin gle frame — a Pulitzer Prize-winning Associated Press photo of a communist guerrill being executed in a Saigon street during the Vietnam Wa — died Sunday. He was 71 and had amyotrophic lateral sclerosis, or Lou Gehrig's dis-

Co-op scores power contract; city will gain power supply

By MIKE DENNISON
Tribune Capitol Bureau

Inside on 5A:
■ Find answers to questions raised by deal

In another step toward bringing public power to Great Falls, the city announced Friday it will start buying lower-cost electricity next month from a nonprofit cooperative.

Beginning Oct. 1, the city of Great Falls will receive power from the electric co-op at a price lower than it now pays NorthWestern Energy.


Lawton

The electricity will power the city's operations, such as the water and sewer plants — and may be extended later to public schools and the airport.

"I believe we'll be the first public customer of NorthWestern Energy to go off the (regular) supply and go with our own supply," said City Manager John Lawton.

"We're the first large public customer to make one of the concepts of (utility) deregulation work," he said.

Eventually, the city would like to make this lower-cost power available to the average citizen in Great Falls, Lawton said.

But for now, the new power source is only for city operations.

"We need to digest this piece first and look at (meeting) the needs of others," he told the Tribune in a telephone interview.

As we get more experience in this area," he added, "we may very well aggregate the demands of larger groups of customers."

Great Falls will be buying the power through Southern Montana Electric Generation and Transmission Cooperative, a Billings-based co-op that the city joined last year. It agreed to a four-year contract that runs through the end of 2008.

Lawton said the city initially will pay $37.60 per megawatt hour for the electricity, and should be able to keep the price below $40 for the duration of the contract.

The current price for power from NorthWestern Energy is between $41 and $42 per megawatt hour.

Lawton couldn't say exactly how much annual savings the city could see on the contract.

Tim Gregori, general manager of Southern Montana Electric G&T Co-op, said the co-op arranged to buy the power from PPL Montana, and then sell it wholesale to Great Falls. PPL Montana is the firm that bought Montana Power Co.'s power plants in Montana in 1999.

Gregori said the co-op was able to get the lower-priced power for Great Falls in part because the member-owned co-op is a nonprofit entity, and it doesn't have to pay profits to any shareholders.

"This is a representation of the strength of public power, as we get out and negotiate (contracts) for our members," he said. "Southern Montana offers the services that we bring at 'cost,' and this (offer) is a reflection of our costs."

The purchase also may allow the city of Great Falls to sell some of the power to the airport and public schools, Lawton said.

"We've been in discussions with (them)," he said. "It could grow in the future if we're able to secure further supply at favorable rates."

The city also is a partner

See CITY, 5A

City: Contract means better price

FROM 1A

in Southern Montana's effort to build a 250-megawatt coal-fired power plant near Great Falls. If that plant is built, the city would have access to more electricity, and could possibly offer it to other customers, Lawton said.

The contract announced Friday also has a link to the proposed power plant. Lawton said the price the city is paying for power in the new contract is dependent on the city supplying water to the power plant — if and when it gets built.

Great Falls had been one of many Montana cities that had a special contract to buy low-cost power from NorthWestern. But NorthWestern pulled out of that contract last year, three months before filing for bankruptcy.

The canceling of that contract meant Great Falls and the other cities would have to go back to pool of higher-priced power that NorthWestern supplied to its 300,000 Montana customers.

Since then, Great Falls has been exploring other options to buy power from someone other than NorthWestern.

Lawton noted Friday that this shopping for power is one of the promised benefits of utility deregulation — although the option hasn't really been available to the average customer.

Cities or other large public entities may be the ones who have to act on behalf of smaller customers, to shop for better deals than the regular utility, he indicated.

How will it all work?

The city of Great Falls has a new contract to buy power. Who will it serve? Initially, the power will be for only the city operations, such as electricity to run the water plant, sewer plant, lights in city buildings, and street lights.

Will it serve anyone else? Some power may end up being available for public schools, the airport and associated airport facilities.

How long is the contract? It begins Oct. 1 and runs through December 2008.

Will the city or other public facilities save any money on the deal? Yes. The city initially will be paying $37.60 per megawatt hour for the electricity, compared to its current price of just over $41 per mwh. The amount of annual savings depends on how much power the city consumes in a year.

How will this benefit the average citizen? Any savings on power bills at public facilities will mean savings to taxpayers, who support the city, schools and airport through property taxes.

Might this lower-cost power be available to homeowners or businesses? Initially, no. However, the city of Great Falls hopes to investigate ways it could buy wholesale power in the future and make it available to consumers.

From whom is Great Falls getting the power in the new contract? Southern Montana Electric Generation & Transmission Cooperative, a nonprofit, member-owned co-op based in Billings.

What is the city's relationship with Southern Montana? The city joined the co-op as a member last year, with an eye toward obtaining lower-priced power. The city must pay membership fees and other expenses to be in the co-op.

Where is Southern Montana obtaining the power? Through a wholesale contract with PPL Montana, the company that owns the former Montana Power Co. power plants.

Isn't Southern Montana trying to build a new, 250-megawatt coal-fired plant near Great Falls? Yes. It hopes to develop the plant to supply the city of Great Falls and its other Montana members with electricity beginning in 2008 or 2009. It has yet to apply for any permits to build the plant.

Is the new contract announced Friday related to the proposed power plant? Somewhat. To get the low price in the contract, the city of Great Falls agreed to supply water to the plant — if and when it's built. However, any power produced by the plant would be separate from the power supplied through the new contract.

How much power would Great Falls get from the new coal-fired plant? That's not yet known. It depends on how much of the plant the city wants to finance.

— *Mike Dennison*

Vote on $643 million coal plant nears

Great Falls, Montana
Wednesday, June 16, 2004

By JO DEE BLACK
Tribune Staff Writer

City in running for Great Falls, co-op owned electricity generator

Southern Montana Electric Generation and Transmission Cooperative board members will decide Friday if and where to build a coal-fired electricity plant. Great Falls is one of four locations under consideration.

The core of the plan — to give 150,000 rural Montana electricity customers stable rates for decades — could bring 70 permanent jobs and a $643 million power plant to a Montana community. It will take 350 to 450 construction workers to build the plant.

Officials won't name exact locations, but potential sites include two in southeast Montana, one near Circle and another east of Great Falls.

The Southern Montana G&T is a coalition of five rural electric cooperatives looking at ways to provide its customers stable rates after part of a current contract with Bonneville Power Authority ends in 2008.

The city of Great Falls signed on last fall, in search of reliable electricity rates for municipal use.

Initially Southern Montana G&T hoped to use to its advantage the large collective customer base for wholesale contracts with existing electricity plants. But proposals came in at about $45 per megawatt hour, $5 more than what NorthWestern Energy customers pay now and much more than most co-op customers pay.

"Our next choice was to look at building a facility," said Tim Gregori, general

See COAL PLANT, 5A

Coal plant: Site decision expected Monday

FROM 1A

manager of Southern Montana G&T. "The third choice is to do nothing and go in the dark. The outlook for the last option is not so attractive."

Building the coal-fired plant vs. contracting with existing electric-generation plants will save Southern Montana G&T customers $207 million over 20 years, said Terry Holzer, manager of Yellowstone Valley Electric in Huntley, a Southern Montana G&T member.

Lawton

That's based on the wholesale electricity contracts proposed recently and the preliminary estimate, $643 million, of building the plant.

Stanley Consultants, an Englewood, Colo. based engineering firm, will make recommendations to the board members Friday. The board's decision is expected to be released Monday.

The technology proposed uses a circulating fluidized bed generator and burns lignite coal.

"We know there are organizations who say they are against any more coal development," said Terry Holzer, member of Yellowstone Valley Electric in Huntley, a Southern Montana G&T member. "This is cutting-edge technology designed to meet or exceed all air quality standards."

Would you like to see a coal-fired power plant near Great Falls /1M

If the coal-fired plant is built, electricity from there, along with other hydro and wind generation sources, will serve all the cooperatives' customers.

But in Great Falls, the city will be the only user, at least at first.

"Then maybe we will aggregate to other governments, the military, the airport," said Great Falls City Manager John Lawton. "Then maybe the whole community."

Great Falls electricity customers are served by NorthWestern Energy.

Other Southern Montana Electric G&T members are: Beartooth Electric of Red Lodge; Fergus Electric of Lewistown; Mid Yellowstone Electric of Hysham and Tongue River Electric of Ashland.

This is a different project from the Montana Public Power Authority, a group of six cities, including Great Falls, that submitted a bid to buy NorthWestern Energy's system of poles and wires used to distribute electricity.

The authority pitched its plan to the creditor's committee in NorthWestern's bankruptcy reorganization.

Black can be reached by e-mail at jdblack@greatfal.gannett.com, or by phone at (406) 791-6502 or (800) 438-6600.

Public gets coal-plant primer

Dozens watch as presenters outline generation plans

By JO DEE BLACK
Tribune Staff Writer

Other than a few who commented on the environmental pitfalls of coal burning, most people who showed up at a presentation Monday night on a proposed electricity plant near Great Falls came to learn more about the project.

Southern Montana Electric Generation and Transmission, a coalition of five electric co-ops and the city of Great Falls, plans to build a $470 million, 250-megawatt coal-fired electricity plant east of Great Falls.

Presenters provided about three dozen people a thorough, computer-based lesson plan for almost two hours, covering everything from why the group's members are looking for new electricity contracts to what the plant might look like.

Great Falls-area resident Gloria Smith wanted to hear details behind claims that the project will utilize the best, most environmentally friendly technology.

"I like the idea of using Montana's resources for power for Montanans," she said. "I was all for the state buying back the former Montana Power Co. dams from PPL Montana."

Tim Gregori, general manager of SMG, said the technology being proposed for the plant meets all air quality legislation presently being considered in Congress.

"We took the most stringent legislation being considered and used that case to plan this project," he said.

Stuart Lewin, a Great Falls attorney and member of the Missouri River Citizens, a local conservation group, said that model might hold up in the future.

"I take exception that this plant will provide stable electricity prices in the future," Lewin said. "In the future, people will need to decide what to do about the carbon issue. That cost could be an unknown in the future."

Technology exists to capture sulfur, mercury and some other toxins at coal

See PLANT, 2M

Plant: Taking lessons in cost-based power

FROM 1M

plants, but not carbon dioxide gas, a primary "green house gas."

The presentation included a lesson on the cooperative business model.

"If you've always been a customer of Montana Power Co. or NorthWestern Energy, you've never enjoyed cost-based power," said Gregori. "You've always paid cost, plus the profit margin for those investor-owned utilities."

Co-op customers are actually members of the entity, entitled to a share of any profits made. Generally, rates are kept at the cost of wholesale power, transmission equipment and maintenance.

If the project flies, the city of Great Falls will be a 17 percent owner of the plant, selling power to itself and then other large users, such as Benefis Healthcare and Great Falls Public Schools. Eventually residential users may be able to choose to buy their electricity from SMG instead of NorthWestern Energy.

"The question I keep getting is why would government get back into competition with the private sector," said Great Falls Mayor Randy Gray. He countered with examples of bankrupt private energy company.

"We've seen the meltdown of Montana Power Co. and NorthWestern Energy (both private energy companies)," he said. "Power is an essential service for our community."

GREAT FALLS TRIBUNE

Co-op users fear what lurks ahead

Great Falls June 28 2004

By JO DEE BLACK
Tribune Staff Writer

Winces are common the day electric bills arrive in the mail. Price spikes and rising rates for many customers mean bigger chunks of monthly budgets go toward keeping lights on.

Instead of wincing, many rural electric cooperative customers in Montana are thanking their lucky stars. Long-term electricity contracts arranged in the late 1990s mean their rates will stay steady for a long time.

> "If the rate is going up 1 percent, that's no big deal, but I can't see people in this small town paying 40 to 60 percent more for their electric bills."
>
> — Cleatus Stevenson, of Ashland

But that's not the case for all co-op customers.

Higher rates are looming for some starting in 2008.

That's when contracts for wholesale electricity with the Bonneville Power Administration will begin to end for Beartooth Electric, Fergus Electric, Mid-Yellowstone Electric, Tongue River Electric and Yellowstone Valley Electric. Together, these co-ops serve about 100,000 Montanans in central and southern Montana.

The impending rate hikes are not a pleasant topic for Denton-area farmer Jim Goettemoeller, a member of Fergus Electric.

"I've been a little concerned about what will happen," he said. Right now his electric meter is tallying kilowatt hours used to run two irrigation pumps watering this summer's hay crop. "Prices are going up for everything, except for what farmers sell."

Fergus Electric General Manager Steve Balster said the agendas of the last two

See LURKS, 3A

Lurks: Many contracts end in 2008

FROM 1A

annual meetings included discussions about the end of the BPA contract.

"Our members have expressed concern — not an overwhelming amount, but there is concern," he said.

If a $470 million coal-fired plant in Great Falls will keep his electricity bills in line, Goettemoeller said he's in favor of it.

Terry Holzer, general manager of Yellowstone Valley Electric in Huntley, says there is no doubt electricity rates will be higher in four years. Electricity costs more today than it did a decade ago when current contracts were signed.

"NorthWestern Energy customers are going to see their rates go up, too," he predicted.

NorthWestern, which bought the old Montana Power Co. system two years ago, is an investor-owned utility that serves 300,000 customers in central and western Montana.

The utility buys power for its customers on the open market, and owns no power plants. About 70 percent of its power is supplied by PPL Montana, which owns the hydroelectric dams and coal-fired plants once owned by Montana Power. However, those contracts expire in mid-2007.

Holzer said "things will be bumpy the first five years" for his co-op's customers beginning in 2008, but that the new plant in Great Falls would "allow us to keep things steady after that."

Cleatus Stevenson of Ashland is worried about how big those bumps will be. A member of Tongue River Electric, he owns the Western 8 Motel, the Justus Inn restaurant, a convenience store and an apartment complex.

"If the rate is going up 1 percent, that's no big deal, but I can't see people in this small town paying 40 to 60 percent more for their electric bills," he said.

Stevenson says the monthly tally on his businesses' electric bills is about $1,300.

"That doesn't include the $150 bill at my house," he said.

In Hysham, 88-year-old Jessie Bills has been discussing electricity rates with her neighbor, Ted Church, manager of Mid-Yellowstone Electric.

"He keeps me posted on what's going on, but I'm not too worried," she said. "I live alone, so I don't really use much electricity."

Black can be reached by e-mail at jdblack@greatfal.gannett.com, or by phone at (406) 791-6502 or (800) 438-6600.

Electricity's odd coup

June 28, 2004 Great Falls, Montana

Urban-rural partnership sparked by uncertainty

By MIKE DENNISON
and JO DEE BLACK
Tribune Staff Writers

The city of Great Falls' partnership with five rural electric cooperatives is an unusual alliance that its members hope benefits both rural and urban Montana.

Ten days ago the group announced plans to construct a $470 million, 250-megawatt coal-fired power plant east of Great Falls.

"It's a very, very rare partnership," said Tim Gregori, general manager of Southern Montana Electric Generation and Transmission Cooperative.

The goal is that the plant will provide a reliable and affordable source of electricity for some 100,000 co-op members in central and southcentral Montana, as well as the city.

Eventually, city officials hope to extend the service to city residents and businesses.

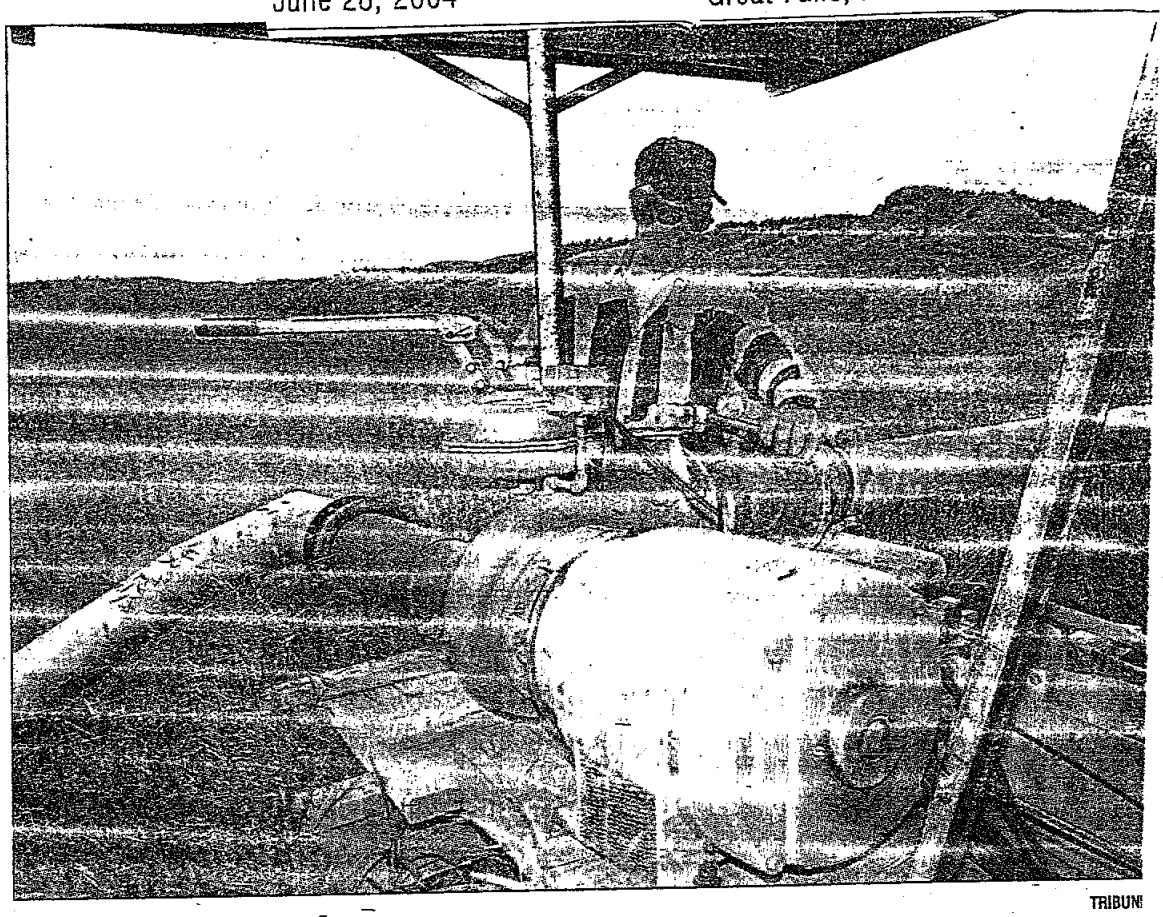
The city's partnership with the co-ops was a matter of timing and need.

The city had locked in electric rates with NorthWestern Energy for 3.3 cents a kilowatt hour. But with bankruptcy looming, NorthWestern canceled the contract.

Now the city pays NorthWestern's default supply electric rates, which change monthly. Last month the rate was 4 cents per kwh.

The city is a big electricity consumer, using 15 to 20 megawatts to power city buildings, the sewer and water plants and swimming pools.

See POWER, 3A



TRIBUNE

Jim Goettemoeller adjusts the pressure on a 50-horsepower electric pump he uses to irrigate hay fields with on his land east of Denton. Another 30-horsepower electric pump is used upstream. A big user of electri supports a new coal-fired power plant near Great Falls if it can help him keep his power bill down.

In May at the water plant alone, the electric bill was $30,717.

As the city struggled with its NorthWestern contract, co-ops faced similar bad news.

They had locked in 25-year contracts with Bonneville Power Administration for 2.2 cents per kwh. BPA entered such contracts outside its core delivery area when many of its customers turned to Enron and other suppliers.

But as those core customers returned, BPA was obligated to serve them. It began canceling its contracts with such entities as the Montana co-ops.

The co-ops began looking at their options, including buying power on the open market or building their own power plant.

City Manager John Lawton said it seemed like a good idea for the city to join the effort of groups that were experienced in the utility arena.

"We have no idea what we're doing, so we need to team up [illegible] we have to get the plant built." Developers say that won't happen until at least 2008.

The city of Great Falls plans to finance 17 percent of the $470 million plant and have rights to the same proportion of its output, or about 40 megawatts of electricity.

The first user of this power would be the city itself, which needs 15 to 20 megawatts of power.

The remainder of the city's [illegible] would be made available [illegible] school districts, the air- believes it wouldn't have to pay an exit fee. That decision, however, is years in the future.

Any decision on taking power from the plant also must consider the cost of the power, compared with what else is available.

Developers of the plant say it can produce power for less than $45 per megawatt hour, but that it doesn't know a precise cost yet.

NorthWestern Energy is projecting that its power will cost consumers about $4[illegible] per kwh

Meeting set for tonight

Tribune Capitol Bureau

Proponents of a 250-megawatt coal-fired power plant near Great Falls will explain the project and answer questions at a public meeting here tonight.

The meeting begins at 7 p.m. in the Great Falls City Commission chambers.

Those attending include Tim Gregori, general manager of Southern Montana Electric Generation and Transmission Cooperative, and Great Falls city officials. The city is a member of the co-op, which proposes building the plant east of Great Falls.

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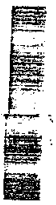
See POWER, 3A



utility options, including buying power on the open market or building their own power plant.

City Manager John Lawton said it seemed like a good idea for the city to join the effort of groups that were experienced in the utility arena.

"We have no idea what we're doing, so we need to team up with someone who does," he said.

Officials say it's a win-win alliance: The city benefits from the expertise and financing options available to co-ops, while the co-ops gain another strong electric customer and a plant site near water and transmission lines.

Officials also say the plant offers an economic development incentive.

"If new businesses want to come in here, it's important to them to know they can get a consistent, reliable energy supply, and know what it is going to cost them," said Coleen Balzarini, fiscal services director for the city. "With this power plant, they can look at the 35-year life of the plant and know what (that cost) is going to be."

But just how and when that power will be available — and at what price — is a long way from being decided.

As Balzarini points out, "First rights to the same proportion of its output, or about 40 megawatts of electricity.

The first user of this power would be the city itself, which needs 15 to 20 megawatts of power.

The remainder of the city's share would be made available first to school districts, the airport authority or other government operations. Next in line are business customers, and then, if possible, homeowners in the city.

However, the city or any other Great Falls customers who choose to buy this power would be dumping NorthWestern Energy, the privately owned utility that now supplies them and 300,000 other Montanans with electricity.

This departure from the NorthWestern system may involve payment of "exit fees," if it imposes costs on NorthWestern's remaining customers.

Will Rosquist, an analyst for the state Public Service Commission, says NorthWestern Energy would evaluate the impact and decide whether to ask for any "exit fee" from the city of Great Falls or any other group of customers.

Balzarini says the city paired with [illegible] able.

Developers of the plant say it can produce power for less than $45 per megawatt hour, but that it doesn't know a precise cost yet.

NorthWestern Energy is projecting that its power will cost consumers about $41 per mwh next year.

Pat Judge, energy program director for the Montana Environmental Information Center (MEIC), questions whether the city can get a better deal than NorthWestern Energy's offer.

NorthWestern is in the process of trying to arrange longer-term contracts and a diverse portfolio of affordable electricity supply, he says.

"It's proposing a balanced environmentally sound mix of resources that will come in at very reasonable cost," Judge said. "So I don't really see the advantage of Great Falls joining in this plant."

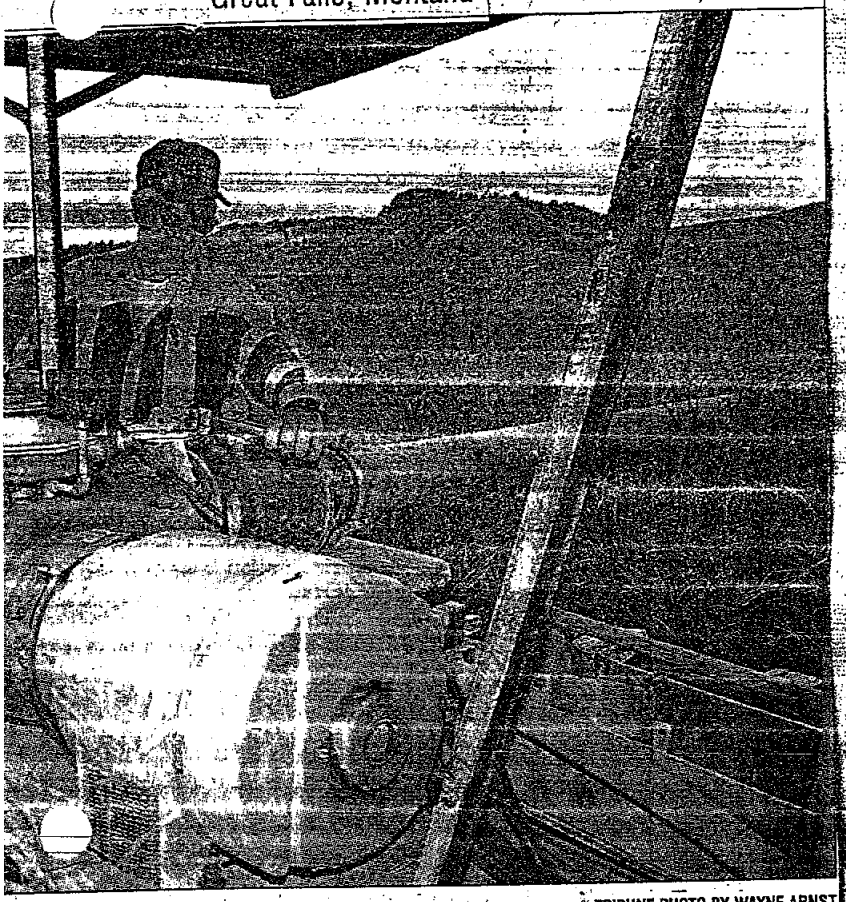
MEIC probably will oppose construction of the coal-fired plant on environmental grounds, saying its emissions are unacceptable.

City officials acknowledge that power from the coal-fired plant won't be a bargain-based

to pg 3

odd couple

Great Falls, Montana



TRIBUNE PHOTO BY WAYNE ARNST

l-horsepower electric pump he uses to irrigate hay fields with Judith River water
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>
> — *Great Falls City Manager John Lawton*

ment deal, but say initial price isn't everything.

The attraction is having a reliable source of power whose cost will stay pretty much the same for the next 30 to 35 years, says Balzarini.

"Right now, NorthWestern Energy is changing its price on a monthly basis," she said. "It's been pretty volatile for us for about four years."

The five rural electric co-ops that formed Southern Montana Electric also realize that power from the Great Falls plant will be more expensive than what they pay now. But buying power on the open market won't be any cheaper, their managers say.

Power from the plant offers a stable cost over many years, they say, and that will save money in the long run.

Besides, Lawton said, "This brings back the energy business to Montana that we lost" because of deregulation and the sale of Montana's generating plants to out-of-state companies. "That value's gone for Montana."

He says the new venture offers both jobs and a reliable energy source.

"Power is a very significant economic activity," Lawton said.

Dennison can be reached by e-mail at capbureau@mt.net, or by phone at (406) 442-9493. Black can be reached by at jdblack@greatfal.gannett.com or (406) 791-6502.

Coal plant backers narrow search for site

By JAMES E. LARCOMBE
Tribune Business Editor

Mike and Judy Hoy came across an interesting bit of neighborhood news recently.

"I went out to pick up the newspaper and saw my house on the front page," Mike Hoy said.

Under a big headline about a proposed 250-megawatt coal-fired power plant was a photo of such a plant perched in a grain field. In the background is the Hoys' home, nestled in some trees and flanked by outbuildings.

"I think that was a rather cold way to find out that a big plant was going to be across the street from you," Hoy told the Tribune.

While the proposed plant prompted concerns and questions, the plant's backers say they are only beginning to narrow the search for an actual site for the big project.

The photo, actually an illustration that plops a computer drawing of a power plant in a grain field along Salem Road, was the work of a consulting firm working with the Southern Montana Electric Generation and Transmission Cooperative. The cooperative, which counts the city of Great Falls as a partner, is proposing a $470 million power plant in the Great Falls area.

"That was meant as a general photo of the area," said Tim Gregori, general manager of Southern Montana Electric co-op. "It is not indicative of where the facility would be located at all."

The co-op says it needs about 190 acres for the plant. It selected what it calls the "Salem site," in part because the Montana Power Co selected the area for a coal-fired generating plant in the early 1980s.

The MPC plant, initially called Resource 89 and later the Salem project, never materialized. But the Southern Montana Electric co-op figures the Salem area's access to Missouri River water, transmission lines and potential rail access for coal shipments are worth revisiting.

"Salem Road would be a preferred site but it doesn't have to be there," said Gregori. "It could even be on the other side of the river."

While there are no deals in place, the Billings-based co-op is contacting landowners to gauge their interest in selling property for a plant site.

The Louisiana Land & Livestock Co owns one parcel. A Kalispell man is believed to be the principal owner of that entity, Gregori said, but the co-op wasn't able to reach him by telephone.

Another inquiry involved property owned by the Urquhart family, which has agricultural operations in the area. Scott Urquhart of Great Falls said he had received a phone message but no discussions have taken place.

Urquhart, whose family owned property slated for the ill-fated Resource 89 plant, said he's fielding plenty of questions since news about the plant broke a week or so ago.

"I absolutely know nothing about this new deal," he said.

Russ Bowman has agricultural property east of the Salem area. He agreed with Urquhart's earlier assessment that the plant might not stir up much dust among residents of the area.

"At the time that the Resource 89 project was supposed to be put in, I don't think there was a lot of opposition to it," Bowman said, noting his family had property involved in the project.

Efforts by the Tribune to contact David Smith, the manager of the Montana Prairie Nest Ranch, which occupies land east of Salem Road, were unsuccessful.

Gregori said the landowner contacts are preliminary attempts to establish a plant site so environmental permitting work could begin. A land purchase isn't likely until the project clears a number of hurdles.

"We are kind of looking in a 20-mile square area and hopefully we will find someone willing to sell us 190 acres that makes sense from an economic standpoint," the co-op manager said.

There is also a chunk of state-owned school trust land in the area. If the site was suitable, the co-op could try to work a land trade with the state, Gregori said. Any such deal would require approval of the state Land Board.

News of the power plant caught the Hoys off guard.

The couple's tidy home sits on 1.5 acres along the dirt-and-gravel Salem Road, surrounded by green fields of grain farmed by neighbors. The Highwood Mountains loom to the east, the centerpiece of many a spectacular sunrise.

Judy Hoy says traffic on Salem Road is scant and the couple is more accustomed to having deer and antelope wander by. "This is our little bit of paradise on the prairie," she said.

The Hoys, originally from Ohio, both serve in the Air Force and drive about 15 minutes each way to Malmstrom Air Force Base. They may retire in a few years.

"This is where we plan to live the rest of our lives if we can make it work," Mike Hoy said.

While the Hoys say they understand the power plant could provide jobs and reliable power, they worry about traffic, noise and other issues if the plant were to arise just down the road.

"We moved out here to get away, have some quiet and enjoy the scenery," Mike Hoy said. "I'd hate to lose that."

TRIBUNE PHOTO BY JAMES E. LARCOMBE

Mike and Judy Hoy found out about a proposed coal-fired power plant when a photo illustration of the plant included their home east of Great Falls. The couple is concerned the plant, if it lands nearby, could bring traffic and noise to the Salem Road area.

GREAT FALLS TRIBUNE
Monday, June 28, 2004

Plant backers have long haul ahead

By MIKE DENNISON
Tribune Capitol Bureau

HELENA — If Tim Gregori knows one thing about building a coal-fired power plant near Great Falls, he knows it won't be easy — and his employer is the one proposing to build it.

"It's a long, lengthy process," said Gregori, general manager of Southern Montana Electric Generation and Transmission Cooperative. "And we've already been at it three years."

They expect to be at it for another several years, with completion no sooner than 2008.

But that's only if everything pencils out financially for the $470 million, 250-megawatt plant — and it clears a litany of regulatory hurdles, including a difficult-to-obtain air-quality permit.

The plant also faces likely opposition from environmentalists.

"We'll look at the specifics and listen to what the developers have to say, but I'm anticipating that we're going to be opposed to this plant very strongly," said Pat Judge, energy program director for the Montana Environmental Information Center in Helena. "Coal remains the most polluting way to generate a kilowatt of electricity."

It all adds up to an arduous road for developers of the facility, which would be the first major coal-fired power plant built in Montana in 30 years.

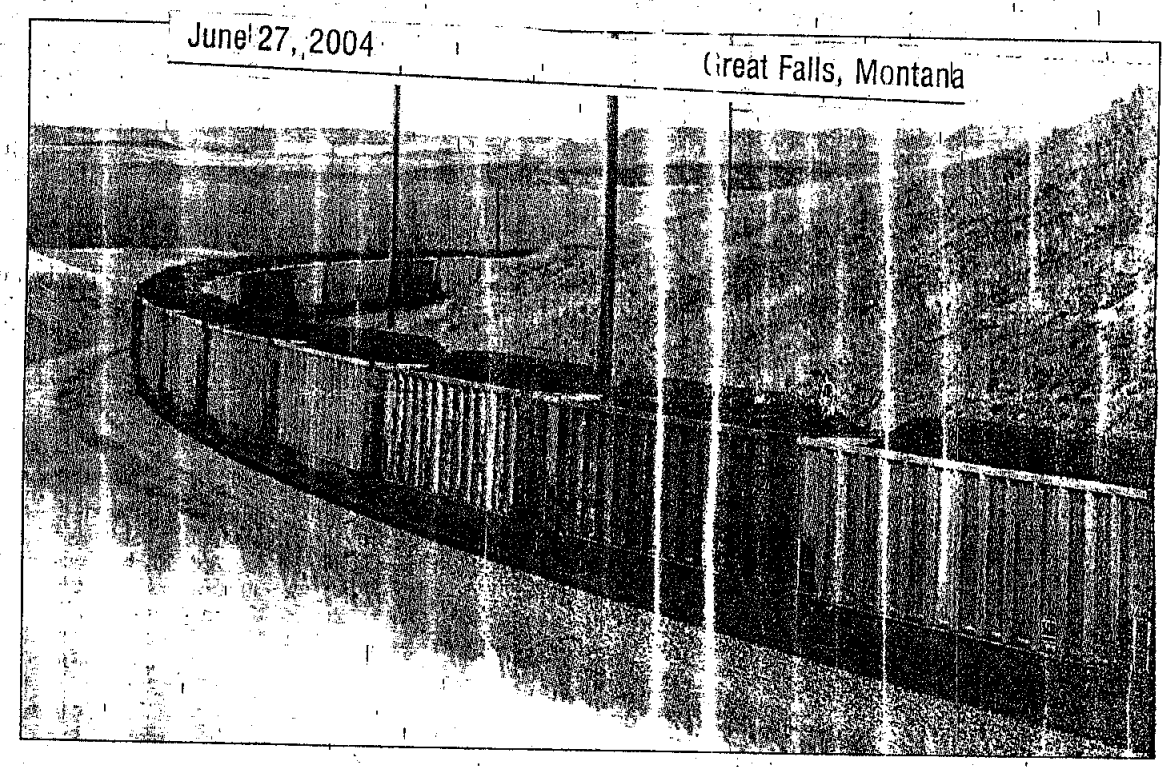
"How long it's going to take, I don't know," said Coleen Balzarini, fiscal services director for the city of Great Falls. "But I think we can address the issues and we can make this happen."

Gregori and other project backers say some unique factors work in its favor:

- Customers already are promising to buy the power.
- Expensive new power lines won't have to be built to transmit the power.
- The project has access to financing.ing.

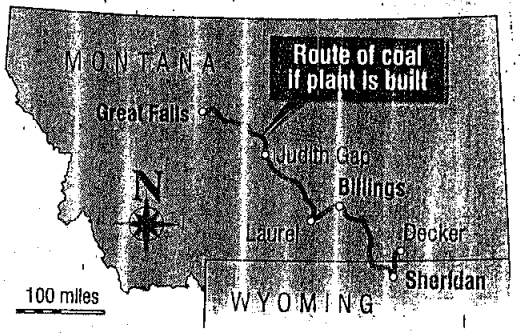
See COAL, 5A

June 27, 2004 Great Falls, Montana



TRIBUNE PHOTO BY STUART S. WHITE

A trainload of coal from the Spring Creek Mine heads through Decker before veering north to other coal markets. Developers expect two trainloads of coal to head into Great Falls each week to fuel a proposed power plant.



- The plant would employ a cleaner-burning technology.
- It would be the first major "public power" project in Montana — a plant owned by Montana consumers, dedicated to serving them with affordable, reliable and nonprofit power.

"We do not have investors that we have to satisfy for a rate of return," Gregori said. "The power will be sold at cost."

The plant, whose hoped-for construction could begin by late 2005 or early 2006, is proposed by Southern Montana Electric G&T Co-op.

Seeking new energy

Based in Billings, the co-op was created last year by a group of five rural electric co-ops serving 100,000 people in central and southcentral Montana.

The partnership was created because several major contracts that supply the rural co-ops with electricity begin expiring in 2008 and won't be renewed. The co-ops need new power sources.

The city of Great Falls — facing its own challenges securing energy — joined the co-op in search of a new source.

The city tentatively plans to finance 17.5 percent of the plant. It would reserve the same proportion of the plant's power, or about 40 megawatts. The city plans to use the power first for its own operations but hopes to make extra power available to other consumers later.

Over the long run, co-op members believe building the plant provides power that is less expensive — and more reliable — than electricity bought on the open market.

Environmental issues

Other major power plants have been proposed for Montana in recent years, but most stalled or still are in the talking stage.

The Great Falls plant also faces opposition and questions.

Stuart Lewin, a Great Falls attorney and member of Missouri River Citizens, a local conservation group, likes the idea of publicly owned power. But, he asks, why invest in an air-polluting coal plant?

"I don't think we've had any meaningful say as to whether the coal-fired plant is appropriate," he said. "There are many other factors to consider, rather than just the cost (of electricity). ...

"In the long run, we have to live with a plant that poses problems with global warming. I would rather see our public capital be used to develop cleaner sources of power."

Lewin wonders why the city and the co-ops don't investigate wind power, gas-fired power or hydropower — the latter involving possible condemnation of PPL Montana-owned dams near Great Falls.

Gregori said the co-ops considered other power sources. He said coal-fired power is the best choice because their customers need a reliable, 24-hour source of electricity — often referred to as "base-line" power.

Wind, which is intermittent, cannot provide that reliability, Gregori said, and usually complements a "base-line" source of power. Gas-fired turbines are used mostly to generate expensive power during times of peak usage and aren't meant to provide 24-hour electricity, he added.

And, both are more costly than coal-produced power, he said.

Costly, volatile market

Gregori said Southern Montana G&T investigated simply buying power on the open market, and found rates in the range of $45 per megawatt hour. Most of those are tied to gas- or wind-power projects, he said.

The exact cost of the coal plant's power isn't known yet, because designs on the boiler and other factors are still being determined. But he said engineering consultants concluded that the price would beat that available on the open market.

Customers of NorthWestern Energy in Montana currently pay about $40 per mwh. An average home served by NorthWestern Energy consumes about nine megawatt hours a year. That price doesn't include the delivery cost, which is about $35 per mwh.

Many co-ops get a much better deal. Gregori says the members he serves pay about $30 per mwh for electricity, including transmission.

When looking ahead at the market, where prices are expected to remain relatively high or increase, the long-term stability and cost of electricity from a customer-owned plant looks good, Gregori says.

As for condemning hydroelectric dams, Balzarini said the idea came up, but officials thought it posed too many legal and political uncertainties.

"You don't just walk in and take somebody else's property and think it's going to happen overnight," she said.

Cleaner technology

Gregori said co-op members spent many hours studying the options and concluded that building a plant is best.

It also has less environmental impact than coal plants of old, he said. The plant will feature "clean coal" technology that uses limestone in the burning process, greatly reducing emission of sulfur dioxide.

The MEIC's Judge said it may be called "clean coal" technology, but that doesn't change a fundamental fact: Burning coal creates carbon dioxide, a primary "greenhouse gas."

Coal-fired plants also create mercury, a toxic metal that causes health problems with extremely small amounts, he said.

Gregori is confident the plant can meet all applicable air- and water-quality standards. But even if it does, it remains open to court challenges.

MEIC filed suit to block an air-quality permit granted in early 2003 to a proposed coal-fired plant near Roundup, arguing it violates the state constitutional guarantee to a "clean and healthful environment."

That potential landmark case goes to trial in December before a state judge in Roundup — more than 18 months after initial awarding of the permit.

Permits, public meetings

Gregori hopes a similar legal challenge won't become an issue with the Great Falls plant.

"It is within their right to challenge the project," he said. "But I hope they understand that (by delaying a permit with court challenges), they are raising the electric rates of their neighbors. This is not a merchant plant where others out of state are paying the bill."

Even before a court challenge could be mounted, the Great Falls plant developers must secure the land for the plant and obtain many permits. The most difficult one, air-quality, usually needs a year of air-quality monitoring data before it can be reviewed.

State officials say it's also likely the project will need an environmental impact statement, a comprehensive study that can take many months.

Gregori said co-op members are well aware of the process, and that they want to involve the public and address concerns as best they can. They already have held a series of public meetings with co-op customers and plan one at 7 p.m. Monday in the Great Falls City Commission chambers.

"It's going to be a matter of staying the course and getting the next permit," he said. "But I think people will look back at this and see the wisdom of moving forward and taking the future of their (electricity) in their own hands."

Dennison can be reached by e-mail at capbureau@mt.net, or by phone at (406) 442-9493.

Power plant meeting Monday in Great Falls

Tribune Capitol Bureau

Proponents of a 250-megawatt coal-fired power plant near Great Falls will explain the project and answer questions at a public meeting Monday.

The meeting is 7 p.m. in the Great Falls City Commission chambers.

Those attending include Tim Gregori, general manager of Southern Montana Electric Generation and Transmission Cooperative, and Great Falls city officials. The city is a member of the co-op, which proposes building the plant east of Great Falls.

The plant would provide power beginning in 2008 to co-op members, including the city of Great Falls and other co-ops that serve 100,000 people in central and southern Montana.

June 27, 2004

Cheap new technology boasts low emissions

Great Falls

By JO DEE BLACK
Tribune Staff Writer

> "Other than the initial start-up, you'll see zero smoke coming out of the stack. ... It's (also) odorless."
> — Tim Gregori, general manager of Southern Montana Electric.

Southern Montana Electric Generation and Transmission Cooperative's proposed $470 million coal-fired electric plant will use new technology that's less expensive and produces less air pollution than traditional plants.

However, some environmentalist say while air pollution is reduced, the new "clean coal" technology produces more waste ash with higher concentrations of pollutants than traditional coal plant technology.

The new process uses what's called a "circulating fluidized-bed" boiler.

Limestone is mixed with pulverized coal. The mixture is suspended with hot air jets inside a boiler, where it acts like a fluid. The process causes the coal to burn and the limestone captures sulfur in the coal. The process also limits the formation of nitrogen oxides.

"There will be zero visible emission from the plant's stack," said Tim Gregori, general manager of Southern Montana Electric. "Other than the initial start-up, you'll see zero smoke coming out of the stack. ... It's (also) odorless."

Carolyn Johnson, staff director for the Denver-based Citizens Coal Council, said the technology produces plenty of other waste. The council is a federation of 48 grassroots groups and individuals who work on environmental and social justice issues.

"They keep saying 'clean coal,' 'clean coal,' but that's only if you don't look under the bed," she said. "You have waste when you burn coal — ashes, just like in a fireplace."

Johnson said the sulfur and other pollutants that don't end up as air pollution during the process, end up in the ash.

At PPL Montana's coal-fired electric plants in Colstrip, ash is disposed in huge ponds. A 350-acre pond for the two newer units is now about 40 percent full.

Water from the ponds is captured and pumped back to prevent the ash from drying out and blowing around, said David Hoffman, spokesman for PPL Montana.

"It's a closed system. No water or waste leave the site," he said.

Some ash from PPL Montana's J.E. Corette plant near Billings, called fly ash, is sold and recycled for use in cement.

The plant proposed for Great Falls still is in design phase. Until that's finished, precise volumes of air and ash emissions aren't known.

Gregori says ash will be buried in a landfill at the site.

"It's true these plants produce more ash, but it's not a problematic issue for the environment," he said. "This ash is used in road building, in concrete. I've seen plants where they haul it out the back door directly to a sheet rock manufacturing plant."

It's too early to say whether ash from the proposed Great Falls plant will be sold for construction uses, Gregori said.

"It's certainly something we want to explore, but it's a ways out for us," he said.

The plant won't need to jump through regulatory hoops to license a solid-waste disposal plan, however, unless state law changes.

The 1991 Legislature exempted power plants from having to license solid-waste management systems. That's because most power plants were already covered under the Montana Facility Siting Act.

But 10 years later, the Montana Legislature repealed the siting act for coal-fired power plants.

Ed Thamke, chief of the state's Waste and Underground Tank Management Bureau, says his agency proposed changing the law to require coal plants to license waste-disposal systems. However, the Martz administration has not agreed to submit a bill, he said.

Black can be reached by e-mail at jdblack@greatfal.gannett.com, or by phone at (406) 791-6502 or (800) 438-6600

Details murky on proposed plant's location

GF - 6-19-04

By JAMES E. LARCOMBE
Tribune Business Editor

While its backers are calling it the "Salem site," details about where a proposed $470 million coal-fired power plant might be located are sketchy.

Salem, once one of many small communities perched along a now-abandoned rail line, is largely grainfields and pastureland these days. The area is about eight or nine miles east of Great Falls as the crow flies.

The area was tabbed for a 350-megawatt coal-fired power plant dubbed Resource 89 by the folks at the Montana Power Co in 1981.

Because of permit work done by MPC, the general Salem area may give the new 250-megawatt plant proposed by the Southern Montana Electric Generating and Transmission Cooperative Inc. a head start, said Tim Gregori, the group's general manager.

"It's going to take approximately 190 acres," said Gregori, adding that engineering work will help determine the actual site. No property has been purchased, he said.

Gregori said air quality studies may have been done for the area as part of the Resource 89 project. The availability of water, presumably from the Missouri River, and relative proximity of a rail line also make the site appealing.

"It seems to present itself as a logical location," Gregori said of the Salem area. If barriers arise, "we may look at other sites down the road."

A rail line seven to 10 miles long may need to be constructed to link the plant site with existing rail lines, Gregori said. Details about the rail line have not been firmed up, he noted.

Plans for the Resource 89 plant were announced in 1981 to a standing ovation and champagne at the downtown Rainbow Hotel, which is now a retirement home.

The plant would have helped Montana Power meet future electricity needs, especially if the big industrial users landed in the state, Montana Power officials said. The name reflected the projected completion date, some eight years after the announcement.

But the plant never sprouted. Late in 1982, Montana Power officials said a dwindling demand for electricity would delay construction until at least 1996. At the same time, plans for an additional MPC dam on the Missouri River near Carter also slid to a back burner.

In 1988, MPC officials said upgrading the capacity of the company's hydroelectric dams and using power from the Colstrip 4 plant made more sense financially than pursuing the Salem Project, a later name for the proposed plant.

The Montana Power project was to be built on land belonging to Stella Urquhart, who has since died.

"It was right on my grandmother's place," said Scott Urquhart, who farms in the area with other family members these days. "There was all sorts of property bought and exchanged. It was supposedly all set up."

Despite all the talk about the project, not a shovelful of dirt was ever turned. Urquhart said he hopes the newest proposal has a more solid future.

"The last go-round was kind of a joke," he said Friday afternoon.

Larcombe can be reached by e-mail at blarcomb@greatfal.gannett.com, or by phone at (406) 791-1463 or (800) 438-6600.

Plant, effort to buy transmission lines not related

GF 6-19-04

Tribune Capitol Bureau

HELENA — The city of Great Falls is involved in a pair of consortiums looking at new energy options for Montana — but the two efforts are not related.

In fact, the two efforts involve completely different sets of players and different components of the energy business.

Great Falls is a member of Southern Montana Electric Generation and Transmission Cooperative, which announced Friday its plans to build a coal-fired electric plant east of Great Falls.

As a member of this nonprofit co-op, the city of Great Falls will help pay for its share of the plant's output, which will provide electricity for city operations.

Once the plant begins operating later this decade, it also will provide power for several rural electric co-ops in central and southern Montana. These co-ops serve about 100,000 people and, like Great Falls, are members of the Southern Montana Electric G&T Co-op.

Great Falls also is one of five Montana cities attempting to buy NorthWestern Energy's gas-and-electric transmission system in Montana, for $1.26 billion.

The transmission system delivers power and natural gas to more than 300,000 customers in Montana. It does not include any power plants.

The cities in this coalition — Great Falls, Helena, Missoula, Butte and Bozeman — have nothing to do with Southern Montana Electric G&T Co-op and its plans to build the coal-fired power plant in Great Falls.

The cities are trying to convince the U.S. Bankruptcy Court and NorthWestern's creditors to consider their offer. NorthWestern Corp., the owner of NorthWestern Energy, filed for bankruptcy last September and is undergoing financial reorganization.

GF June 19, 2004

Officials applaud project's potential economic benefits

By JAMES E. LARCOMBE and JO DEE BLACK
Tribune Staff Writers

Words such as "fantastic" and "great" peppered local reaction to the announcement of the $470 million coal-fired power plant, which could become the largest taxpayer in Cascade County if it becomes reality.


Kramer

But the news was tempered by environmental concerns.

"I think it's excellent news," said John Kramer, president of the Great Falls Development Authority. "It's just fantastic."

There was similar enthusiasm from Rick Evans, president of the Great Falls Area Chamber of Commerce late Friday afternoon.

"We are the Electric City and we need to stay that way," said Evans. "To build a power plant here would be just great."

Scott Urquhart, a Great Falls resident who farms in the area east of the city that was picked as the plant location, said

See ENTHUSIASM, 5A

ONLINE•EXTRA

Do you have questions or comments about the proposed 250-megawatt power plant? Share them with us at www.greatfallstribune.com/customerservice/powerplant.html

Enthusiasm: Critics say coal plants are too dirty

FROM 1A

he has no issue with the plant idea. Technology, he said, has helped energy companies develop plants with greatly reduced emissions and other environmental impacts.

"If that's the case here, I don't see much of a problem with it," Urquhart said.

A farm owned by his deceased grandmother was the site of the Resource 89 coal-fired plant proposed by the Montana Power Co. in 1981.

"The emissions (from that project) were not that big of a deal, if I remember right," said Urquhart, who speculated that plant developers might have little trouble finding landowners interested in selling land. "It will be interesting to see if it comes to fruition."

Electric cooperatives are taxed at 3 percent, so if the plant is assessed for the estimated construction cost of $470 million, it could pay about $7 million in county property taxes a year. That would be the largest property tax bill in Cascade County.

PPL Montana's property tax bill for its hydro dams, $4.5 million, is now the biggest in Cascade County, although the company is protesting that amount. NorthWestern Energy's $3 million property tax bill is now the second biggest in the county, followed by Qwest, which pays $1.37 million, then Burlington Northern Santa Fe Railway, which pays $1 million in property taxes.

"Wow," said Cascade County Commissioner Peggy Beltrone when told of the plant announcement. "Double wow," was her reaction to the potential tax bill.


Beltrone

Beltrone said she has not talked to city of Great Falls officials or others about the project.

"I'm looking forward to learning more about it, I'm looking forward to the switch being pulled," she said. "I've turned dirt on power plants before, not that I want to spread

Montana Electric co-op, but wasn't at Friday's meeting. He left Friday afternoon for a planned vacation on the East Coast.

"He waited here as long as he could without missing his plane," said Patton at about 4:30 p.m. Friday. "John doesn't even know Great Falls is the site yet."

Kramer said he was briefed by Lawton about the project and raised the idea of locating the plant north of the Missouri River in a value-added commodity park that the development authority and city are working to develop. The $70 million International Malting Co. plant now under construction is a neighbor of the proposed commodity park.


Lawton

The proposed power plant might be able to tap into water and steam produced by the malt plant, Kramer said. In turn, the availability of electricity without much transmission cost could make the commodity park attractive to other potential tenants.

"But hey, I will take it anywhere," he said of the plant. "This is really good stuff."

The boost to the tax base is great and the spending of $470 million can only help the local economy.

"Just think of that being spent in construction," Kramer said.

Not everyone was thrilled with the news of the possible plant.

Patrick Judge, energy program director for the Montana Environmental Information Center in Helena, said coal-fired plants are the worst polluters when it comes to electricity generation.

"There are certainly a wide variety of alternatives (for electricity generation) with less environmental impact," Judge said. "We would challenge the plant to mitigate their impact the same way NorthWestern did for the plant in Great Falls and Basin Creek Energy Services is doing with the natural-gas plant in Butte."

Work on the NorthWestern plant has stalled.

"Wow," said Cascade County Commissioner Peggy Beltrone when told of the plant announcement. "Double wow," was her reaction to the potential tax bill.


Beltrone

Beltrone said she has not talked to city of Great Falls officials or others about the project.

"I'm looking forward to learning more about it, I'm looking forward to the switch being pulled," she said. "I've turned dirt on power plants before, not that I want to spread gloom and doom."

Beltrone was referring to NorthWestern Corp.'s mothballed gas-fired plant north of Great Falls.


Patton

Great Falls Assistant City Manager Cheryl Patton said she spent Friday on pins and needles waiting for the decision to be announced. Because the plant will be outside city limits, the city won't get any of the tax revenue.

"But this is good for the area, good for the economy, for the schools," Patton said. "It shows how urban and rural areas can work together for mutual benefit. There is not a downside for the city of Great Falls."

City Manager John Lawton is a board member of Southern to electricity generation.

"There are certainly a wide variety of alternatives (for electricity generation) with less environmental impact," Judge said. "We would challenge the plant to mitigate their impact the same way NorthWestern did for the plant in Great Falls and Basin Creek Energy Services is doing with the natural-gas plant in Butte." Work on the NorthWestern plant has stalled.

The developers of both plants agreed to take steps to reduce carbon dioxide emissions. Those steps include things such as planting trees and providing energy-efficient light bulbs for low-income homes, Judge said.

The proposed plant doesn't appear to create any obvious issues for Malmstrom Air Force Base, which could be a neighbor to the west. A base spokesman, Maj. David Kurle, said he wasn't aware of the project being discussed with base officials.

"I'm sure we will be included in the process," Kurle said. "As long as it doesn't impact our missile mission, it shouldn't be a problem."

$470 million plant

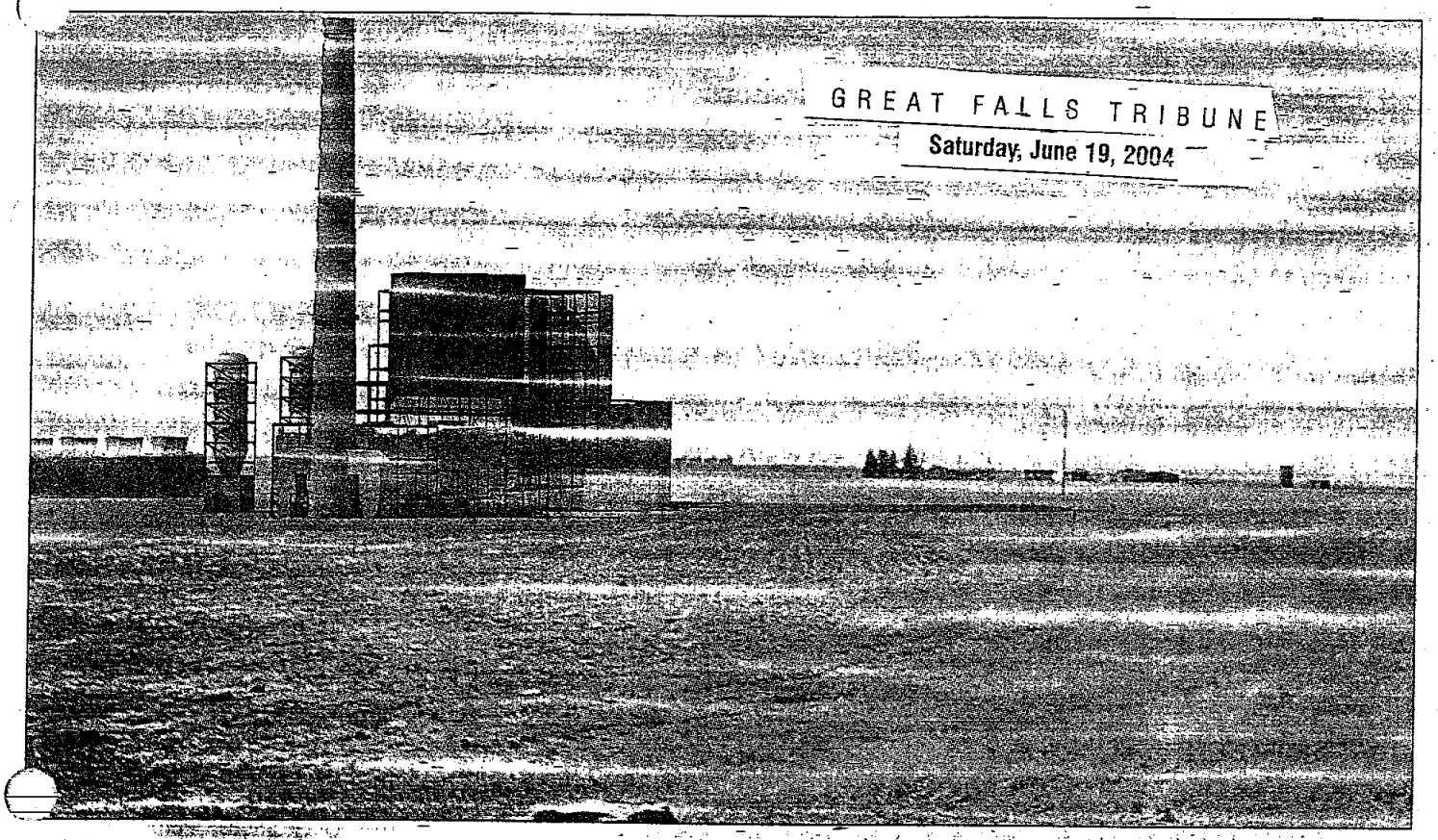
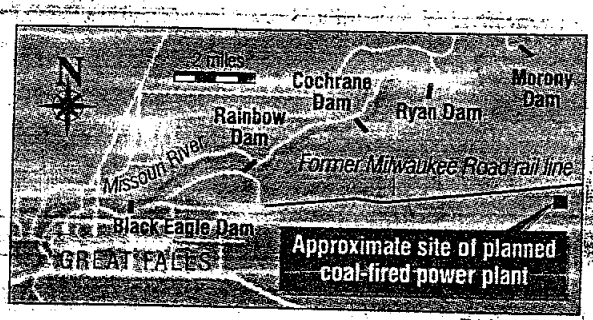


ILLUSTRATION COURTESY OF STANLEY CONSULTANTS

An illustration shows the 250-megawatt coal-fired power plant planned for construction east of Great Falls.

City's work force, water access hailed

By MIKE DENNISON
Tribune Capitol Bureau



Také Uda/Tribune

HUNTLEY — Great Falls will be the site of a new, 250-megawatt coal-fired power plant that will supply municipal operations in Great Falls and 100,000 Montanans beginning in 2008, an electric cooperative board decided here Friday.

"This is bringing public power to Montana in a very special way," said Tim Gregori, general manager for Southern Montana Electric Generation and Transmission Co-op.

Gray

The plant, planned for a site east of Great Falls, would be the first major coal-fired plant built in Montana in 30 years. It would use Montana-mined coal to provide electricity for Montana consumers, Gregori said.

The co-op that plans to build the $470 million plant includes the city of Great Falls as a member. The plant initially would provide power for city operations such as the water plant, swimming pool and city offices.

Great Falls Mayor Randy Gray, who was in Huntley for the Southern Montana Electric G&T Co-op board meeting and announcement Friday, said it's his hope that power from the plant eventually could supply Great Falls businesses and residents.

"We're tremendously excited about being able to create this partnership and carrying it to the next step of actually building a plant here in Montana

See PLANT, 5A

"It's a good deal because it's a reliable, affordable source of power that we need, regardless of where it's located. — *Mayor Randy Gray*"

Plant: 100,000 would be powered

FROM 1A

that uses Montana coal to generate Montana electricity to power Montanans," he said.

Southern Montana is a new co-op formed last year by five rural electric cooperatives in Montana to search for a power source to replace their electricity contracts that begin to expire in 2008.

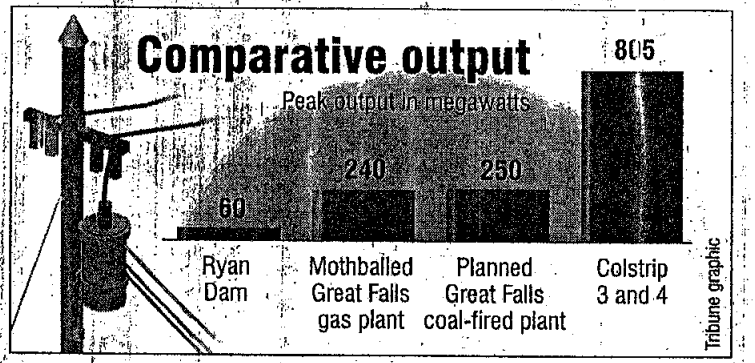
The co-ops serve 100,000 Montanans, from the Tongue River area along the Montana-Wyoming border to Fergus County in central Montana. They are "member-owned," which means the customers are the owners of the nonprofit co-ops.

The city of Great Falls decided to join the Southern Montana co-op last year to get in on possible lower-cost power for its operations and city residents.

Southern Montana co-op has been searching the power markets for possible supply contracts, but eventually concluded that building a new plant in Montana would be just as cost-effective, Gregori said.

"We will have stable rates that will not be subject to market whims and market forces," he said.

He said Southern Montana plans to apply for key permits this year. Money for the project will come from co-op financing banks and the city of Great Falls, which plans to issue revenue bonds. Great Falls plans to finance 17 percent of the plant, Gray said. That means the city would have the rights to 30 to 40 megawatts of the power produced by the plant.



Coal for the plant — about 1.1 million tons a year — would come from existing Montana mines, Gregori said.

Co-op board members chose Great Falls over three other possible sites: west of Circle, Hysham and Decker.

Gray said Great Falls was the best site because it had the best access to water, rail links, transmission lines and a work force for the huge construction job. As many as 400 people will be employed during the construction and 65 permanent jobs will be needed to operate the plant.

"It's a good deal because it's a reliable, affordable source of power that we need, regardless of where it's located," Gray said. "But the bonus to us is that a half-billion-dollar construction project is a big deal, in anyone's back yard."

Gray and other co-op officials also said siting the plant in Great Falls greatly reduced the cost of construction. Original estimates for the plant had been as high as $600 million, but will be lower for the reasons Gray listed.

The plant site is on 195 acres just east of town, on the southern side of the Missouri River. There is enough room to build a companion 250-megawatt power plant on the same site, although that's not on the drawing board now, co-op officials said. The plant, however, must jump through many environmental hoops before it is approved and built.

Co-op officials said they plan to talk directly with leaders of groups such as the Northern Plains Resource Council and the Montana Environmental Information Center, to convince them that the plant is good for the state and environmentally sound.

The plant will burn sub-bituminous coal and use a "clean coal" technology that uses ground limestone to reduce polluting emissions.

"Our plant will be fully compliant with existing and proposed air-quality standards," Gregori said.

He also said the plant is much different than the failed gas-fired power plant project north of Great Falls. NorthWestern Corp., which is now in bankruptcy, proposed that 250-megawatt plant in 2001, at the height of the Western power-price crunch. It was intended originally to supply Montana industrial customers and other regional buyers of electricity. When regional prices crashed, NorthWestern proposed using power from the plant to supply Montana residential and small-business customers. But the Montana Public Service Commission rejected the initial contract as too expensive and "not in the public interest."

Gregori said the coal-fired plant proposed by the co-ops differs because it has a dedicated "load" or customer base already in place, and is not based on any speculative factors. It also doesn't have to ship power out of state, and therefore doesn't face any transmission problems, he said.

Dennison can be reached by e-mail at capbureau@mt.net, or by phone at (406) 442-9493.

June 16, 2004 Great Falls, Montana — 50 cents

Vote on $643 million coal plant nears

City in running for Great Falls, co-op owned electricity generator

By JO DEE BLACK
Tribune Staff Writer

Southern Montana Electric Generation and Transmission Cooperative board members will decide Friday if and where to build a coal-fired electricity plant. Great Falls is one of four locations under consideration.

The core of the plan — to give 150,000 rural Montana electricity customers stable rates for decades — could bring 70 permanent jobs and a $643 million power plant to a Montana community. It will take 350 to 450 construction workers to build the plant.

Officials won't name exact locations, but potential sites include two in southeast Montana, one near Circle and another east of Great Falls.

The Southern Montana G&T is a coalition of five rural electric cooperatives looking at ways to provide its customers stable rates after part of a current contract with Bonneville Power Authority ends in 2008.

The city of Great Falls signed on last fall, in search of reliable electricity rates for municipal use.

Initially Southern Montana G&T hoped to use to its advantage the large collective customer base for wholesale contracts with existing electricity plants. But proposals came in at about $45 per megawatt hour, $5 more than what NorthWestern Energy customers pay now and much more than most co-op customers pay.

"Our next choice was to look at building a facility," said Tim Gregori, general

See COAL PLANT, 5A

Coal plant:

FROM 1A

manager of Southern Montana G&T. "The third choice is to do nothing and go in the dark. The outlook for the last option is not so attractive."

Building the coal-fired plant vs. contracting with existing electric-generation plants will save Southern Montana G&T customers $207 million over 20 years, said Terry Holzer, manager of Yellowstone Valley Electric in Huntley, a Southern Montana G&T member.

That's based on the wholesale electricity contracts proposed recently and the preliminary estimate, $643 million, of building the plant.


Lawton

Stanley Consultants, an Englewood, Colo.-based engineering firm, will make recommendations to the board members Friday. The board's decision is expected to be released Monday.

The technology proposed uses a circulating fluidized bed generator and burns lignite coal.

"We know there are organizations who say they are against any more coal development," said Terry Holzer, member of Yellowstone Valley Electric in Huntley, a Southern Montana G&T member. "This is cutting-edge technology designed to meet or exceed all air quality standards."

Would you like to see a coal-fired power plant near Great Falls /1M

If the coal-fired plant is built, electricity from there, along with other hydro and wind generation sources, will serve all the cooperatives' customers.

But in Great Falls, the city will be the only user, at least at first.

"Then maybe we will aggregate to other governments, the military, the airport," said Great Falls City Manager John Lawton. "Then maybe the whole community."

Great Falls electricity customers are served by NorthWestern Energy.

Other Southern Montana Electric G&T members are: Beartooth Electric of Red Lodge; Fergus Electric of Lewistown; Mid Yellowstone Electric of Hysham and Tongue River Electric of Ashland.

This is a different project from the Montana Public Power Authority, a group of six cities, including Great Falls, that submitted a bid to buy NorthWestern Energy's system of poles and wires used to distribute electricity.

The authority pitched its plan to the creditor's committee in NorthWestern's bankruptcy reorganization.

Black can be reached by e-mail at jdblack@greatfal.gannett.com, or by phone at (406) 791-6502 or (800) 438-6600.

GREAT FALLS TRIBUNE
SATURDAY, JUNE 5, 2004.

Electric co-op close to announcing plans for a coal-fired power plant

By MIKE DENNISON
Tribune Capitol Bureau

An electric power cooperative that includes the city of Great Falls is preparing to announce plans to finance a new coal-fired power plant to supply co-op members, City Manager John Lawton said Friday.

The plant — likely somewhere in eastern Montana — would produce stable, affordable power beginning around 2008, co-op officials have said.

Lawton said electricity from the plant would serve city operations, but could be extended to include schools and local businesses in Great Falls.

Any final decisions on the city's role in financing the plant must be made by the City Commission.

But Lawton said commissioners have been informed about the co-op's progress and the coal-plant discussions. Long-term financing for the project could require the city to sell bonds to pay its share. Short-term financing could be lined up through the co-ops, Lawton said.

"All signs are that we're in," he said. "There's no reason for us not to be in, and there are many reasons for us to be in."

The co-op considering the coal plant is Southern Montana Electric Generation and Transmission, formed last year by five other Montana rural electric co-ops serving 100,000 customers in central and southern Montana.

Tim Gregori of Southern Montana said Friday the co-op hopes to announce within the next few weeks its plans to finance construction of a coal-fired generating plant.

"We're very close to selecting a site and making an announcement," he said.

Power from the plant would be dedicated to members of the co-op.

Gregori declined to name the four sites under consideration. However, the co-op has said in the past it was considering sites near Circle or Miles City.

The city of Great Falls joined the co-op last year, to see whether it might be able to secure a more reliable supply of electricity through the co-op.

The city and most Great Falls residents and businesses currently buy their electricity from NorthWestern Energy, whose parent company filed for bank-

See POWER, 3M

Power: '2008 is screaming at us'

FROM 1M

ruptcy last September.

The city manager said the city has no particular quarrel with Northwestern but must stand up for itself in an electricity market affected by national and global forces.

"What we are doing is trying to protect our community," he said.

Lawton said the partnership among Great Falls and the other rural co-ops "presents a new model for public power in Montana.

"It links together the urban and the rural areas in one common economic activity, in trying to bring the electric business back to Montana and keeping the resources and the industry here."

NorthWestern Energy, with headquarters in Sioux Falls, S.D., does not own any power plants in Montana. It buys its power on the open market and then sells it to Montana consumers.

Southern Montana G&T had been looking into buying electricity on the market for its members beginning in 2008, when a current contract supplying co-op members expires.

But those efforts produced "dismal results," Gregori said, with prices in the range of $45 per megawatt hour.

Most Montana co-ops are paying much less, and NorthWestern Energy customers are paying about $40 per mwh.

The co-op and its consultants have concluded it's better to build a plant, which will produce an affordable price, he said.

Details on the expected price of the plant's power will be released when the announcement about the site is made, Gregori added.

"We have to move forward because 2008 is screaming at us, and we've got to get our ducks in a row," he said.

Lawton said if the power price is attractive and works out for Great Falls, the city may offer the power also to local school districts and larger businesses.

At some point, the power might be offered to anyone in the city, "but that is more complex and further down the line," he said.

The city is also a key player in the Montana Public Power Authority, a group of cities that has submitted a bid to buy Northwestern's system of poles and wires used to distribute electricity.

The six-city authority has pitched its plan to the creditor's committee in the Northwestern bankruptcy reorganization.

The authority members say they can use their nonprofit status to invest in infrastucture and possible offer lower rates than for-profit utilities, such as Northwestern.

Dennison can be reached by e-mail at capbureau@mt.net, or by phone at (406) 442-9493.