

Lignite Energy Council



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Lignite Energy Council

- ★ Primary objective is to maintain a viable lignite coal industry and enhance development of the region's lignite coal reserves.



Lignite Energy Council

Mission statement

- ★ Preserve existing lignite industry operations
- ★ Promote further development
- ★ For benefit of
 - Consumers
 - Producers / Developers
 - Utilities, cooperatives and other users
 - Contractor/Suppliers



The R&D Program: Industry/Government Partnership

State of
North Dakota



Lignite Energy
Council

- ★ Funded by 10-cents per ton severance tax allocation / \$3 million annually
- ★ Every state dollar invested has resulted in \$5 of industry match
- ★ 2005 Legislature provided \$15.5 million appropriation to Industrial Commission for R&D & marketing funding



Current LEC Membership

- ★ 285+ Contractor/Suppliers
- ★ 4 Investor-Owned Utilities
- ★ 4 Producers
- ★ 3 Reserve Holders
- ★ 3 G&T Cooperatives
- ★ 2 Canadian Entities (Lignite Research Focus)
- ★ 1 Gasification Company
- ★ 300+ Members



Lignite Energy Council

Mission: Protect existing operations and enhance lignite development

- ★ Government Action
- ★ Public Relations
- ★ Marketing
- ★ Education
- ★ Lignite Vision 21 Program
- ★ Research & Development



Lignite Vision 21 Program

Focus on Lignite's Strengths

Objective:

- ★ Build lignite energy conversion facilities in North Dakota (electrical generation, coal-to-liquids, etc)
- ★ Develop new technologies / Upgrade existing facilities



Challenges:

- ★ Environmental (PSD, Hg, Visibility, CO₂)
- ★ Transmission



Lignite Vision 21 Program

- ★ State of North Dakota has provided:
 - \$10 million in grants/loans to each applicant
 - \$26 million in tax credits



Public / Private Partnership

★ Grant Application Process

- Project Completeness Review
- Independent Peer Review
- Lignite Research Council Review & Recommendation
- Industrial Commission Decision



Ethanol Plants

★ Red Trail Ethanol Plant

- Lignite Research Council/NDIC have pledged \$350,000 to Red Trail, currently under construction near Richardton
- Plant will use lignite for boiler



Coal-to-Liquids

- ★ Great River Energy, Headwaters Inc., North American Coal Corp. & Falkirk Mining Co. are exploring a coal-to-liquids project near Underwood, ND
 - Will gasify coal and convert it into ultra-clean diesel & other fuels/petrochemicals.
 - Production is estimated to be 10,000-50,000 barrels per day of liquid fuels – would require 3-15 million tons of coal.
 - Project is still in the preliminary stages – currently trying to fund a site-specific engineering study.



Lignite Energy Council

For more information on present and past projects:

★ www.Lignite.com

For more information on Grant Funds and Tax Incentives:

★ www.Lignitevision21.com

