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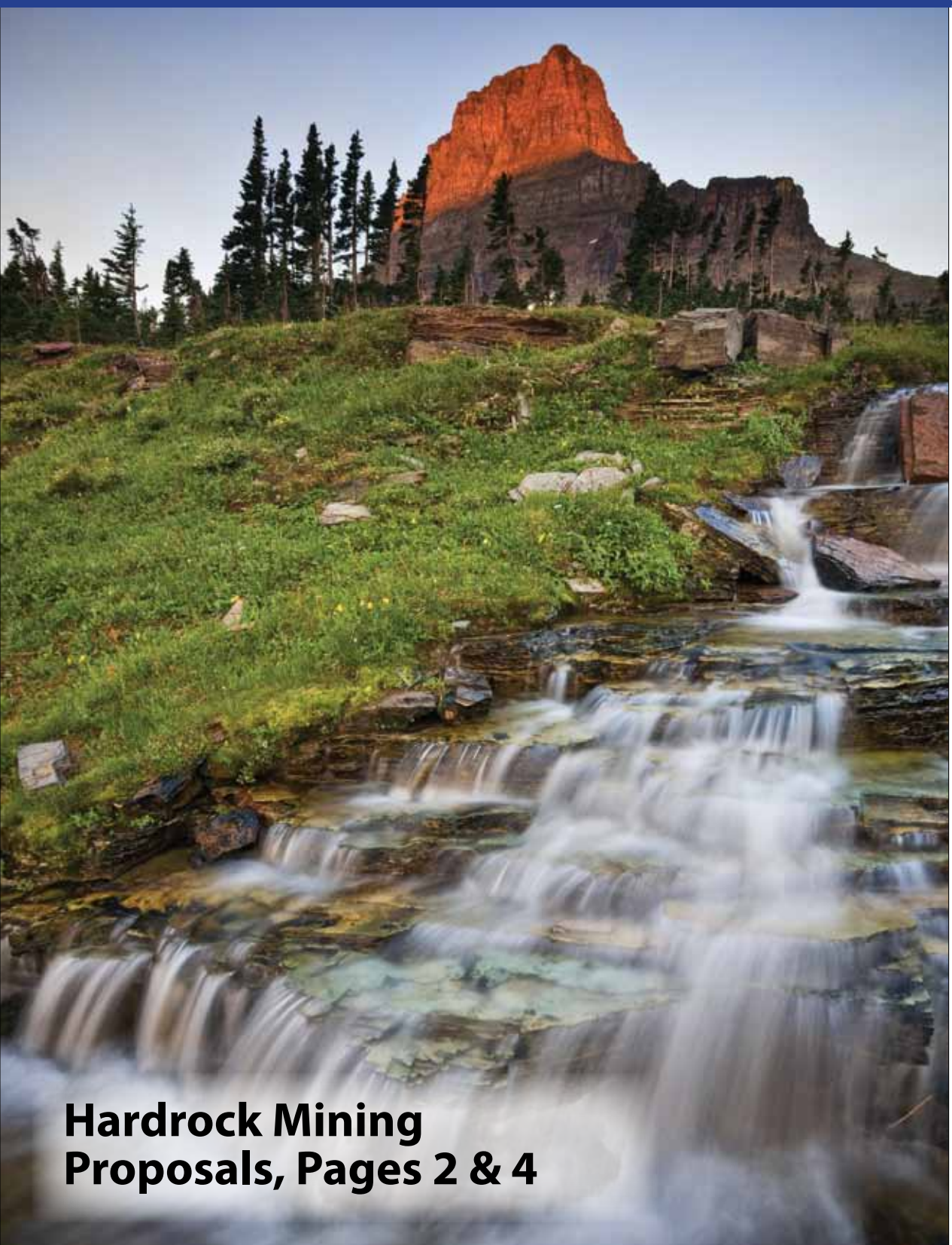

Hardrock Mining Proposals, Pages 2 & 4

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IN THIS ISSUE

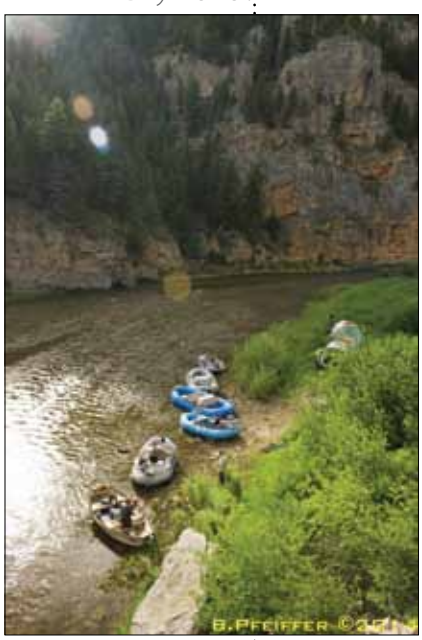
March 2016 | Vol. 42 • No. 1

Smith River Mine Proposal Moves Ahead

by Derf Johnson

Cover Photo: Glacier National Park.

Smith River. Photo by Billy Pfeiffer.



Mine Operating Permit Application Submitted

As expected, in December 2015 Tintina and Sandfire submitted a mine operating permit application to the Montana Department of Environmental Quality (DEQ). Tintina/Sandfire are interested in developing a copper mine directly adjacent to and underneath the Smith River's most important tributary, Sheep Creek. Their submittal has triggered a series of timelines and deadlines for its review, including an initial 90-day review period.

While the application is several hundred pages long, including appendices, it's clear that there are some very serious flaws in its assumptions and data. MEIC, in partnership with Montana Trout Unlimited, has retained experts to review the application to fully understand the potential ramifications of the mine. What's clear from an initial review is the incredible scarcity of baseline environmental data, which is critical to understanding the potential impacts the mine may have. Several aspects of the mine operating plan also require the reader to speculate as to the actual practices to be followed in mining and processing minerals, and in storing the waste.

In a few weeks, MEIC will be asking you to submit comments to DEQ, and to request DEQ to issue a "deficiency notice" to Tintina/Sandfire that lists the full range of missing information and deficiencies in the application.

Tintina Already Looking at Potential Expansion

Most of us in Montana have heard Tintina's public relations description of its proposed Smith River copper mine: a relatively small, underground mine that will have minimal surface impacts and a 12-14 year operating life.

But Tintina isn't telling Montanans the other half of the story. While Tintina is selling the project as having a relatively *de minimis* environmental impact and a short operating life, it is telling prospective investors in places such as Vancouver, Canada, about the potential for a 50-year-life mining district spread over a 20-kilometer long mineralized zone. In fact, Tintina is interested enough in exploring and potentially developing what it calls this "mining district" that it has acquired mineral leases for a significant portion of the mineral belt (see map on page 14).

If Tintina/Sandfire find copper in this "district" that can be developed economically, that could open a Pandora's Box of threats to the Smith River, including additional tailings storage facilities, impacts to other tributaries of both the Smith River and Sheep Creek, and the potential for an open-pit mining operation. Full development of this region could turn the west side of the Little Belt Mountains into an industrial landscape that would severely damage the Smith River drainage – forever.

One can easily envision a scenario similar to the Golden Sunlight mine in Whitehall, Montana. Golden Sunlight was originally permitted in 1974, and subsequently received fifteen different amendments to its operating permit in order to expand its mining operation and its impacts. This piecemeal approach to permitting is a serious hindrance to conducting a thoughtful analysis of the full range of environmental and social impacts posed by hardrock mines.

MEIC would urge you, in your comments to DEQ once it begins the environmental impact statement process, to ask the department to consider the full range of impacts, including the potential for Tintina to greatly expand its mining into the adjacent areas where it already holds mineral leases.

see map on page 14

Question: What is Driving Colstrip's Fate?

by Anne Hedges

a. Obama and EPA
b. A War on Coal
c. Washington and Oregon
d. Natural Gas Prices
e. History

Answer: History.

While a, b, c, d, and e may all be influencing the future of the Colstrip coal-fired power plant, nothing is more important than the decisions made decades ago (i.e., History). Colstrip's complex, out-of-state, ownership structure, combined with the deregulation by the legislature of Montana's electric utility sector in 1997, and Montana Power Co.'s (MPC) 1997 sale of its hydro-electric system, followed by PPL's sale of the same hydro-electric system in 2014, are having far more influence on what is happening at Colstrip today than any current decision made or threatened by EPA, Obama, Washington or Oregon. How can this be, you might ask?

When Colstrip units 1 through 4 were built by multiple out-of-state owners in the 1970s and 1980s, out-of-state companies gained much control over the decisions at the plant. MPC only owned 50% of units 1 & 2 and 30% of units 3 & 4. When the legislature, at MPC's urging, deregulated the electric utility industry, MPC made the infamous decision to sell its share of the Colstrip plant to an unregulated out-of-state company, Pennsylvania Power & Light (later renamed PPL). That decision removed any control over the plant's future from any Montana decision maker; at that point, no Montana regulated utility owned any portion of the plant.

In 2007 the Montana legislature reversed course and passed a law that allowed NorthWestern Energy (the successor to MPC) to own generation assets such as Colstrip. The Montana Public Service Commission (PSC) subsequently allowed NorthWestern to buy a 30% share of unit 4 in 2009. As a result, one regulated Montana utility had a minority interest in one unit of the plant. That's where things stand today.

The final historic decision that is determining Colstrip's future occurred when NorthWestern refused to buy PPL's Montana coal plants (Colstrip and Corette), saying they had a negative value of $340 million. The PSC allowed NorthWestern to purchase only PPL's hydro-electric system. That decision is likely to have more impact on the fate of Colstrip than anything decided by Washington, Oregon and Obama's EPA combined. Why?

NorthWestern's decision to buy the hydro-electric system left PPL with only electricity produced at the Colstrip plant to fulfill its existing contracts with customers who buy electricity on the open market, i.e., Montana industrial customers. (The Corette plant, as an aside, was completely torn down in 2015.)

Previously PPL had "bundled" electricity from the Colstrip plant with low-cost hydropower and was able to sell that electricity at a profit. With the hydro system gone, PPL (now called Talen) must now sell electricity from the more expensive

continued on page 10

Colstrip coal-fired power plant.

DEQ's Montanore Mine Decision a Mistake

by Jim Jensen

The Montanore project is a proposed underground silver and copper mine located 13 miles south of Libby, Montana, adjacent to and underneath the Cabinet Mountains Wilderness Area. It would mine 20,000 tons of ore per day when in full operation. The operation would require massive tailings ponds, a new major power line, access roads, etc.

It is owned by Montanore Mining Inc. (MMI), a wholly owned subsidiary of Spokane-based Mines Management Co., which bought the property from the Canadian mining giant Noranda Minerals in 2008. Noranda received an exploration license from the Montana Department of Environmental Quality (DEQ) in 1988, and an operating permit to mine the site in 1992, but concluded it was not feasible and left it fallow.

"These water quality impacts would, in turn, harm or destroy local populations of sensitive aquatic species, including bull trout that are listed as a threatened species under the federal Endangered Species Act."

Noranda sought to extinguish (i.e., turn back in) its operating permit in 2006, but DEQ denied its request, saying that it needed to have continued legal authority in order to force reclamation of the site. Shortly thereafter MMI acquired Montanore at a fire sale price.

Ever since, MMI has tried to revive the project without much success. It applied to amend the old permit and raised enough money to pay for an environmental impact statement (EIS), prepared jointly by the Kootenai National Forest and DEQ. The EIS was finalized late in 2015.

Cabinet Mountains. Photo by Save Our Cabinets.

It predicts that the mine will contaminate ground and surface waters in the project area with metals, nitrates, and sediment, and will reduce or eliminate entirely the base flow of project-area streams.

These water quality impacts would, in turn, harm or destroy local populations of sensitive aquatic species, including bull trout that are listed as a threatened species under the federal Endangered Species Act.

But, never mind. DEQ has now published a record of decision (ROD) on the mining permit application. It said "yes" to further evaluation of the project, but "no" to actual mining, until a water pollution discharge permit (referred to as an MPDES permit) is obtained.

According to the ROD, the evaluation is designed to delineate the first 5 years of planned production. An estimated 35,000 feet of primary drilling and 12,800 feet of infill drilling are planned. The drill core would be used to support resource modeling, mine planning, metallurgical testing, preliminary hydrology assessment, and rock mechanic studies for the full project.

However, MMI is now pretty much broke, having routinely disclosed for over a year to the federal Securities and Exchange Commission that it cannot state that it will be a going concern in the future. Last Fall MMI had an auction of nearly all of its equipment just to stay afloat financially. The company said then that it needed to enter into a partnership with another mining company or otherwise raise capital in order to be able to mine. It has had no luck so far.

In June 2015, DEQ had issued a draft of the MPDES permit, which MEIC and other concerned citizen groups criticized in written comments submitted by Earthjustice, a national nonprofit environmental law firm with an office in Bozeman. The comments went into great detail on the reasons why the MPDES permit had to be denied, since issuing it would violate water quality protection laws.

DEQ's response was to re-issue the draft permit and seek further public comment. MEIC's position remains the same. It is illegal to grant the Montanore project this permit. It must be denied as a matter of crystal clear law.

If DEQ does deny the permit, it would be the first time the agency has ever done so.

Renewable Energy Ballot Initiative: Right Intent, Wrong Policy

by Kyla Maki

Initiative I-180 has been filed with the Montana Secretary of State and has been approved for signature gathering. The initiative would increase Montana's Renewable Energy Standard (RES) to 80% from the current 15% level. The RES specifies the portion of their electricity supply that regulated electric utilities must obtain from renewable sources. I-180 would require utilities to reach the 80% level by 2050. While the intent of the initiative is commendable, there are problems with some of its specific policy provisions, as well as strategic concerns about its ultimate likelihood of success.

The intent of I-180 to increase renewable energy use in Montana is one that MEIC supports. In fact, MEIC has been on the front lines at the legislature, before the Public Service Commission, and in local communities supporting renewable energy policies and development in Montana. In 2005, MEIC led the effort at the legislature to pass Montana's current RES. Since 2005 MEIC has successfully worked to defend the current standard from proposals that would repeal it or undermine its intent.

Unfortunately, the "devil is in the details" with I-180. Under I-180, existing dams would count as eligible renewable resources after 2025. This means that NorthWestern Energy would be allowed to count ten old hydropower dams that it purchased in 2014 towards its renewable energy requirement. These old dams and existing wind projects already represent over 68% of NorthWestern's electricity supply. MEIC has worked to defeat legislation every legislative session since 2009 that would have allowed existing dams to count towards the RES as "eligible renewable resources." MEIC opposes including existing large dams because it undermines the intent of the RES to spur new renewable energy development. While I-180 seems ambitious, the inclusion of the existing dams waters down (forgive the pun) the amount of new wind or solar energy that a utility would have to purchase or build. Montana has one of the top three best wind energy potentials in the country, and tremendous solar potential as well. Including legacy dams, some built nearly a century ago, would shut out opportunities to develop new wind and solar resources to meet the RES.

The proposed initiative also includes confusing and contradictory language related to distributed energy resources. It allows behind-the-meter energy generation (solar, wind) to count as eligible "community renewable energy resources" if the utility purchases the renewable energy credits and the energy output from the generators. It is not possible for a utility to buy the energy from generators that serve onsite load. It is also not possible for behind-the-meter generators such as net-metered customers to produce verifiable renewable energy credits. This provision creates confusion and is not an incentive for distributed resources.

MEIC also believes that the risk of putting I-180 on the ballot is not worth the modest reward if it were to pass. Failure of the initiative could set renewable energy efforts back many years. Success of the initiative would create confusion and set a bad policy precedent on existing dams. The initiative is complicated, does not have widespread support from Montana environmental organizations, and would ultimately be more of a problem than a solution.

"MEIC also believes that the risk of putting I-180 on the ballot is not worth the modest reward if it were to pass. Failure of the initiative could set renewable energy efforts back many years."

Judith Gap Wind Farm. Photo by Michael Downey.

The Clean Power Plan's Bumpy Ride

by Anne Hedges

The year 2015 was the hottest on record, according to both the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration. Montana's temperatures have been increasing more quickly than the global average. These changes will increasingly have significant effects on the environment and economy if this country and the world continue on with business as usual.

" According to the reports, by mid-century climate change could cost Montana's agricultural sector 25,000 jobs and $726 million in lost revenue.

These impacts are quantified in recent reports by Montana's leading natural resource economist, Tom Power. His findings were issued in two separate reports sponsored by the Montana Farmers Union and the Montana Wildlife Federation. According to the reports, by mid-century climate change could cost Montana's agricultural sector 25,000 jobs and $726 million in lost revenue. And Montana's outdoor recreation and wildlife industries could lose 11,000 jobs and $281 million in revenue.

So when you find yourself in a hole, you should stop digging, right? That's what President Barack Obama did when he directed the U.S. Environmental Protection Agency (EPA) to develop a plan to limit emissions from the largest source of human-caused climate change pollution – coal-fired power plants. EPA finalized its rules in August 2015 in a document called the Clean Power Plan (CPP). Most states, including Montana, began developing energy plans to responsibly transition from carbon-based fuels to cleaner energy sources such as wind, solar, and energy efficiency. The CPP gives states until 2022 to start reducing emissions and until 2030 to achieve a 32% reduction nationwide. Fuel switching to cheaper, cleaner energy sources had already resulted in significant carbon emissions reductions, so a 32% reduction by 2030 is not expected to be difficult.

The CPP establishes an emission target for each state based on the state's current fuel mix. States can choose one of two methods for determining their compliance with their targets. For Montana, one method of measuring compliance requires a 47% reduction in carbon pollution by 2030, but that method is complicated as it involves calculating the change in carbon dioxide emissions per megawatt hour of energy produced.

The simpler method for Montana to measure its compliance merely involves calculating the change in the overall number of tons of carbon dioxide emitted from individual sources. That is a measure that is already used today. This simpler compliance measure only requires Montana to reduce its emissions by 33% by 2030. Montana has been leaning toward using the simpler and easier-to-achieve measure, but the misleading 47% figure has been a political "tar baby" since the rule was announced. Governor Steve Bullock cites it and calls it unfair every chance he gets. Many Republicans and even some Democrats have protested vociferously. In the discussion, facts are in short supply but unsubstantiated rhetoric is abundant – not just from politicians but also from utilities such as NorthWestern Energy that know better.

As anticipated, the CPP was immediately challenged in court by a number of utility companies and states, including Montana's

attorney general Tim Fox. EPA's clean air rules are almost always upheld by the courts. In January 2016, the D.C. Circuit Court of Appeals denied a request to put the rule on hold until it could make a decision on the merits of the challenge. The court agreed to speed up its decision but it refused to stay the rule, saying the states and utilities had "not satisfied the stringent requirements for a stay." That decision was quickly appealed. In an unprecedented move, the U.S. Supreme Court agreed with the plaintiffs and put the rule on hold until the Supreme Court issues a final decision. The Supreme Court's willingness to act in such a precipitous manner seemed to put the future of the CPP in doubt. Politics was obviously entering the judicial arena and some people feared it would overcome reason and the rule of law.

Then, four days later, 79-year-old arch-conservative Supreme Court justice Antonin Scalia died while on a hunting trip in Texas. That left the court with only eight members, and the prospect that it might split 4-4 on many decisions, including this case. Such a

continued on page 15

The Energy Transition is Already Happening

The electric utility industry already admits that cleaner energy is here to stay:

- "Electric utilities are investing in clean energy and pursuing energy efficiency. The Supreme Court's 5-4 decision doesn't really change anything," said Tom Kuhn, president of the Edison Electric Institute (EEI) – the largest trade association of electricity providers.
- "You can't simply put the genie back in the bottle when it comes to major strategic investments that the captains of industry are making," said Quin Shea, EEI's vice-president for the environment.
- Minnesota and Colorado based utility, Xcel Energy, is planning $6 billion in new wind and solar energy investments. "Xcel's analysis of this strategy, which speeds up wind and solar investment in this decade, shows it to be a cost-effective way to reduce greenhouse gas emissions," said Laura McCarten, an Xcel regional vice-president.

Here are some energy facts from Bloomberg New Energy Finance's Sustainable Energy in America Factbook - 2015
On coal and greenhouse gas emissions:

- In 2015, coal accounted for 34% of U.S. electricity generation – down 5% from 2014 and 16% since its peak at 50% in 2005.
- One-third of the U.S. coal-generating capacity has been retired or is slated for retirement. In 2015, 21 gigawatts of coal capacity were retired; this is equivalent to the entire installed coal capacity of the United Kingdom and double the installed coal capacity of Canada.
- There are now 644 coal boilers shut down or shutting down, leaving only 630 more to go.
- Carbon emissions from fossil fuel plants in the U.S. have already fallen over 15% since 2005.
- Since 2007, electricity demand has been flat, compared to a compounded annual growth rate of 2.4% from 1990-2000.

On renewable energy:

- In 2015, renewable energy provided 68% of new generating capacity in the U.S..
- In 2015, non-hydro renewables accounted for 7.5% of the U.S. electricity mix, up from 2.0% in 2002.
- In 2015, 8.5 gigawatts of new wind capacity and 7.3 gigawatts of new solar photovoltaics were installed.
- In 2015, solar accounted for 29.5% of new electric generating capacity in the U.S., and for the first time ever, more solar generating capacity was installed than natural gas.
- In 2015, total renewable energy capacity (including hydro) in the U.S. accounted for 20% of the U.S. electricity mix, with 222 gigawatts installed (a 57% increase over the 2008 level).
- In 2015, more wind energy capacity was installed than any other energy source, accounting for 35% of new generating capacity.

Northwest Power Council Adopts Regional Power Plan

by Kyla Maki

The Northwest Power Planning and Conservation Council (Council) has adopted a regional plan that identifies energy efficiency as the most affordable, reliable, and clean resource for consumers in the Northwest. Members of the Council, representing Montana, Washington, Idaho, and Oregon, approved the 7th Power Plan in early February 2016. The 7th Plan will serve as a regional blueprint for meeting energy needs in the Northwest for the next 20 years.

"The Council predicts that energy efficiency will continue to play a critical role in helping the Northwest energy system meet important energy and capacity needs at the lowest possible cost."

The Council predicts that energy efficiency will continue to play a critical role in helping the Northwest energy system meet important energy and capacity needs at the lowest possible cost. Specifically, the 7th Plan concludes that:

- Acquiring 1,400 average megawatts of cost-effective energy efficiency during the Plan's five-year "action plan" period is the best strategy for meeting the region's anticipated growth in electricity demand. This is equivalent to enough energy efficiency to meet the current energy demand of most of the state of Montana.
- Over the next 20 years, new demand in electricity growth can be met with 4,300 average megawatts of cost-effective energy efficiency.
- Energy efficiency is the lowest cost and lowest risk resource to reduce the effects of "peak" energy use on the system. These are the times when energy use is at its highest.
- Demand response programs that encourage customers to shift their power use to off-peak times can also help to meet system peak needs. The Council estimates that there are 600 megawatts of cost-effective demand response available over the next 5 years.
- Due to gains in energy efficiency, no new gas plants will need to be built for at least 10 years.
- Utilities should consider the complete costs of coal-fired power plants, including cleanup and remediation, in the region when making resource acquisition decisions.

Judith Gap wind farm. Photo by MEIC.

While the 7th Plan is strong on energy efficiency, it is shortsighted in how it values renewable energy. The Council ignores the tremendous growth of both utility scale, and distributed, renewable energy in the region by determining that existing and new natural gas plants are the most appropriate resource for meeting peak demand needs that occur only a few hours a year. The analysis that led to the conclusion to undervalue renewable energy's contribution must be improved when the 8th Power Plan is developed. Despite the 7th Plan's failure to recognize the critical contribution of renewable energy, it makes a strong case for the Northwest to rely on energy efficiency as the foundation for a more affordable and clean energy future.

The Inevitable Decline of Montana Coal

by Derf Johnson

As the United States, and the world, shift away from coal-fired power, the financial viability of Montana's coal mines will continue to be strained and the mines themselves will ultimately be rendered obsolete. The facts are truly telling. Ten years ago, coal was used to generate 50% of the nation's electricity, but in 2015 the figure was 33%. China, the world's largest consumer of coal, has reduced its overall coal consumption for the second year in a row, with plans for further reductions that, within the next five years, will be greater than the entire coal production capacity of the United States in 2015.

The Signal Peak mine near Roundup, Montana, is a case in point, highlighting the tenuous and declining export market. Recently, one of its owners, Ohio-based FirstEnergy, reduced the carrying value of its one-third stake in the mine to $0. That's right; it claims its interest in the mine is worth nothing. This comes on the heels of Signal Peak's decision to lay off more than 20% of its workforce at the end of 2015, due to having to scale back planned production from about 8 million tons to 5.5 million tons in 2016. The Spring Creek coal mine, Montana's largest strip mine, also announced that it would be exporting approximately 4 million tons less this year, at the same time as its owner, Cloud Peak Energy, announced a $205 million loss for 2015. At the end of last year both companies had to change existing contracts with a Canadian export terminal to decrease the amount of coal they shipped through the terminal (and at least Cloud Peak had to pay the terminal to not export coal).

These announcements of reduced production come on the heels of Arch Coal, one of the largest coal companies in the world, declaring bankruptcy. For several years Arch has been attempting to develop the Otter Creek coal tracts, but without success. Now, with clearly sagging demand as customers lose their appetite for coal, the project is likely on its deathbed. Recently, the Tongue River Railroad requested the U.S. Surface Transportation Board to suspend all work on permitting the railroad, citing delays in the Otter Creek coal mine permitting process.

Montana's coal-fired electricity generating plants also have a bleak future that will inevitably impact the mines that supply them. The Rosebud mine, owned by Westmoreland Resources, exclusively supplies coal to the Colstrip coal-fired power plant. And Colstrip's days are numbered, as the article on page 3 explains. What's more, because of rising production costs, largely due to the increasing thickness of the overburden that must be removed to reach the coal, Rosebud coal is now the most expensive in the Powder River Basin, making it extremely unlikely that alternative buyers will be found once Colstrip starts shutting down.

"The fact is that Montana's coal customers, both domestic and foreign, are demanding cleaner sources of energy that don't burn up our climate."

The fact is that Montana's coal customers, both domestic and foreign, are demanding cleaner sources of energy that don't burn up our climate. Montana is now experiencing this shifting demand, and needs to be serious about planning for the new energy economy. As coal mining is slowly phased out, and companies declare bankruptcy and attempt to avoid their financial and environmental liabilities, it is absolutely critical that Montana protects its water resources and keeps its taxpayers from having to pay for coal mine and coal plant reclamation costs.

That is why MEIC is very carefully monitoring the impacts that coal mining operations have on water resources. Recently, with the help of the Western Environmental Law Center, MEIC appealed a water pollution permitting decision for the Rosebud mine that was based on an incredibly deficient analysis that all but guaranteed that the water adjacent to the mine would be heavily impacted for centuries. MEIC is also carefully watching the redoing by the Montana Department of Environmental Quality of the water analysis for the Signal Peak mine, following MEIC's successful appeal of DEQ's previous permitting decision.

Colstrip *(continued from page 3)*

Colstrip plant on the open market. Some economists believe that Talen is now, or soon will be, selling that electricity at a loss. Puget Sound Energy, the largest owner of Colstrip, told a State of Washington House Committee in February 2016 that it believes Talen Montana is "hemorrhaging." That's probably why first PPL and then Talen have written down the value of their share of the Colstrip plant by 87% in the last three years.

"The Washington utility commission that regulates PSE released a report in February 2016 that estimated that cost could be as high as $200 million for remediation and closure of just the two smaller units (1 & 2)."

Since 2012 PPL has said it wants out of the less profitable unregulated electricity markets (i.e., Montana) to focus on regulated markets where it is guaranteed a profit. Unable to sell its coal plants in Montana, PPL created Talen Energy. Talen came into existence in 2015 when PPL and Riverstone (an unrelated investment group) spun off their less profitable unregulated electricity assets into a new company. That proved a smart move. At the end of February Talen reported losing $341 million in 2015. Its stock plummeted from $27 when it was created to as low as $5.76 in January 2016. Talen has made no bones about wanting to sell its Montana assets. CEO Paul Farr told investors in November 2015: " . . . so ultimately we'll likely exit the Montana situation and we've got a very high tax basis there that to the extent that we could monetize that would be very beneficial from just a cash perspective relative to the modest amount of EBITDA that we produce there." In January 2016, Talen completed "golden parachute" deals with all of its executives in case the company were to go bankrupt.

Some Montanans are screaming foul today, saying that Montana should have a right to dictate the future of the Colstrip plant. Some legislators have even suggested the State of Montana should buy Talen's unprofitable share of the plant. All of these arguments ignore the history that got us where we are today.

Given that history, the question remains: what are Washington and Oregon doing that could impact the future of the Colstrip plant?

Colstrip coal-fired power plant.

Washington

Washington has two regulated utilities that are part owners of Colstrip. Puget Sound Energy (PSE) owns the largest share of Colstrip and has an ownership interest in all four units. Avista only owns 15% of units 3 & 4. A bill was introduced in the Washington legislature in early January 2016 to create a clean-up fund that PSE could use to clean up the water contamination caused by units 1 & 2 at the plant. More controversially, the bill would also have allowed PSE to buy Talen's share of unit 3 if (or when) units 1 & 2 were retired.

Opposition to PSE buying into unit 3 if units 1 & 2 were retired was intense – but not because people didn't want those units retired. The opposition came from two quite different sectors. First, consumer advocates did not want PSE to take on additional liability for cleanup of the 800 acres of waste coal ash impoundments that have contaminated ground and surface waters since they were built in the mid-1980s. Those impoundments leak 200 million gallons of pollution into the aquifer each year with no end in sight.

Second, other interests opposed PSE buying into unit 3 because they want to be

the ones to sell electricity to PSE to replace the 300+ megawatts PSE would lose if units 1 & 2 are closed. If PSE were to buy into unit 3 when units 1 & 2 were shut down, it would only need to replace about 100 megawatts of electricity. The Pacific Northwest currently has an abundance of inexpensive electricity. The potential suppliers, along with renewable energy developers, want PSE to have to buy electricity from them, not replace one source of coal power with another.

The end result may be that the Washington legislation will only establish a clean-up fund that PSE can tap into to pay its share of cleaning up the contamination from units 1 & 2. The Washington utility commission that regulates PSE released a report in February 2016 that estimated that cost could be as high as $200 million for remediation and closure of just the two smaller units (1 & 2). Clean-up costs associated with units 3 & 4 will be much larger as those units are bigger and their contamination problems are even more severe. Finally, and perhaps most importantly, PSE told the utility commission that the clean-up costs at the plant will increase the longer the units operate. That's likely to be the case for all four units at the plant, not just units 1 & 2.

PSE clearly sees the "writing on the wall" and is intent on being a responsible owner. Montanans should be relieved that at least one Colstrip owner is taking its responsibilities seriously. Instead, Montana legislators like Sens. Jim Keane (*D-Butte*) and Duane Ankney (*R-Colstrip*) have irresponsibly asked the Washington legislature to kill the bill. Fortunately the bill has already passed the Senate and a House Committee, and is awaiting action by the full House.

Oregon

Utilities in Oregon have joined forces with environmentalists, renewable energy developers, and consumer advocates to push a bill that requires all of Oregon's regulated utilities to stop selling coal-generated electricity by 2030, and to increase their reliance on renewable energy. That bill has passed the House and is awaiting action in the Senate.

Two Oregon utilities are part owners of Colstrip. Portland General Electric (PGE) owns 20% of units 3 and 4, and PacifiCorp owns 10% of units 3 and 4. If passed, the legislation would require the Oregon utilities to write off their share of Colstrip by 2030. It also would prohibit the utilities from passing on the cost of coal-fired electricity to consumers after 2030 (or possibly 2035). In addition, it would force the utilities to incrementally increase their reliance on renewable energy, resulting in 50% of Oregon electricity coming from renewable energy sources by 2040. Whether those utilities will still need any electricity from Colstrip after 2030 is an open question.

"The bottom line is that the companies invested in Colstrip are already planning their exit strategies. Units 1 & 2 were expected to last 30 years when they were built in 1970s. Units 3 & 4 were built in the early 1980s and they too have a finite lifespan. If other states are planning for Colstrip's eventual closing, the only question is: why isn't Montana?"

While the Oregon legislation has a good chance of passing, the outcome for Colstrip is likely to be the same whether it passes or not. The reason that the diverse interests have come together to push the legislation is the viable threat of a ballot initiative that would require even faster reductions in coal-generated electricity. That initiative effort is likely to go forward if the legislation fails.

The bottom line is that the utilities and companies invested in Colstrip are already planning their exit strategies. Units 1 & 2 were expected to last 30 years when they were built in 1970s. Units 3 & 4 were built in the early 1980s and, while they are expected to operate longer, they too have a finite lifespan. If other states are planning for Colstrip's eventual closing, the only question is: why isn't Montana?

Secure Montana's Environment for Future Generations -- Join MEIC's Pledge Program!

by Sara Marino

When MEIC was starting out, monthly pledge donors were its only source of income. More than 40 years of protecting Montana's natural environment later, the Pledge Program is still a vital part of MEIC. The ongoing support from our members is critical to our continued success on behalf of the rivers and streams, majestic mountains, and wide-open spaces that make our Big Sky State so special. Thank you for your support.

If you haven't heard about the Pledge Program, it is a simple but very effective way to pay your membership dues. It is a program that you design to fit in best with your budget and lifestyle. You can pledge any annual amount you choose and make payments in 12 or fewer installments. For example, you could pledge $240 for the year, and pay just $20 a month – that's only 66 cents a day! And it gets even easier. You can sign up to pay monthly with your credit card, or by automatic withdrawal from your bank account, and MEIC will take care of it for you.

In 2015, MEIC's pledge member donations totaled more than $30,000! Please consider joining the Pledge Program this year to help make that number even bigger in 2016. Remember, your monthly donation, no matter the amount, does make a difference.

Here's what new Pledge Program members Jeff and Denise Roth Barber had to say: "We are both so grateful for the work MEIC does, and we want to ensure the organization has the support it needs to continue doing that great work. We've written checks for years, but recently decided to make monthly payments via MEIC's online payment option. It's easy, saves the office time and postage, cuts down on the use of paper and the resources used to deliver snail mail. But most important, we are actually able to give more, since it's easier to make donations monthly than write a check for a lump sum once a year."

Pledge members provide the predictable income that helps keep MEIC at the forefront of environmental advocacy in Montana. Please consider joining today. Call Sara Marino at 406-443-2520 or e-mail her at smarino@meic.org for more information. Or sign up using the enclosed postage-paid envelope. All new pledges of $15 per month or more will receive a free MEIC logo baseball cap!

Jeff and Denise Barber.

A Variety of Ways You Can Help MEIC

1. Join MEIC's monthly giving program

The Pledge Program is a simple but very effective way you can support MEIC. You design the program to best fit your budget and lifestyle. You can pledge any annual amount you choose and make payments in 12 or fewer installments. You could pledge $240 for the year, and pay just $20 a month—***that's only 66 cents a day!***

And it gets even easier. You can sign up to pay monthly with your credit card, or by automatic withdrawal from your bank account, and MEIC will take care of the rest. Pledge members help provide the staying power that keeps MEIC at the forefront of environmental advocacy in Montana.

2. Leave a bequest to MEIC

You can provide the financial security and long-term stability MEIC needs to weather unpredictable and cyclical funding by contributing to MEIC's Permanent Fund, our endowment. All gifts to the Permanent Fund are invested. Only the income earned on these investments is spent, and all of it goes to MEIC. Here are two ways you can contribute to MEIC's endowment:

1) The Permanent Fund accepts cash or property including stock, real estate, and life insurance. These contributions can be made directly to MEIC and are deductible as charitable contributions.

I want to help protect Montana's environment by:

- ❑ Becoming an MEIC member.
- ❑ Renewing my MEIC membership.
- ❑ Joining the monthly pledge program.
- ❑ Donating to MEIC's permanent fund.
- ❑ Giving a gift membership.
- ❑ Making a special contribution.

Here are my dues or gift membership:

❑ $250 (Sustainer) ❑ $45 (Contributor)
❑ $120 (Donor) ❑ $30 (Basic)
❑ $60 (Supporter) ❑ Other $ _____

Name _____
Address _____
City _____ State ____ Zip _____
E-mail _____

Mail this form to:

MEIC
P.O. Box 1184
Helena, MT 59624

Thank you!

2) MEIC also has an endowment account at the Montana Community Foundation, which greatly expands the ways you can help MEIC while taking advantage of a Montana State income tax credit. Call the Montana Community Foundation at 406-443-8313 for more information.

3. Encourage others to join MEIC or give a gift memership

Members are the heart and soul of MEIC, and who better to spread the word than you give an MEIC gift membership or tell your friends and family why you joined MEIC and about the difference they can make for Montana's environment by joining with you. Every member means a lot. ***Take advantage of our 2-for-1 gift membership program when you renew your MEIC membership -- when you renew, you can give an MEIC membership to a friend for FREE!***

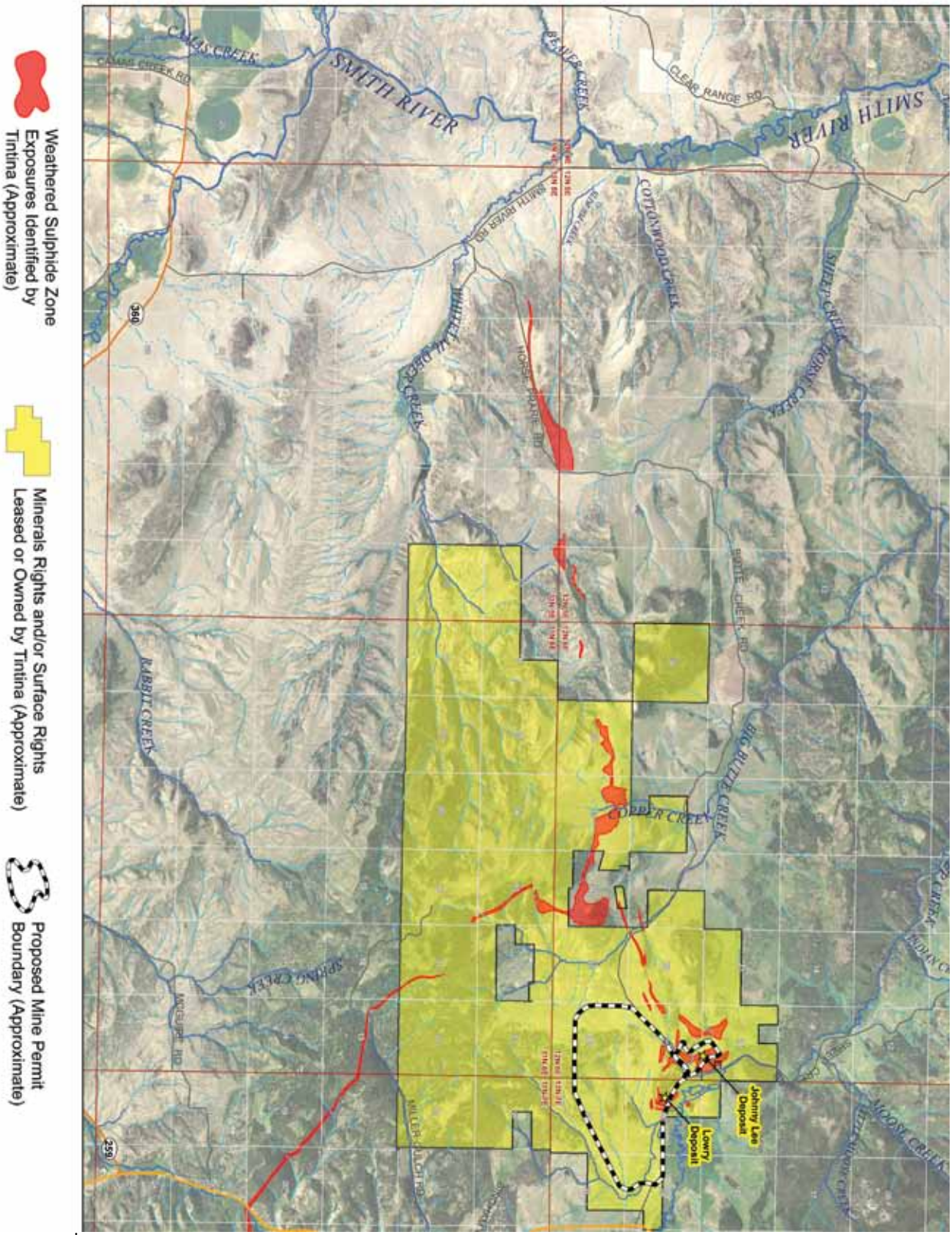
Join or Renew Today.

(406) 443-2520 • www.meic.org

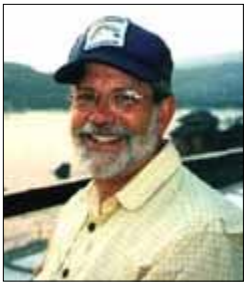
Or use the postage-paid envelope enclosed.

Donate NOW by Smartphone:

Smith River Mine *(see article on page 2)*



Thoughts from the Executive Director



by Jim Jensen

Right now many Montana outdoors enthusiasts are anxiously awaiting the results of the Smith River floating permit lottery. It is a wonderful annual ritual that spotlights the treasured status of this iconic river. As you know, it is under threat from a mine proposed at its headwaters near Sheep Creek (see article on page 2). But, MEIC has recently discovered the true nature of the plans that the project's owner, Australian mining company Sandfire Resources (and its operating subsidiary, Tintina Resources), has for the Smith River. The company is not telling Montanans the truth about its real agenda. The pithy aphorism attributed to Mark Twain that "the definition of a miner is a liar with a hole in the ground," rings as true today as it did in his era.

And speaking of hucksters, Montana State Sen. Jennifer Fielder (*R-Trout Creek*) has been hired as the leader of the sketchy Utah-based American Lands Council. This outfit is behind the current wave of attacks on public lands in Montana and elsewhere in the Rocky Mountain West. She has introduced numerous bills (unsuccessfully) to try to have our cherished federal public lands birthright ended with the transfer of these lands to the various states.

We all know that this work is funded by the Koch Brothers and other interests who want ultimately to buy these lands for their own private dominion. One of the early provocateurs of this movement, economics professor Terry Anderson of Montana State University, even once said that Exxon Corp. would be a better steward of the Bob Marshall Wilderness than the U. S. Government. Sen. Fielder recently stood in defense of the pathetic gaggle of armed malcontents at the Malheur Wildlife Refuge in eastern Oregon. Her agenda is clear and we Montanans are not going to surrender to it.

The wonders of nature that we Montanans value more than money will be defended by MEIC and other organizations as long as necessary. It is a proud tradition and I am humbled to be a part of it.

Clean Power Plan *(continued from page 7)*

tie vote leaves a lower court's decision intact. There was hope again that the fate of the CPP would be decided on its merits.

When the Supreme Court issued its stay, Governor Bullock immediately put his recently appointed CPP advisory committee on hold. His 27-member committee was dominated by pro-fossil fuel representatives, leaving little hope that it would recommend a rational energy plan for Montana. MEIC welcomed the committee's future being put in limbo.

The governor's action shouldn't mean that planning a responsible energy future isn't necessary. Democratic and Republican governors across the country are continuing to develop CPP compliance programs. Montana agency representatives have indicated they believe planning a path forward still makes sense. Clean energy sources are already outcompeting coal in the marketplace. Coal's precipitous downward slide is expected to continue. Wind-generated electricity already costs Montana's largest utility, NorthWestern Energy, half as much as electricity from the Colstrip plant. Preparing for the rapid and inevitable change in energy sources, and positioning the state to take advantage of it, is the most responsible path forward. Unfortunately, the question remains: will politics win, causing Montana to enter the future with blinders on, or will reason and common sense carry the day?

MEIC - a nonprofit environmental advocate

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MEIC's purpose is to protect Montana's clean and healthful environment. The words "clean and healthful" are taken from the Montana Constitution, Article II, section 3 - Inalienable Rights, which begins: "All persons are born free and have certain inalienable rights. They include the right to a clean and healthful environment . . .."

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Order a Free "Save Our Smith" Sticker!

Montana's Smith River is renowned worldwide for its clean water, rugged canyon scenery, and high quality trout fishery. Tintina Resources, a Canadian mining company, has partnered with Australia-based Sandfire Resources, and is proposing a large underground copper mine at the headwaters of the Smith River, on the banks of and directly underneath Sheep Creek.

Show your support for keeping the Smith River pristine and preventing a reckless hardrock mine from being developed on its most important tributary. You can order a free bumpersticker by filling out the online form located at **www.saveoursmith.com**, or e-mailing your name and address to **meic@meic.org**.