



P.O Box 1700, Helena, Montana 59624

Phone: (406) 443-5541

Email: ptrenk@tsria.net Web: tsria.org

TSRIA NEWS

November, 2015

Obama Rejects Keystone XL Project, citing U.S. Climate Change Leadership

Source: Washington Post, November 6, 2015

By Juliet Eilperin and Steven Mufson

President Obama rejected a presidential permit Friday (11/6/15) for the controversial Keystone XL pipeline, citing concerns about its impact on the climate. "America's now a global leader when it comes to taking serious action to fight climate change," Obama told reporters, standing in the Roosevelt Room beside Vice President Biden and Secretary of State John F. Kerry. "And frankly, approving this project would have undercut that global leadership. And that's the biggest risk we face, not acting." He said now was the time to act to "protect the one planet we've got while we still can."

The decision to deny TransCanada Corp. a cross-border permit for a 1,179-mile pipeline between Hardisty, Alberta, and Steele City, Neb. put an end – at least for now – to a seven-year fight over a project that came to symbolize what Obama could do unilaterally to keep fossil fuels in the ground.

What started as a routine permitting application for a large infrastructure project became a litmus test among Democrats for what President Obama was willing to do to tackle global warming in the face of Republican resistance in Congress. Backers of the project said it would ensure a secure supply of oil from a reliable U.S. ally and create jobs; opponents said it would

both exacerbate climate change by releasing a massive amount of carbon into the atmosphere and create pollution hazards along the pipeline's route.

In the roughly seven-minute statement, Obama rejected the idea that the project, which would have brought Canadian oil sands, or tar sands, crude oil to the United States, would either lower oil prices or improve American's energy security. "The point is the old rules said we couldn't promote economic growth and protect our environment at the same time," he said, "but this is America and we have to come up with new ways and new technologies to break down the old rules." ... In the broader U.S. political arena, the move drew immediate criticism from congressional Republicans and some union leaders, as well as praise from environmentalists.

House speaker Paul D. Ryan (R-Wis) condemned Obama's decision. "This decision isn't surprising, but it is sickening," Ryan said. "By rejecting this pipeline, the president is rejecting tens of thousands of good-paying jobs. He is rejecting our largest trading partner and energy supplier. He is rejecting the will of the American people and a bipartisan majority of the Congress."

And Terry O'Sullivan, president general of the Laborer's International Union of North America, said the move "is just one more indication of an utter disdain and disregard for salt-of-the-earth, middle-class working Americans...the president may be celebrated by environmental extremists, but with this act, President Obama has also solidified a legacy as a pompous, pandering job killer."

By contrast, 350.org's Bill McKibben, whose group helped elevate the permit decision to a national issue by staging a huge protest in Washington in 2011, said it set an important global precedent. **"President Obama is the first world leader to reject a project because of its effect on the climate," McKibben said in a statement.** "That gives him new stature as an environmental leader, and it eloquently confirms the five years and millions of hours of work people of every kind put into this fight. We're still...sad about Keystone south and are well aware the new president could undo all of this, but **this is a day of celebration...what one gas executive has called the keystone-ization of almost every fossil fuel project in the continent, a growing resistance to an impossible future.**"

Montana's Congressional Delegation Disagrees with President Obama's Decision

Senator Jon Tester: "I'm disappointed with the President's decision. After dragging his feet for years on the Keystone Pipeline, the President missed an opportunity to 'strengthen' America's energy security. The decision prevents more good-paying jobs and ensures that we continue to do business with hostile countries in the Middle East."

Senator Steve Daines: “It has taken more than seven years for President Obama to come clean with the American people and admit his anti-energy and anti-American jobs agenda. President Obama had an opportunity to create good-paying jobs with the construction of the Keystone Pipeline, but instead he chose to blatantly disregard the economic needs of this nation, the need for good-paying jobs, like union jobs, energy costs for Montana families and the will of the American people. The rejection of the Keystone XL Pipeline by President Obama is an affront to the American people.”

Congressman Ryan Zinke: President Obama turned his back on Montana, turned his back on American workers, and turned his back on our closest neighbor and ally, Canada. And for what? President Obama is making phony claims about the impact of the Keystone that his own State Department says is not true. A 2014 environmental impact study...by the State Department concluded the Keystone would not have a negative impact on the environment. That is a fact...”

Editor’s Note: Earlier estimates for Montana pointed to about 800 construction jobs and a dozen permanent jobs in Montana being created as a result of the Keystone XL pipeline project. Those will not be realized as a result of the President’s decision.

Meeting Discusses Future of Colstrip

Source: [Helena Independent Record](#)
October 29, 2015 Spokane, WA (AP)

Officials from Montana urged their Washington counterparts to tread carefully when making decisions that will impact the future of Montana’s Colstrip Generating Station, a major electrical producer and employer.

At a work session in Spokane on Wednesday (October 28, 2015) , government officials and utility representatives from Montana and Washington discussed efforts to wean Washington from the coal-powered Colstrip plants, which are located east of Billings.

The meeting of the (Washington) Senate Energy, Environment and Telecommunications Committee was called by Washington state Senator Doug Ericksen, R-Ferndale, who is trying to protect Washington consumers in the event of a forced closure of two older Colstrip generating units.

Montana lawmakers urged their counterparts to consider the impacts on the hundreds of people who would lose their jobs if the two older Colstrip units were suddenly closed.

Additional Meeting Information: Montana legislators participating in the meeting in Spokane, Washington were Senators Jim Keane, Duane Ankney, Cliff Larsen and Rick Ripley. Also attending were Representatives Keith Regier and Mike Lang. Others invited to speak were PSC Commissioner Bob Lake, Governor Bullock's Natural Resources Advisor Tim Baker, Governor Bullock's Director of Public Engagement Adam Schafer, Gordon Criswell from Talen Montana, and Bill Thompson, Senior Technical Advisor for Northwestern Energy.

Several representatives from organized labor also attended, as well as individuals from other business sectors. Representatives of environmental organizations were also present.

Notable quotes:

Senator Jim Keane (speaking about Montana's relationship with Washington state): "When we all do well, we all do well."

Tim Baker, Natural Resources Policy Advisor to Governor Bullock: "These decisions have real impacts for real people. These aren't bumper sticker issues."

Senator Duane Ankney (speaking about the high level of maintenance at Colstrip): "They have some of the highest reliability rates in the country (80-85%). As long as someone will let us keep them running, we'll continue to generate low cost electricity."

Jim Jensen, Montana Environmental Information Center: "MEIC is working to bring new energy into the mix from Montana. Coal is the last thing you want to invest in for low cost reliable energy."

John Roeber, MT State Building and Construction Trades Council (speaking about his 38 years' experience as a Boilermaker): "The Colstrip facilities are well maintained and could have a long life...Please remember the people in the communities that could be impacted."

Next Steps:

The Washington Senate Energy, Environment and Telecommunications Committee Chair Doug Erickson agreed it would be helpful for the Washington legislators to learn more about the current operation of the Colstrip plant. The Montana legislative delegation invited the Washington Committee members for a tour of the facilities prior to their taking this issue up again in January when they return for a short session. They could also tour the coal mining operation at Rosebud. More joint work sessions are anticipated, as well as combined efforts to share information about transition planning, the Clean Power Rule and environmental liability concerns relative to closure.

Chairman Erickson also committed to make sure Montana legislators and others would be invited to participate in hearings on legislation that would impact Colstrip. He anticipates a bill will be introduced in January that would continue to focus on planning for a potential closure strategy that would protect Washington ratepayers, but given the short time period the Washington Legislature will be in session he wasn't sure about prospects for passage. He noted they don't have to pass a bill if they can't get it right this time.

Editor's Note: Talen Montana, part owner and operator at Colstrip reports they have about 380 employees, plus they bring in other workers with specific expertise as needed. The Rosebud coal mine which supplies coal to the Colstrip generation facility employs 390 workers.

Main Street Montana Project - Natural Resources Key Industry Network Meets in Helena

Early in 2013, Governor Bullock initiated the Main Street Montana Project. The goal of this effort is to create a private-public partnership to build and implement a business plan for Montana by Montanans. Following a public outreach effort, and a good deal of research, the Project plan was released in April 2014. It identifies five Pillars upon which the plan is built: 1) train and educate tomorrow's workforce today, 2) create a climate that attracts, retains and grows businesses, 3) build upon Montana's economic foundation, 4) market Montana, and 5) nurture emerging industries and encourage innovation.

As a means to flesh out the plan, a number of Key Industry Networks (KINs) were created that bring individuals with specific expertise and experience together to develop recommendations. The KINs are in various stages of progress. Of great interest to TSRIA is the work of the Natural Resources KIN, which focuses heavily on the mining and timber industry sectors. The KIN had its first meeting in March 2015.

The KIN reconvened in Helena on November 3rd to continue its work on potential recommendations to be submitted to the Bullock Administration. Jim Molloy from Governor Bullock's office offered an update on the progress of other KINs: four have completed their work, five are underway, and four more have yet to meet. Progress has been made in all areas and the Governor and his staff are analyzing information received to date to determine how best to proceed. Beginning in January, agencies will be developing their budgets for the coming biennium, as well as identifying potential legislative changes. Those efforts will be coordinated with the Main Street Montana Project recommendations.

Co-chaired by Loren Rose (Pyramid Lumber) and Todd Myers (Cloud Peak Energy), the KIN devoted a significant portion of the meeting to discussing the “current headwinds facing Montana’s natural resource industries.” The co-chairs noted that much had changed since the March meeting and suggested for the immediate term, the KIN could serve an important role by making sure the Governor and his team are aware of the struggle many in industry are facing at present. The KIN identified three primary challenges: 1) commodity prices, 2) the current exchange rate, and 3) environmental challenges such a regulation and permitting. With regard to the latter, the Clean Power Plan was identified as a key concern given the uncertainty it creates for the economy and for future tax revenues. The group agreed to send a letter to Governor Bullock outlining the challenges as soon as possible.

The Natural Resources KIN will meet again in January, 2016 to develop its final recommendations. Those interested in learning more about the program and the other KINs can go to mainstreetmontanaproject.com.

Clean Power Plan Update

Now that the 111(d) Rule (Clean Power Rule) has been “officially” published in the Federal Register, industry, organized labor, legislators and other interested parties are expecting Governor Bullock to soon launch a Clean Power Advisory Group effort to take a hard look at what Montana’s plan for compliance will entail.

In the meantime, Montana’s Attorney General joined with 23 other states to challenge the Clean Power Rule:

Attorney General Fox Announces Montana Joins Suit Against Federal Government to Halt “Carbon Rule”

Source: MT. Department of Justice Press Release
October 23, 2015

Attorney General Tim Fox announced today that Montana, along with 23 other states, filed a lawsuit challenging the Obama Administration’s Section 111(d) Rule, an unlawful plan to radically restructure the way electricity is produced and consumed throughout the country. The Rule, as promulgated by the Environmental Protection Agency (EPA), would result in dramatically higher electricity bills and significantly less reliable services for families, businesses, hospitals and schools across America...

“Once again, the EPA has overstepped its rule-making authority granted by Congress, this time seeking to impose an unworkable, technically unfounded, and legally invalid national energy policy on the states,” Attorney General Tim Fox said. “The new regulations don’t bode well for states like Montana, which relies on abundant and inexpensive coal for stable, affordable electricity, or for the members and residents of the Crow Indian Reservation, who are also Montanans, and who rely on benefits from the mining of coal within their Reservation. The states have a right to develop, use, and market their natural resources for the benefits of their citizens and the communities they live in. Resource development and protecting our environment are not mutually exclusive. Our ability to do this is vital to Montana’s future, and we felt it was imperative for us to join in the challenge of this rule.”

The Rule purports to require States to reorganize their energy grids, in order to reduce carbon emissions from electric-generating plants by 32 percent below 2005 levels by 2030. The Rule could cost over \$25 billion annually and these costs will ultimately be paid by consumers who could see their electric bills go up by 10% or more.

The Rule will also cause coal miners, union workers, and other hardworking people to lose their jobs, concentrating the pain from the unlawful rule on those who can least afford it.

In the documents filed with the U.S. Court of Appeals from the District of Columbia Circuit, the states make clear that EPA has no legal authority to promulgate or enforce the 1111(d) Rule.

“States have argued to the EPA for more than a year that the Rule is illegal for multiple reasons,” Attorney General Fox added. “In particular, EPA lacks authority to force States to fundamentally restructure their power portfolio to consume less coal-fired energy. The Rule is also illegal because it seeks to require States to regulate coal-fired plants under Section 111(d) of the Clean Air Act, even though the EPA already regulates those same plants under Section 112 of the Act. This results in double regulation, which is flat out prohibited by the Clean Air Act.”

The States challenging the Rule include West Virginia, Texas, Alabama, Arkansas, Colorado, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Louisiana Department of Environmental Quality, Michigan, Missouri, Montana, Nebraska, New Jersey, Ohio, South Carolina, South Dakota, Utah, Wisconsin, Wyoming, the Arizona Corporation Commission and the North Carolina Department of Environmental Quality.

Additional Information:

There were at least 17 petitions filed with the D.C. Circuit the first day (October 23rd) that the court had jurisdiction. In addition to the suit mentioned above, others filing included: Oklahoma, International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, AFL-CIO; Murray Energy Corp., National Mining Association, American Coalition for Clean Coal Electricity, Utility Air Regulatory Group and American Public Power Association

and its members, Alabama Power Company, Georgia Power Company, Gulf Power Company and Mississippi Power Company, CO2 Task Force of the Florida Electric Power Coordinating Group, Inc., Montana-Dakota Utilities Co., Tri-State Generation and Transmission Association, Inc., United Mine Workers of America, National Rural Electric Cooperative Association and its member cooperatives, Westar Energy, Inc., NorthWestern Corporation, North Dakota, Chamber of Commerce of the United States and 16 other national business organizations.

Helena and Lewis & Clark National Forests Revising Forest Plan

Source: U.S. Forest Service

The Helena and Lewis & Clark National Forests have begun revising their Forest Plan. Since the release of the 1986 Forest Plan, the natural landscape and surrounding communities have changed. As a result, the forests have begun a process for developing a new plan using the 2012 forest planning rule which places greater emphasis on collaboration and public involvement.

Forest Plans provide strategic direction to guide management of forest resources and provide a framework for decision-making on site-specific projects and activities (such as travel management and timber harvest). The new planning rule directs Forest Plans to be science-based and developed collaboratively with stakeholders interested in the management of national forests.

The forests have launched into a series of public workshops aimed at: 1) providing information on the forest plan revision process, 2) soliciting public input and feedback on “desired” conditions” for the forest and its resources and 3) providing information about how to stay involved throughout the planning process. A schedule of the workshops, as well as a wealth of other information can be found on their website. Upcoming workshop dates include Townsend on November 17 from 5-8 pm in the Townsend Library, November 18, from 9 am – 12 pm in White Sulphur Springs at the WSS Community Training Center, November 18 in Harlowton from 5-8 pm in the Harlowton Library and November 19 in Helena from 5-8 pm at the Montana Association of Counties Conference Room.

Input can be provided at the workshops, or submitted electronically. **Updating forest plans is a long and arduous process, but involvement is important at each step.** A decision on the final plan is not anticipated until summer 2018.

State Environmental Board Rejects Permit for Signal Peak Coal-Mine Expansion near Roundup

Source: MTN News, October 21, 2015

By Mike Dennison

HELENA – The state Board of Environmental Review has rejected a permit to double the size of the Signal Peak Energy underground coal mine near Roundup. The board on Friday (October 21, 2015) agreed with environmental groups that appealed state agency approval of the 2013 permit.

They argued that the Montana Department of Environmental Quality did not properly analyze the proposed expansion's impact on area groundwater...

The 4-1 vote by the board vacates the permit and sends it back to the agency for further analysis...

The mine in the Bull Mountains employs about 300 people. The expansion permit would allow mining of an additional 170 million tons of coal by 2025.

DEQ did not consider groundwater impacts beyond 50 years, even though the mine may cause pollution "for perpetuity," the center (Western Environmental Law Center which represented MEIC and the Sierra Club) said in a statement.

Editor's Note: Attention readers. Have you been keeping track? So far this newsletter has identified approximately 1882 existing or potential jobs that have or may be impacted by a myriad of decisions.

Upcoming Events/Dates

November 17, 2015 Montana Sage Grouse Oversight Team Meeting Helena, MT
December 4, 2015 Board of Environmental Review Helena, MT
December 1-3, 2015 MT Grain Growers Association Annual Convention Great Falls, MT
December 2, 2015 MT Taxpayers Association Annual Meeting Great Northern Hotel, Helena, MT
December 3-5, 2015 MT. Stockgrowers Association Billings, MT