



TREASURE STATE
RESOURCES ASSOCIATION
OF MONTANA

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TREASURE STATE RESOURCES ASSOCIATION NEWS
November, 2019

TSRA To Host “Legislative Appreciation Reception” on January 13, 2020 – Sponsorship Opportunities Available

As reported earlier, a majority of interim legislative committees will be meeting in Helena the week of January 13 – 17, 2020. It is hoped the compact schedule will allow more legislators to participate in larger discussions about the HJ 35 Study of Montana’s tax system and the HB 715 Study of state and local revenue sustainability. As many as 100 legislators are expected to attend.

There are some activities already planned for attendees, including a hosted lunch on Tuesday and Wednesday, and dinner on Tuesday, the 14th. However, based on the schedule provided by Montana Legislative Services, Monday, the 13th will likely see the greatest number of legislators in town – with nothing to do on a cold winter evening. While we hold our traditional Legislative Showcase during session years, TSRA’s Executive Committee suggested holding a smaller, more informal event as an opportunity to meet with legislators “mid term” and say thanks for their service.

The “Legislative Appreciation Reception” will be held at the Great Northern Best Western Hotel in Helena from 5:30 – 7:00 pm. We’ve received a very positive response so far and hope we can count on our members to not only help by sponsoring the event, but also attend to serve as “ambassadors” for their industry. It’s a great opportunity to catch legislators up on upcoming projects, issues of concern, or simply say thank you. We’re keeping it simple – only two

sponsorship categories for either \$500 or \$250. A registration form can be found here: [2020 Legislator Appreciation Reception](#) . We look forward to your participation.

Montana Climate Solutions Council Committees Set Ambitious Work Plan

The Montana Climate Solutions Council created by Governor Bullock to develop recommendations for addressing climate change in Montana has divided its work amongst three committees: GHG Mitigation Strategies, Technology Innovation and Transitions, and Climate Adaptation, Information and Decision Support. All three have met at least once during October with a goal of forwarding recommendations to the full Council in December. In addition to looking forward to developing recommendations that can be implemented in the future, all three committees have expressed interest in understanding what progress has already been made. A Montana Climate Summit is tentatively targeted for March of 2020 that could include a discussion of the Council's initial recommendations and follows a public comment period in February.

As each committee develops its recommendations, they are asked to address a number of questions as appropriate. Those are:

- Who would implement the recommendation (Legislature, Governor, local government, utility/co-ops, homeowners, businesses, agriculture, landowners, industry, etc.),
- Describe the pros and cons of the recommendation, including any co-benefits for mitigation and adaption to climate change,
- Identify whether this recommendation would have a high, medium or low effectiveness or impact on addressing the issues and why,
- Identify whether this recommendation would have any adverse impacts on specific groups of people, industries, businesses, or others. If there are impacts, what mitigation strategies would be used to reduce those impacts? Similarly, are there adverse impacts to the environment to be considered?,
- What are the estimated costs or resources (both public and private) needed to implement this recommendation,
- Provide an estimate of a reasonable timeframe to implement this recommendation. Are there short, medium and long term goals,
- What needs to happen to determine whether this recommendation, if implemented, is successful in achieving its goals.

Efforts also continue to identify a common glossary of terms so all committees, and the public, can "speak the same language".

The Climate Adaptation, Information and Decision Support Committee met September 24th to discuss the scope of their work under the outline set forth in the Executive Order. They will meet again on Tuesday, November 5th from 1:30 – 4:30 pm. at the DNRC Headquarters, Montana Room located at 1539 11th Avenue in Helena. The primary focus of the meeting will be to assign sector teams to delve further into how a changing climate is affecting Montana and what mitigation or adaption strategies might be identified – some of which may already be in play. Those sectors include: agriculture, water resources, forestry, range, communities (large, rural and tribal), transportation infrastructure, public health, and energy infrastructure. Working collaboratively, teams will develop recommendations for a white paper that will be forwarded to the full Council.

The GHG Mitigation Strategies Committee met Tuesday, October 8th and is scheduled to meet again on November 15th. As anticipated they discussed how to develop recommendations for the power sector to be “carbon neutral” by 2035. The Committee suggested the second question of setting an economy-wide goal that seeks to reduce emissions in other sectors beyond electricity generation be pushed out for public input before making any recommendations.

A key topic for consideration was whether the goal is to simply reduce or eliminate carbon emissions, or find a balance between emissions and annual carbon sinks offered in areas such as the agricultural and forestry sectors. Members also noted an interest in looking at what progress has already been made in reducing emissions.

In order to meet the timeline of reporting recommendations to the full Council in December, the Committee adopted the approach of dividing work up among a series of “buckets” or sectors. Those include:

- Carbon capture utilization and storage and cleaner technologies (CCUS) - is there a pathway for carbon capture at Colstrip? Is there a future where there’s new generation with CCUS?
- Energy efficiency
- Renewable energy – including consideration of storage and capacity
- Electric peak/capacity challenges
- Inventory and Modeling – work is currently being done at MSU to develop different scenarios for Montana
- Transmission and electricity markets
- Farms, Ranchland, Forestry and Wood Products – methane and nitrous oxide emission issues related to livestock and fertilizer, storage of carbon in soil, trees, wood products
- Transportation – electric vehicles and changing infrastructure
- Industrial – industrial plant emissions
- Residential and Commercial – building codes for new structures
- Oil and gas – related to production and transmission
- State Agency Actions – fleet fuel reduction, government operations

- Tribal and local governments

The Technology, Innovation and Transitions Committee met on October 9th and 24th. As explained by a representative of the Governor's office, the way Montana responds to climate change has its challenges, but can also offer economic opportunity. The Montana University System is expected to play a big role in building capacity for research and development for new technologies. Committee members spent considerable time discussing how to create a "landscape" that supports innovation. Assignments were made to identify cases studies that illustrate examples of what is actually taking place in Montana and point to reasons why some projects succeed or fail. From those, the committee hopes to build a strategy around technology research, development and commercialization. At the October 24th meeting the Committee further discussed community transitions, including those for communities and workers reliant on wages and revenue from fossil fuel energy and extraction.

The Council has a web presence on the Montana Department of Environmental Quality website. The new web page includes details about upcoming meetings of the Council and its Committees, a list of members, a link to subscribe to emails, and additional resources.

Check out the page at the following link: <https://deq.mt.gov/DEQAdmin/dir/Climate>

The full Montana Climate Solutions Council will meet December 9th and 10th at a location TBD. Once the Council issues its draft recommendations in mid to late January, the proposals will be sent out for public comment.

Still Time to Weigh in on Keystone Pipeline SEIS

Source: TC Energy

The Department of State has published a new draft Supplemental Environmental Impact Statement for Keystone XL Pipeline and is taking comments on the draft. As you know, the Keystone XL Pipeline has had years of rigorous review and over and over again the conclusions are the same – the pipeline can be built and operated safely with no significant impact to the environment. Please help support this important project by providing comments in this latest process. Comments can be submitted until November 18, 2019.

Comments may be submitted at: <https://www.regulations.gov> by entering docket number **DOS-2019-0033**.

Key KXL Facts and Project Background

- The Keystone XL Pipeline project is a proposed 36-inch-diameter crude oil pipeline, beginning in Hardisty, Alberta, and travelling through the heart of America's Bakken oil formation and extending south to Steele City, Nebraska.

- The base Keystone Pipeline System, which went into service in July 2010, has already safely and reliably transported over two billion barrels of crude oil from where it is produced in Canada and the U.S. to key U.S. refining centers. Keystone XL will enhance this system and provide new ways to safely transport the energy to fuel Americans' daily lives, now and in the future.
- Every year, we spend hundreds of millions on integrity and preventative maintenance programs to ensure the safe, reliable operations of our systems, demonstrating our commitment to asset safety and the environment.
- The Keystone XL project is designed to transport both Canadian and American crude oil.
- Keystone XL would enhance the United States' energy security by providing additional critically important infrastructure for the delivery of a dependable supply of crude oil from Canada, as well as facilitating the delivery of domestic supplies.
- The U.S. State Department's 2018 Final Supplemental Environmental Impact Statement includes extensive scientific review of [geology](#), [soils](#), [water resources](#), [wetlands](#), [wildlife](#), [air quality and noise](#), [terrestrial vegetation](#), [fisheries](#), [species at risk](#), [cultural resources](#), [greenhouse gas emissions and climate change](#).
- [KXL Project Website: https://www.tcenergy.com/operations/oil-and-liquids/keystone-xl/](https://www.tcenergy.com/operations/oil-and-liquids/keystone-xl/)

Time to Build the Pipeline: Over 10 years of rigorous review and the facts have never changed: every federal study done under both the Obama and Trump administrations has concluded Keystone XL can be built and operated safely, with NO significant impact to the environment.

- TC Energy filed its first Keystone XL application in 2008.
- Since 2008, about 42,000 miles of pipeline have been put into service in the U.S., carrying oil and other petroleum products. Source: PHMSA, 2008-2017.
- The Keystone XL project has been reviewed numerous times at both the state and federal level:
 - In 2011, the U.S. State Department (DOS) determined the project could be built with no significant impact to the environment.
 - In 2014, DOS again finds Keystone XL can be built safely.
 - In 2018, DOS again finds Keystone XL can be built with no significant impact.

National Security Interest: The need for this pipeline hasn't changed since it was proposed more than 10 years ago.

- U.S. imports over seven million barrels of oil a day from regions that include Saudi Arabia and Iraq.
- Keystone XL will provide a reliable source of fuel from a stable neighboring country that shares America's values.

- U.S. Energy Information Administration has indicated in their long-term forecasts that they believe the U.S. will continue to rely on oil imports to meet U.S. demand for decades to come.

Safest, Greenest Means of Transportation: Keystone XL will safely deliver affordable and secure crude oil from western Canada.

- Pipelines are a safe form of oil transportation
- Canada exported 10 million barrels of oil in January of 2019 via railroad. This crude oil is coming into the U.S.; the only question is how it will be transported.

Economic Engine: Keystone XL is good business for the U.S. It will create thousands of high-paying jobs, pay millions into three rural states' tax coffers and inject billions into the nation's economy.

Jobs and National Economy

- During construction, Keystone XL will create over 42,000 U.S. based jobs.
- Approximately 12,000 of the jobs will be created in Montana, South Dakota and Nebraska
- Wages supported by Keystone XL construction will generate \$2 billion in earnings for U.S. workers
- Construction of Keystone XL will inject approximately \$3.4 billion into U.S. GDP

Montana DEQ Moving Forward with Proposed Changes to Arsenic Standards for the Yellowstone River

The Montana Department of Environmental Quality (DEQ) has been working with a stakeholder group to implement the provisions of SB 325 (2015 Session) that restricts the state from setting water quality standards more stringent than the nonanthropogenic (natural) conditions. While a simple concept in theory, documenting the natural condition and then proposing a change to an existing water quality standard at a level that satisfies the EPA and other diverse interests is not easy. Because the arsenic is already high in waters leaving Yellowstone National Park, based on years of monitoring work, DEQ was able to arrive at the natural condition of five identified segments. Again, that is still not a simple determination as the stream conditions vary due to a number of factors including high and low flow seasons. Those variables matter greatly to those required to seek water quality discharge permits. DEQ is proposing to initiate rulemaking in 2020 – if the Water Pollution Control Advisory Committee (November 8) and Board of Environmental Review (December 13) agree. To learn more about how the standards were derived, please refer to the following documents: [Natural and Nonanthropogenic Standards](#)

Renewal of the Petroleum Cleanup General Permit Pending

Source: MT DEQ

DEQ staff is alerting the Water Pollution Control Advisory Council and the public that action is anticipated concerning the Petroleum Cleanup General Permit. The Petroleum Cleanup General Permit allows discharges originating from corrective actions involving the cleanup of gasoline, diesel fuel, kerosene, jet fuel, heating oil, other petroleum products, or the clean up of sites related to the transportation of these materials (including pipelines). Wastewater from petroleum cleanup corrective actions may include surface and/or ground water resulting from excavation activity, remediation activity, surface and/or ground water contaminated by spills, or groundwater resulting from pumping and/or monitoring aquifers.

All discharges to state waters from these cleanup actions are regulated under the Montana Pollutant Discharge Elimination System. Dischargers are required to obtain authorization under the general permit, which contains effluent limitations and frequent monitoring for pollutants of concern. The permit was first issued in 1992 and last renewed in 2013. A hearing and a public comment period will be held before the final permit is issued. This topic will be discussed at the WPCAC meeting on November 8th.

Update on Black Butte Copper Project

Source: Montana DEQ

The Montana Department of Environmental Quality (DEQ) has shared an update on the Tintina Black Butte Copper project, a proposed copper mine north of White Sulphur Springs. Tintina applied to DEQ for an operating permit under the Metal Mine Reclamation Act, a Montana Air Quality Permit, a Montana Pollutant Discharge Elimination System permit, and a construction storm water permit under the Montana Water Quality Act. Prior to making a decision on any permit application, DEQ analyzes the potential environmental impacts of the proposed project and alternatives to the proposed project. DEQ published the Draft Environmental Impact Statement (EIS) on the proposed copper mine in early 2019 and is in the process of responding to substantive comments and preparing the Final EIS.

DEQ is in the final stages of its review and, barring unforeseen issues, anticipates publishing the Final EIS in the final quarter of 2019. The Draft EIS identified potential impacts to surface water quality as a result of dewatering associated with mine operations. DEQ received comments on that analysis. In addition, the Montana Department of Natural Resources and Conservation (DNRC) is reviewing water right applications. These water rights are important to DEQ to ensure Tintina is in compliance with the Montana Water Quality Act.

Shortly after the Final EIS is published, DEQ will set forth its final decision on the permit applications and its rationale for the decision in its Record of Decision (ROD). The ROD is a

public notice identifying DEQ's decision. It lays out the reasons for the decision and any special conditions surrounding the decision or its implementation. In accordance with the Administrative Rules of Montana, DEQ may publish its ROD no sooner than 15 days after issuing the Final EIS to the public, the Montana Environmental Quality Council, and the Office of the Governor.

DEQ values public participation in the Black Butte Copper project and EIS. Electronic copies of Tintina's applications and the Draft EIS may be viewed on DEQ's website at the following link: <http://deq.mt.gov/Mining/hardrock/tintinamines>.

Meet the TSRA Board of Directors:

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For more information contact: Peggy Trenk, TSRA Executive Director at ptrenk@tsria.net or call 443-5541. Please feel free to let us know if you have any us questions or concerns.

Upcoming Events/Dates

November 7, 2019	Economic Affairs Interim Committee State Capitol, Helena, MT
November 11-14, 2019	Montana Farm Bureau Convention DoubleTree & Northern Hotels, Billings, MT
November 12-13, 2019	Local Government Interim Committee State Capitol, Helena, MT
November 18-19, 2019	Revenue Interim Committee State Capitol, Helena, MT
December 3, 2019	State Administration Interim Committee State Capitol, Helena, MT
December 4, 2019	Montana Taxpayers Association Annual Meeting Great Northern Hotel, Helena, MT

2020 Schedule of Events:

Note: Interim Committees usually meet in Helena, but have an option to meet in other communities. Be sure to verify the meeting date and location before making plans to attend.

January 6-7, 2020	Water Policy Interim Committee State Capitol, Helena, MT
January 13, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT
January 13, 2020	Revenue Interim Committee State Capitol, Helena, MT
January 15, 2020	Local Government Interim Committee State Capitol, Helena, MT
January 15-16, 2020	Environmental Quality Council State Capitol, Helena, MT

January 17, 2020	State Administration Committee State Capitol, Helena, MT
February 27, 2020	State Administration Committee State Capitol, Helena, MT
March 9 – 10, 2020	Water Policy Interim Committee State Capitol, Helena, MT
March 18, 2020	Local Government Interim Committee State Capitol, Helena, MT
March 19-20, 2020	Revenue Interim Committee State Capitol, Helena, MT
March 23-24, 2020	Energy and Telecommunications Interim Committee State Capitol, Helena, MT
March 25-26, 2020	Environmental Quality Council State Capitol, Helena, MT
May 12-13, 2020	Revenue Interim Committee State Capitol, Helena, MT
May 13, 2020	Local Government Interim Committee State Capitol, Helena, MT
May 18-19, 2020	Water Policy Interim Committee State Capitol, Helena, MT
May 21-22, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT
May 27-28, 2020	Environmental Quality Council State Capitol, Helena, MT
June 17-18, 2020	TSRA Annual Meeting DoubleTree Hotel, Billings, MT
June 17, 2020	State Administration Interim Committee State Capitol, Helena, MT

July 13-14, 2020	Water Policy Interim Committee State Capitol, Helena, MT
July 14, 2020	Local Government Interim Committee State Capitol, Helena, MT
July 15, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT
July 20-21, 2020	Revenue Interim Committee State Capitol, Helena, MT
July 29-30, 2020	Environmental Quality Council State Capitol, Helena, MT
August 25, 2020	State Administration Interim Committee State Capitol, Helena, MT
September 8, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT
September 9, 2020	Local Government Interim Committee State Capitol, Helena, MT
September 9-10, 2020	Environmental Quality Council State Capitol, Helena, MT
September 11, 2020	Revenue Interim Committee State Capitol, Helena, MT
September 14-15, 2020	Water Policy Interim Committee State Capitol, Helena, MT
October 29, 2020	State Administration Interim Committee State Capitol, Helena, MT
November 19, 2020	Revenue Interim Committee State Capitol, Helena, MT

If you don't want to receive the TSRA Newsletter, please let me know. If you want to share with others in your company or organization, please do so. The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.