

A HIDDEN

COST OF COAL

AN OUTDATED ENERGY SOURCE



Northern Plains Resource Council's campaign to protect Montana's natural resources, prevent the worsening of climate change, and build healthy local economies.

Photo by David T. Hanson, Colstrip, Montana

Coal strip mining at Colstrip.

Montana is a prime target for new speculation in coal development. Twenty-five percent of all the coal in the United States is in Montana. While much of that coal isn't economically recoverable, our state is targeted for dramatic increases in coal development – projects that include strip mines, longwall mines, coal-to-liquids facilities, added infrastructure projects like the Tongue River Railroad, and coal-fired electrical generation.

Otter Creek in sights of giant Arch Coal

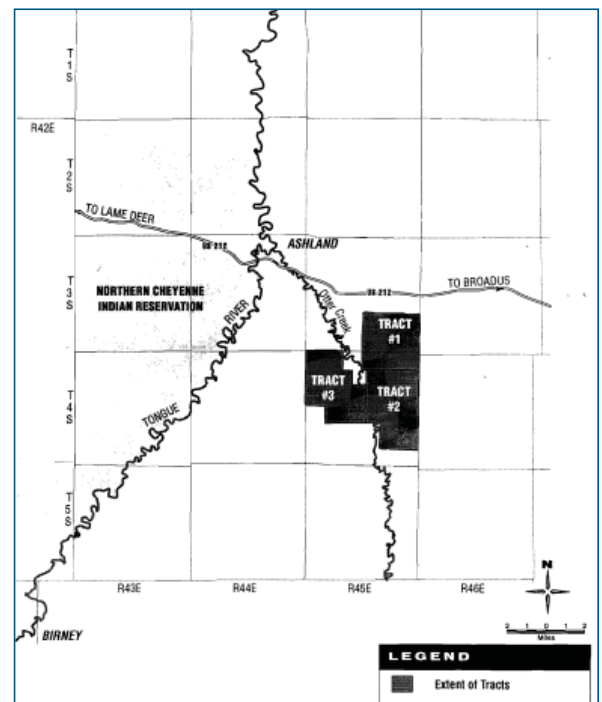
The largest new coal mine on the drawing board in the lower 48 states is the Otter Creek coal tracts, a deposit of 1.2 billion tons of coal located in Powder River County.

Because the ownership of the coal is divided in a checkerboard pattern among state, federal, and private owners, none can effectively develop without collaboration by the others.

The State leased its share of those coal deposits early in 2010 to Arch Coal, a St. Louis company that operates the largest coal mine in the United States in Wyoming and is involved with

mountaintop removal mining in Appalachia.

Until now, Otter Creek coal has never been mined because of its low quality (high in sodium, which must be washed out or the coal must be blended with other coal) and its location, which is remote and far from any infrastructure, transportation system, or population base. When developed, it will be two and a half times larger than any other Montana coal mine. Arch Coal has said, the coal itself would likely be shipped to Asia to be burned.



The Otter Creek tracts encompass 18,000 acres.

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Part of the Otter Creek Valley. The coal tracts extend east to the horizon.

Ecoflight,
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Still, the Montana Land Board committed to sell hundreds of millions of tons of coal, with no study of its impacts – not of its direct impacts on land and water, and not of the impacts its associated infrastructure will inflict upon farm and ranch operations in the area. Our state has

effectively gone into business with Arch Coal.

At the same time, the state expects us to ignore this huge conflict of interest and believe that it will effectively enforce the laws and fulfill its regulatory function on behalf of Montana citizens. This is hard to swallow.

Exporting to Asia

Seeing domestic demand for coal dropping, Arch Coal began acquiring additional coal reserves in the West with the stated goal of exporting it to Asia. In 2009, not only did Arch acquire the rights to coal at Otter Creek, it also purchased the Jacob's Ranch Mine in Wyoming.

Otter Creek will add nine coal trains coming and going every day through Montana. In addition to the carbon costs of burning the coal, transportation of this coal to the West Coast would account for 83 tons of CO₂ over the life of the mine, in addition to the 550 million tons per year Otter Creek coal will release when burned.

Biggest concerns are water, ash, rail line

Severe impacts to water: In Montana, coal mining and burning threatens family farms and ranches outright. Coal seams are also aquifers, so ground water is damaged. Mining liberates heavy metals and other toxics; this could seriously pollute Otter Creek and the Tongue River. Coal plants require large volumes of water for cooling and slurring.

Coal Ash: Burning coal creates large volumes of ash, consisting of toxic material that used to go out the smokestacks. Coal ash is the second largest waste stream in the U.S. Coal ash ponds exist as an outdated and ineffective strategy to capture that toxic material. Most ash ponds in the U.S. are unlined, however, allowing those toxics to leak into ground water. Such a leak is occurring at two coal ash ponds in Colstrip, and the ponds have contaminated at least 57 domestic wells. The leak continues to spread through the aquifer near the power plants, and also contaminates natural ponds that are hydrologically connected to the aquifer.

Tongue River Railroad: A pipe dream of railroad speculators for a century, the current railroad speculation began in 1980 with plans to run a rail line to a proposed coal mine near Ashland. When the economics of

the proposed mine just wouldn't "pencil out," the railroad speculators changed their plan to run the entire length of the Tongue River Valley, connecting with tracks near Decker, so it could instead carry Wyoming coal to market.

The Tongue River Railroad is necessary for the isolated Otter Creek coal to get to market. The TRR would cut ranchland in half for 131 miles, cut off pastures from the river, spread noxious weeds, start wildfires, and devalue property it crosses. This is one of Montana's most rural and sparsely populated river valleys, rich in wildlife, farm and ranch country, and cultural history, and many area residents have long opposed this railroad.

A Northern Plains leader in the 1980s observed, "There's no justice to it. It would destroy and depreciate one man's business so another can speculate on it." Railroad workers oppose it because it will displace many workers across the region for the benefit of the railroad's speculators.

Fuel of the past: Building new coal facilities delays the development of wind, solar and energy efficiency, which are the long-term answers to our energy supply.

Burning of coal pollutes politics, air, water

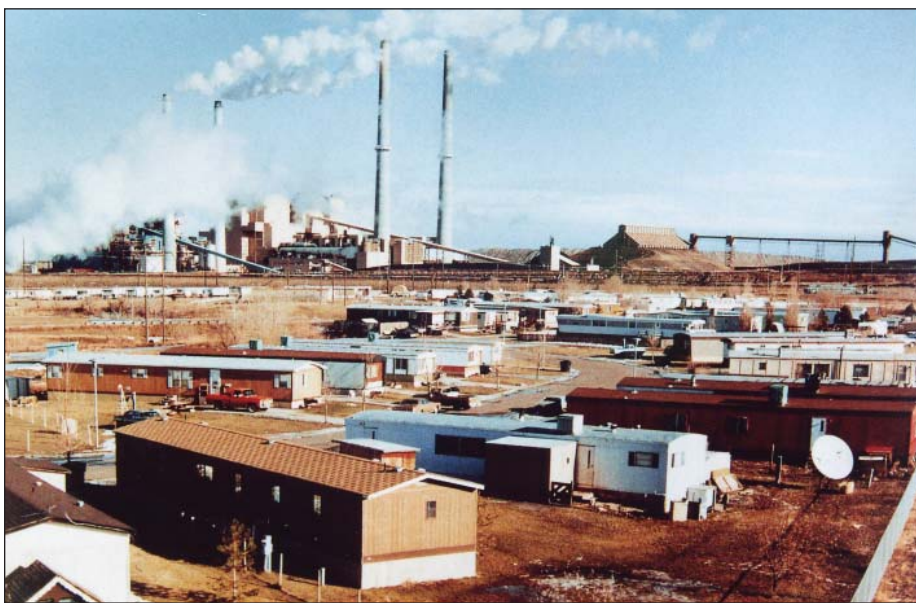


Photo by David T. Hanson, *Waste Land: Meditations on a Ravaged Landscape*

Mobile homes and the Colstrip coal-fired power plants.

Political pressure to develop coal intense

Coal has polluted more than natural resources; it has polluted the political process. In the case of Otter Creek, we have seen politicians promising that money will spread throughout the local community hoping to increase political support for coal development. Montana state government is heavily subsidizing fossil fuel development by “streamlining” regulations or creating tax advantages. High-ranking political figures are even pressuring the Fish, Wildlife & Parks Commission to grant the Tongue River Railroad an easement for the railroad right through state fish hatchery property at Miles City.

Carbon capture – political hype

The unproven technology of carbon capture and sequestration is a favorite of politicians who want to promote more coal mining. Two carbon sequestration proposals are being discussed and promoted by the Governor in far northeastern Montana. Unfortunately, landowners were given short shrift when the 2009 legislature passed a bill to give the rights to underground pore space to the state, creating another split-estate situation.

In addition, carbon capture and sequestration requires 30 percent more coal to be mined in order to pump the carbon into the ground, further increasing the use of fossil fuels. In all, carbon capture and sequestration addresses only one of the many hidden costs of coal.

Coal industry pushes health costs onto people

According to the Clean Air Task Force, fine particle pollution (soot) from existing coal plants will have caused 13,200 deaths in 2010, an estimated 9,700 hospitalizations and more than 20,000 heart attacks per year at a cost of \$100 billion. (http://www.catf.us/resources/publications/files/The_Toll_from_Coal.pdf)

Coal is risky

■ Coal is becoming increasingly risky for energy providers for a variety of reasons, not the least being the increasing costs associated with extracting and shipping coal. As those costs go up, so will the cost of producing energy from coal.

■ By many estimates, we will soon hit “peak coal” in the U.S. That means supplies of cheap and easy-to-get coal will be exhausted, creating a market of higher-priced and more-difficult-to-mine coal, thereby resulting in higher prices for electricity production and greater financial risks for energy providers. <http://news.nationalgeographic.com/news/2010/09/100908-energy-peak-coal/>

■ The public is increasingly demanding better protection of the public health and environment from the external costs of electricity production associated with coal (i.e., toxic emissions, water pollution, coal ash, mercury, etc.). As tighter regulations and enforcement become more common place, this will drive up the cost of producing electricity from dirty fossil fuels, as compared to clean alternatives, thereby creating more risk for utilities.

■ Worldwide, fossil fuels receive 10-12 times the amount of government subsidies that renewable energy resources receive. (<http://www.bloomberg.com/news/2010-07-29/fossil-fuel-subsidies-are-12-times-support-for-renewables-study-shows.html>) Consumers and clean energy interests are demanding a level playing field, which will most likely mean less government favoritism to fossil fuels in the future.

■ While all of these push up the price curve on coal, the price curve on clean, renewable energy sources is coming down. Solar has dropped 40 percent in the last five years, wind 80% in the last 20 years. Base-load geothermal is equal to coal and natural gas in many parts of the country. Lower, more predictable costs equals lower risks.

– Resource Media

Northern Plains will hold them accountable

Northern Plains was formed by Montana farmers and ranchers who faced proposals in the 1970s for a huge number of coal mines and power plants, far beyond what economics or the region's rivers would support. Most of those proposals never came to be.

But thanks to those early Northern Plains members, we found ways to keep family ranching viable even when a coal mine moved into the neighborhood. The mines are still there today, and so are the ranches. This is not something that would have happened on its own.

It became clear to us then, and more clear in the years since, that it is up to citizens to hold government and corporations accountable for the impacts of their plans. Citizens can and must make a difference.

The coal industry is built on the practice and principle of shoving health and environmental costs off onto the general public. Northern Plains shines a light on the true costs of fossil fuel development so that people, land, and water do not unfairly bear those costs. At the same time, we advance the use of cleaner and renewable energy.

We work to ensure that the voices of Montanans are heard as clearly as those of corporate lobbyists, and that citizens can make a difference in how we treat our land and water, and in keeping family farming and ranching viable here.

A future without coal

America's long-term future depends on our making a timely and effective transition to clean, renewable energy. This transition is not only necessary, it is also economically advantageous.

But every new coal project puts off America's transition to clean energy. Every new coal project is a step backward at a time when America needs to be reaching for a future of clean and renewable energy sources.

Montana politicians have shown they will not lead the way toward that future. It is the citizens who must lead today. Eventually, the politicians will follow.

Northern Plains provides reliable information to help policymakers and the public know what is at stake in important natural resource decisions, e.g., a study of the Otter Creek lease in 2009, which showed that the lease was not in the best interests of Montana citizens.

We work with our fellow Montanans face-to-face, helping them develop their skills as leaders. We find and disseminate information that Montanans can use to make a difference.

We help Montana citizens to make their concerns known to state and federal agencies.

Keep informed! Take action! Join

Northern Plains Resource Council is a conservation and family agriculture group that organizes Montana citizens to protect our water quality, family farms and ranches, and unique quality of life.

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