

THE MONTANA COAL BOARD

- The Coal Board was created in 1975 with the adoption of the Coal Severance Tax.
- The seven-member board is appointed by the Governor and meets quarterly.
- Its purpose is to provide grants to help communities meet public facility or public service needs that are related to the development or decline of coal mines or coal-fired power generating plants.
- Eligible applicants include cities and towns, counties, consolidated governments, tribal governments, school districts, state agencies, and county or multi-county water, sewer, or solid waste districts or other governmental units.
- The 7.75% Coal Severance Tax Shared Account funds the program. The proposed executive budget for Coal Board grants for the 2006-2007 biennium is \$1,567,077.

Basis for Awarding Grants

In reviewing applications, the Coal Board must consider four criteria set out in the law:

1. Need
2. Degree of Severity of Impact from Coal Development or Decline
3. Availability of Funds
4. Degree of Local Effort in Meeting the Need

Grants Awarded in 2004 and 2005

During fiscal years 2004 and 2005:

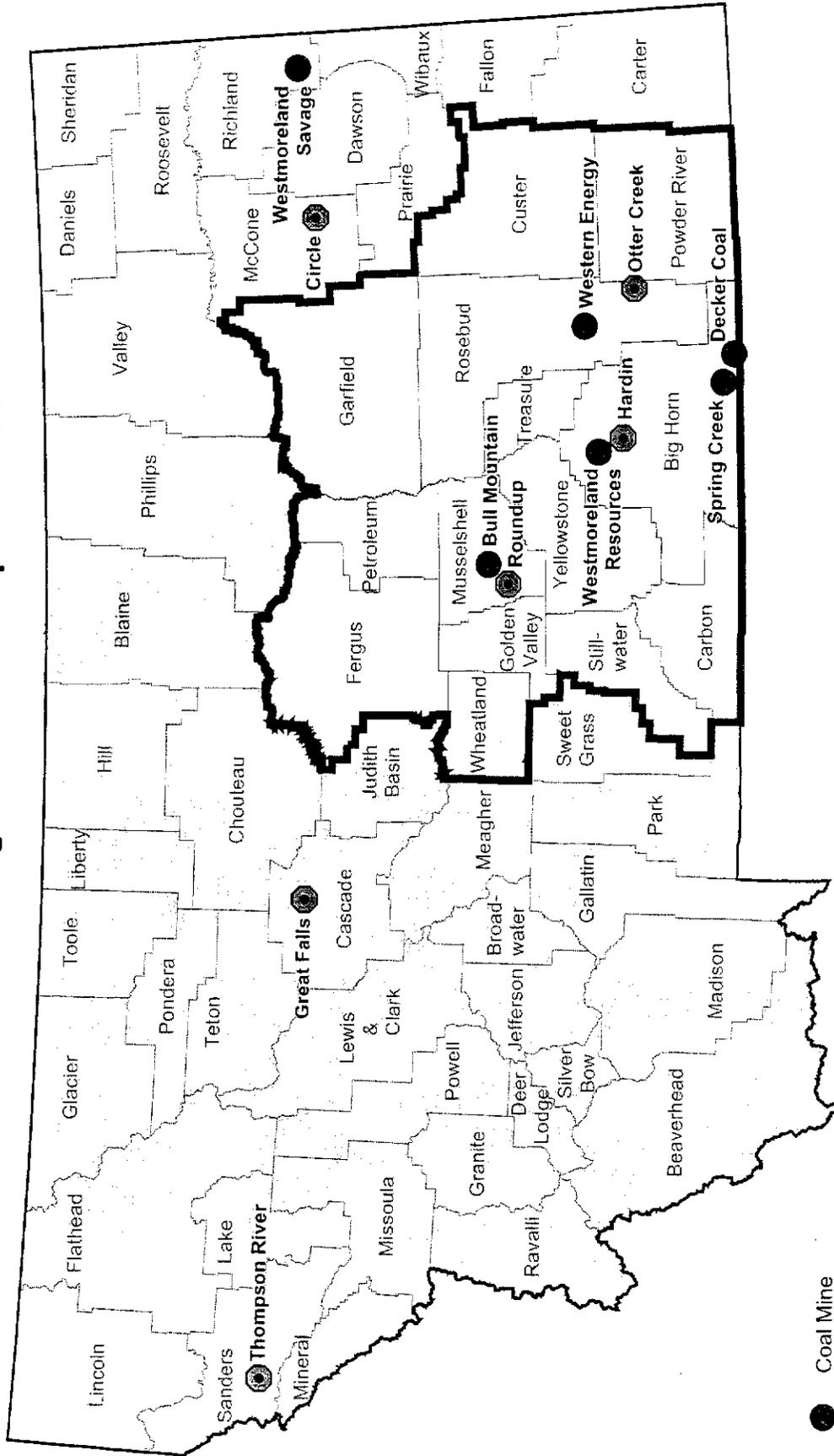
- 35 grant applications were submitted to the Coal Board.
- 19 grants, totaling over \$1.4 million, were awarded.
- The 19 grants ranged from a high of \$201,000 to a low of \$6,000.
- The average grant amount was \$77,947.
- The 19 projects involve over \$13.5 million in other state, federal and local funds.
- The projects include improvements to hospitals, schools, water and wastewater treatment systems, purchase of school buses and ambulances, and construction of an ambulance storage facility, as well as preparation of community plans and preliminary engineering studies.

The locations of the projects are shown on the map on the following page.

Current and Proposed Montana Coal-related Projects

- As of November 2004, construction was 40% complete on MDU Resources' **Rocky Mountain Power** 116-megawatt coal-fired generating plant at Hardin. MDU has signed an agreement to sell all the power to Powerex Corporation, a subsidiary of BC Hydro in Vancouver, B.C. DEQ has issued the plant an air quality permit that has been appealed.
- A coal-fired electric and wood co-generation plant, **Thompson River Co-Gen**, is under construction in Thompson Falls that would burn 550 rail car loads of coal from the Bull Mountain Mine near Roundup annually. The plant was granted an air quality permit by DEQ in November 2004. Construction of the plant was approximately 85% complete in November 2004.
- **Great Northern Power Development** of Denver and Kiewit Mining Group of Omaha have proposed a \$1 billion 500-megawatt coal-fired generating plant near Nelson Creek west of Circle, along with an adjacent coal mine, and related infrastructure. As of August 2004, Great Northern had spent \$2.5 million in preliminary work on the project. Great Northern has also spent \$2.2 million to reserve transmission capacity on the Colstrip to Hot Springs 500-KV line. The project would construct a 130-mile transmission line to connect to the Colstrip line. The project will be submitting its applications for state required permits in 2005. The project would go on line in 2009. Direct and in-direct employment is estimated at 1,200 jobs.
- **Bull Mountain Power** has proposed two 350-megawatt coal-fired generators using 2.7 million tons of coal per year from the Bull Mountain Mine at Roundup. DEQ has issued the plant an air quality permit that has been appealed.
- The **Southern Montana Electric Generation and Transmission Cooperative** has announced plans to build a \$515 million 250-megawatt coal-fired generating plant at Great Falls. The plant would serve the City of Great Falls and 100,000 members of five rural electric co-ops including Beartooth, Fergus, Mid-Yellowstone, Tongue River, and Yellowstone Valley. The plant is proposed to be in operation in 2010 and would provide 65-75 permanent jobs. In addition, the project would provide 400-500 jobs during construction with total wages estimated at \$75 million.
- Kennecott, Bechtel, and Wesco have proposed a 3,500 megawatt coal generation plant near the **Otter Creek Tracts** 1,2, and 3 coal deposits which have over 533 million tons of estimated super-compliant coal reserves
- **Montana has six existing coal mines** *(with total production for 2004)*:
 - **Bull Mountain Mine near Roundup** *(208,755 tons)*
 - **Decker Coal Company at Decker** *(8,241,274 tons)*,
 - **Spring Creek Mine in Big Horn County** *(12,001,290 tons)*
 - **Western Energy Company's Rosebud Mine at Colstrip** *(12,413,482 tons)*
 - **Westmoreland Resources' Absaloka Mine at Hardin** *(6,588,633 tons)*
 - **Westmoreland Resources' Mine at Savage** *(380,042 tons)*.

MAJOR COAL MINES/PROPOSED COAL-FIRED POWER PLANTS and the Designated Coal Impact Area



- Coal Mine
- Proposed Power Plant
- ▭ Designated Coal Impact Area
- ▭ Outside of Impact Area



Created by:
 Census & Economic Information Center
 Montana Department of Commerce
 301 S. Park Ave, Helena MT 59620-0505
 406-841-2740 cec@state.mt.us
 http://cec.commerce.state.mt.us

Source: 2001 Coal Council Brochure.

Montana Coal Board
Designated Coal Impact Area

	Total Population	AIAN*	Percentage
Montana	902,195	56,068	6.21%
Big Horn	12,671	7,560	59.66%
Carbon	9,552	65	0.68%
Custer	11,696	149	1.27%
Fergus	11,893	140	1.18%
Garfield	1,279	5	0.39%
Golden Valley	1,042	6	0.58%
Musselshell	4,497	57	1.27%
Petroleum	493	1	0.20%
Powder River	1,858	33	1.78%
Rosebud	9,383	3,041	32.41%
Stillwater	8,195	57	0.70%
Treasure	861	14	1.63%
Wheatland	2,259	13	0.58%
Yellowstone	129,352	3,950	3.05%
Impact Area Total	205,031	15,091	7.36%

Source: U.S. Census Bureau, Census 2000; Summary File 1 Table P3
Compiled by: Census and Economic Information Center, Montana Department of Commerce

* AIAN = American
Indian or Alaska Native