

Powder River Breaks

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Clark Resource Council Instrumental in Delaying 3-D Seismic Project

Clark Resource Council actions, along with substantial public input about the 3-D seismic proposal along the Bearthooth Front have delayed the project until at least next year. In response to wide-ranging concerns on the proposed seismic exploration project the BLM has decided to revise and reissue the Environmental Assessment (EA) "to gain more public comment," according to BLM Clark Project Manager Don Ogaard. A new EA could be issued in September or later, he said.

The delay represents a huge victory for the Clark Resource Council, and its members. "We're just relieved that the BLM saw fit to recognize the level of public concern, and allowed themselves more time to consider the far reaching impacts of this proposal," said Deb Thomas, an organizer for Powder River Basin Resource Council who lives in Clark.

The revision is expected to include a revamping of the *Impacts Analysis* section of the EA, and more consideration of such issues as vehicle use on the delicate terrain within the proposed exploration area. Many residents commented that BLM was operating under a double standard by restricting access for locals in certain areas and then allowing seismic crews to run all over the same country with their equipment.

The revision may even include more consideration for using "passive seismic" methods to look for oil and gas, an idea that was first suggested by Clark Resource Council member (and Powder River Board member), Mary Barreda, a petroleum geologist who lives adjacent to pub-

lic land where the exploration is being proposed. "The next generation of passive seismic, utilizing waves continuously present in the earth as a sound source, can quickly identify and delineate high probability hydrocarbon zones at a fraction of the cost of conventional 3-D seismic and with negligible disturbance to the environment. This technology is replacing the old 'scatter gun' approach of conventional 3-D seismic exploration."

BLM will also focus on crucial winter wildlife habitat in the revision, with particular attention toward the treatment of Bald Ridge, according to Ogaard, who admitted that some alternatives needed to be considered "in more detail."

On July 13th, the *Cody Enterprise* published an editorial on the delayed project which states, "This victory—short-lived as it may eventually prove to be—is a testament to the Clark Resource Council and its tenacious efforts to protect that portion of the Beartooth Front."

The piece goes on to describe Clark residents as "a disparate group of residents living in that remote spot, but the community is largely concerned, if not outright opposed, to this seismic and natural gas project." And again, the editorial states that "congratulations are due the Clark group for slowing down this process and buying time to find a more acceptable manner in which to proceed with this work." The editorial concludes, "The bar is set high in the wilder portions of this region and that's as it should be,".

Kudos should indeed go to the Clark Resource

Council for all their hard work, for making sure the Governor got involved in the issue (see May-June '05 Breaks), and for making the public involvement process work for all of us.

Thanks are also due to Bruce Gordon of Eco Flight, for making two overflights of the area on July 28th for elected officials, planning staff and the media. As Deb Thomas reported, "The vastness and pristine areas visible from the air were truly awe-inspiring. This was a great opportunity to share how beautiful and worthy of protection this area is."

Gillian Malone

Photo by Deb Thomas



Bennett Creek Area in Clark Wyoming

Powder River Basin Resource Council

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Study: Oil and Gas Drilling Creates Clean-up Liability for Taxpayers, Landowners

A recently released study examining reclamation costs of oil and gas projects around the West found that state and federal bonds intended to cover reclamation costs are "grossly inadequate," with taxpayer and landowner liabilities for cleaning up oil and gas sites adding up to billions of dollars.

The study, *Filling the Gaps - How to Improve Oil and Gas Reclamation and Reduce Taxpayer Liability*, was authored by mining engineer, Jim Kuipers of Kuipers and Associates, and released by the Western Organization of Resource Councils.

"Existing financial assurances for oil and gas sites, known as blanket bonds, fall far short of actual clean-up needs," said Kuipers. "The overall industry-wide liability is estimated in the billions of dollars, and just a few bad actor

companies could saddle taxpayers and landowners with millions of dollars of clean-up liability."

The Powder River Basin Resource Council participated in the study by providing documentation for two sites, first analyzed for actual reclamation costs, and then compared to the value of the posted bonds. One site that was being developed by Yates on a section of state land had 17 CBM wells, two off-channel pits, three on-channel pits and assorted infrastructure, with only a \$50,500 bond for the two off-channel pits.

Powder River member and rancher, Don Spellman, who leases this same state section said, "The actual reclamation costs for the complete project, according to Jim Kuipers' report, will be close to \$174,400, leaving a shortfall of

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Coalbed Methane Development in the Powder River Basin



Photo courtesy of Don Spellman

Government Watchdog Agency Points out Serious Shortcomings in BLM Enforcement and Monitoring of Oil & Gas Drilling

In July, the Government Accounting Office (GAO) released a report critical of the Bureau of Land Management's performance in monitoring oil and gas development, and enforcing the rules and regulations. The report, entitled, "*Oil and Gas Development- Increased Permitting Activity Has Lessened BLM's Ability to Meet Its Environmental Protection Responsibilities*," confirms many of the same findings revealed in a Western Organization of Resource Council (WORC) report last February.

The primary conclusion of the GAO report is that the BLM is neglecting its responsibilities to protect the land, water and other resources because it is so focused on issuing drilling permits. BLM sources back up these findings, that confirming the tremendous pressure from Washington, D.C. to issue drilling permits is compromising BLM's ability to do its job.

The GAO report cited the Buffalo BLM field office for some particularly serious problems including the following:

- The Buffalo field office has issued the largest increase in drilling permits of all the BLM field offices, but was only able to meet its annual inspection goals once in the past six years—the last time being in 2000.
- In 2004, the Buffalo field office achieved only 27 percent of its required inspection goals.

- The report specifically noted that heavy work loads associated with processing drilling permits have slowed the development of resource monitoring plans in the Powder River Basin of Wyoming.

The GAO report found that on average the eight BLM field offices it analyzed—Glenwood Springs, Colorado, Miles City, Montana, Farmington, New Mexico, Buffalo, Wyoming, and Pinedale, Wyoming—met their annual environmental inspection goals about half the time during the past six years. Kevin Williams, who authored WORC's Law and Order Report,

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Powder River Basin Resource Council (PRBRC) is a grass-roots organization of individuals and affiliate groups dedicated to good stewardship of Wyoming's natural resources. Powder River was formed in 1973 and stands for the preservation and enrichment of our agricultural heritage and rural lifestyle; the conservation of Wyoming's unique land, minerals, water and clean air consistent with responsible use of these resources to sustain the livelihood of present and future generations; and the education and empowerment of Wyoming's citizens to raise a coherent voice in the decisions that will impact Wyoming residents' environment and lifestyle.

Powder River is a member of the Western Organization of Resource Councils (WORC), which is a regional network of seven grassroots community organizations with 7,000 members and 45 local chapters. WORC member groups are Dakota Resource Council, Dakota Rural Action, Idaho Rural Council, Northern Plains Resource Council, Oregon Rural Action, Western Colorado Congress and Powder River Basin Resource Council.

The services provided by Powder River include public education, community organizing and lobbying as permitted on behalf of its membership. Powder River is a non-profit, 501 (c)(3) tax-exempt organization.

Membership dues: \$30 for individuals, \$40 for families and \$20 for students and senior citizens. Powder River is dependent on contributions for its work; contributions, large and small, are welcomed.

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- Clark Resource Council (CRC)
- Concerned Citizens of Platte County(CCPC)
- Laramie County Resource Council (LCRC)
- Newcastle Action Group (NAG)
Peg Christite, Chair
- SE Wyoming Concerned Citizens (SWCC)
- Sheridan Area Resource Council (SARC)
Sarah Mentock, Chair
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The Energy Bill

Stay Drunk: Measure Does Nothing to Ease Oil Addiction

The following Editorial was reprinted with permission from the August 12, 2005 Salt Lake Tribune

Stay drunk: Measure does nothing to ease oil addiction

THE ENERGY BILL

The energy bill so proudly signed into law the other day by President Bush is 1,724 pages long. But the gist of it can be found on an old, not-so-humorous bumper sticker: "Avoid hangovers. Stay drunk."

The bill is less an accomplishment than it is a capitulation—an admission that the oil industry has the American people right where it wants us and we can not or will not do anything about it.

The energy bill's focus is on providing at least \$14.5 billion in tax breaks, mostly for the existing oil, natural gas and coal producers, hardly a fledgling industry in need of nurturing.

It also pushes federal agencies to give faster approval to permits for energy exploration on federal land, when those agencies clearly can't keep up with the requests they already have, through a process that requires less public input and fewer environmental hurdles.

It makes no mention of the single most effective thing we could do to ease our oil addiction, to increase fuel-efficiency standards for cars and trucks.

Why? So we can stay drunk.

To its credit, a measure offering tax breaks for buyers of high-efficiency hybrid vehicles—Sen. Orrin Hatch's prized CLEAR Act—was rolled into the bill. So were relatively small sums to develop cleaner-burning coal and to make the greenhouse gas-free option of nuclear power both economically and environmentally possible.

But mostly it's burn, baby, burn. Burn oil. Burn gas. Burn coal. And, thanks also to Utah's Hatch, supposedly burn fuel made from Utah's oil shale and tar sands—if anybody can figure out how.

The president was honest enough to say that his bill would not provide any immediate downward pressure on the record high prices of crude oil and gasoline. But his suggestion that the bill would make America more energy independent in the long run is, at best, a stretch.

The U.S. Energy Information Administration reports that the United States now imports some 60 percent of its oil—up from 45 percent 10 years ago — and that that figure could reach 68 percent by 2050. Either that body assumes no real yield from oil shale, or it predicts that, without it, our dependence on imported oil would be even worse.

The first step in dealing with any addiction is

admitting that you have a problem. Some people can't do that until they hit bottom.

But when we're talking the energy future of the United States, hitting bottom is going to be mighty painful.



Wyoming Congressional Delegation Opposes CAFTA/Supports Powder River's Stance

Washington swatted ranchers and farmers nationwide when it passed the Central American Free Trade Agreement this summer, but Powder River's ranching members and other agriculture leaders took a measure of comfort when their congressional delegation sided with them on the flawed trade treaty.

More than a year of hard-nosed lobbying and political horse-trading produced narrow votes in favor of the pact, which passed the Senate on a 54-45 vote in late June and squeaked through the House on a 217-215 vote a month later. These were the slimmest margins for a trade agreement in more than a decade, and Wyoming's three-member delegation —Representative Barbara Cubin and Senators Mike Enzi and Craig Thomas—withstood heavy political pressure from the Bush administration, multinational corporations and business lobbies when they voted against CAFTA.

Powder River, which has gone on record with serious reservations about free trade agreements like CAFTA in three resolutions since 1997, worked hard with agriculture and accountable government allies across the state to strengthen and maintain the Wyoming delegation's opposition to the pact.

CAFTA, Powder River and its rancher members warned, will allow multinational meatpacking companies to outsource their beef supplies by bringing lower-quality meat in from the Dominican Republic and the five Central

American countries that signed the agreement. U.S. producers, Powder River said, will be forced to compete with suppliers that don't have to meet the same health, environmental or labor standards. In the end, Wyoming's members of Congress agreed.

"CAFTA will lead to an influx of foreign products, but the people who buy them won't know if they are eating beef raised in America or if their hamburger is from Honduras," Senator Enzi said.

"Free trade usually doesn't mean fair trade for the people of Wyoming, who have gotten the short end of the stick on previous deals like NAFTA (the North American Free Trade Agreement)," said Barbara Cubin. "CAFTA might be a great deal for an automaker in Detroit, but it's terrible for a sugar beet grower or rancher in Wyoming."

Powder River's board recognized the delegation's support in a resolution of thanks passed in mid-July. That resolution noted that Cubin, Enzi and Thomas "were under tremendous pressure from the Bush Administration, their own Republican Party leadership and multinational business interests to vote for the Central American Free Trade Agreement." But when the time came to vote, the resolution said, Wyoming's delegation "listened to the concerns of their constituents and ultimately voted against this flawed trade agreement."

In the aftermath of the CAFTA vote, meanwhile, congressional leaders and analysts alike agreed that the

bruising battle may have one positive result: The Bush administration is much more likely to hold off on trying to force its planned Free Trade Area of the Americas agreement through a weary Congress. Cubin, Enzi and Thomas all agreed, telling a cattlemen's conference held in conjunction with the Wyoming State Fair that they expect the administration will hold much more thorough consultations with lawmakers before submitting that treaty.

John Vanvig
Powder River Staff



Powder River Cattle Producers Meet with Wyoming Beef Council Officials

Powder River's Agriculture Committee is planning a campaign to restore producer control over the way the Wyoming Beef Council allocates money raised under the beef checkoff program.

The effort comes in the aftermath of last spring's Supreme Court ruling that said promotional programs funded by the dollar-per-head checkoff amount to "government speech." Powder River ranchers and others across the nation argued that those programs, as currently carried out, deny them the right to promote their own beef—and in fact force them to support marketing campaigns that boost demand for competitors' products.

At Gov. Dave Freudenthal's request, two members of Powder River's Ag Committee—Vice Chair Eric Barlow and LJ Turner, both of whom ranch near Gillette—met this summer with officials from the Wyoming Beef Council, which approves spending of checkoff dollars collected in the state. The aim was to work out some of the concerns raised in the course of that lawsuit, but the Powder River members came away from the session realizing that much more needs to be done.

Barlow explained to the Beef Council representatives that Powder River rancher members, along with many other ranchers across the state, support a strong promotion campaign—and that they are willing to pay for it, as long as they have a larger say

in how the money is spent.

Council Executive Director Ann Wittmann argued, however, that the federal law that created the checkoff program also ties the council's hands in spending the money it collects—prohibiting, for instance the use of checkoff revenues to support meat labeling efforts. She also cited producer surveys showing high levels of support for the program.

Barlow responded by cautioning Wittmann not to "confuse complacency with satisfaction," and suggested that the satisfaction levels would drop significantly if producers knew how little flexibility the council actually has to promote Wyoming beef. Powder River will concentrate on getting the word out to its members and other cattle producers across the state.

John Vanvig
Powder River Staff



Windsor Energy Group Cited for Illegal Dumping

The Clark Resource Council recently discovered that Windsor of Wyoming has been cited for illegally dumping drilling fluids and other contaminants from their Bennett Creek drilling site onto rural residential property east of Powell, Wyoming. At the end of January, Robert Breuer, an inspector for Wyoming's Department of Environmental Quality's (DEQ) Solid and Hazardous Waste Division, investigated a complaint regarding Windsor's drilling operations near Clark, and conducted an inspection of the company's activities.

The inspection revealed that at least 200 barrels of drilling fluids and contaminated storm water waste had been collected from the Bennett Creek drilling site, trans-

ported to a rural, residential area east of Powell, Wyoming and deposited onto private property. The illegal dumping resulted in a violation of the Wyoming Solid Waste Rules and Regulations for failure to obtain a permit or authorization to dispose of wastes.

The DEQ deemed the violation serious enough to turn over to the Wyoming Attorney General, with a recommendation that a complaint be filed in District Court. Windsor was given 10 days to respond to the DEQ. As of August 22, 2005, Windsor had not responded, according to the Solid and Hazardous Waste Division's office. Windsor Energy Group is liable for a penalty of \$10,000 for each day of the violation, should the Attorney General file

a civil action against them.

Windsor is an Oklahoma company engaged in tight sands gas drilling along the Beartooth Front in Park County. The company's reputation has already been marred by a series of drilling mishaps, including seeps and spills of contaminants, and unlined waste pits containing toxic constituents that have been endangering the health and safety of Clark residents.

Deb Thomas
Clark Resource Council



Bennet Creek Drilling Site

Photos courtesy of Deb Thomas



Drilling fluids from Bennett Creek drilling site

MacArthur Fellow and DEQ Chemist Disagree on VOC Lab Results

Both Wilma Subra, a MacArthur Fellow working with the Newcastle Action Group (NAG), and Eric Highberger, a chemist for Wyoming's Department of Environmental Quality (DEQ) have been receiving the results of Volatile Organic Chemical (VOC) testing that has been taking place in Newcastle for the past year. NAG has been keeping a close watch on the situation since they found out that these same tests are taken on the same day all across the nation, and that industry is provided a calendar of the test days.

Wilma Subra is concerned about the results, pointing out that "The Benzene levels at the two monitoring stations exceeded the EPA Region 6 Standard (0.25 ug/m3) for both the maximum and average values. The Senior Center average value was 10 times the EPA standard and the Rodeo Drive average was 3.6 times the standard." Subra concluded that "The Benzene exceedence of the average standard is sufficient documentation to require that an episodic monitoring program be initiated." (An Episodic monitor is a monitor that would be triggered whenever a chemical such as benzene were to reach a pre-determined parts-per-million value.)

The DEQ chemist, on the other hand, held an entirely different opinion on the results, remarking that all concentration levels of the VOC's analyzed were "below concern" with regards to the Hazardous Air Pollutant standards referred to in the report.

"Is this simply a matter of sorting out differing interpretations of the results?" NAG wonders. Or is it more complicated? What NAG does know is that three years after the catalyst spill, the death rate in Newcastle has doubled. Could this be just a coincidence? Maybe, then again, maybe not! Could this be a reason why the two chemists interpret the VOC lab reports differently?

The Newcastle Action Group (NAG) has the primary goal of improving the air quality in Newcastle, Wyoming. Efforts have been ongoing to encourage Wyoming Refining Company (WRC) to become a "good neighbor" and reduce their toxic emissions. Some of these emissions are known carcinogens, are known to cause respiratory disease, and are known to affect the heart and nervous system.

Study: Oil & Gas Drilling....continued from page 2

\$121,550 that someone else may have to pick up the tab for."

The second Powder River Basin site, with a proposed 23 CBM wells, 17 off-channel pits, one on-channel pit and associated infrastructure, calculated out at \$613,000 for total reclamation costs, and once more the company (Yates, again) failed to provide a specific reclamation bond for the project but went with a \$150,000 federal blanket bond, which is supposed to cover all the company's operations throughout the U.S.

"Bonding should cover the exact costs of reclamation," Don Spellman said, and then elaborated: "In the five case studies from Jim Kuipers' report the bonding was \$1,407,800, and the actual costs to reclaim the land will be around \$14,725,968 and that is only 9.6% of the actual cost. This is only to restore the soil and does not include vegetation restoration or anything else. My personal fear is that I or other landowners will be left to clean up a mess that is left by an oil and gas company."

Additional problems occurring as a result of oil and gas development were highlighted in the report, using Windsor Energy Group's drilling saga on the Beartooth Front to illustrate. The problems have included construction and use of unlined pits; leaking and spillage of condensate around production tanks and in the vicinity of water wells; spills and runoff of drilling fluids "off-site" (onto the county road, into irrigation ditches and other waterways, and onto private ground); covering well pads and unlined pits with gravel, seemingly to "hide the evidence;" and the dumping of toxic and hazardous materials off site. (See related article for more on Windsor's activities.)

The report concluded that:

- Oil and gas drilling causes major impacts on public and private resources, but in the majority of cases the impacts are either not identified or inadequately addressed.
- Current state and federal requirements for reclamation plans are grossly inadequate and fail to produce adequate post development reclamation for damaged sites. (Damage deposit amounts in all cases examined fell far short of potential clean-up costs);
- Financial assurance (bonding) only works when the amount is sufficient to cover reclamation costs.

In all cases examined in the report, the blanket bond approach is grossly inadequate and will not cover reclamation performed by the agency in the event that a company defaults on its obligation.

The report recommends four steps to improve the bonding and reclamation programs of the BLM and state permitting agencies:

1. Land management agencies should adopt clear, specific reclamation requirements and standards, especially for land reclamation;

The three leading causes of death for Wyoming residents in 2002 were:

- #1 - Heart Disease,
- #2 - Malignant Neoplasms and
- #3 - Chronic Lower Respiratory Disease.

Wyoming age-adjusted death rates exceeded national rates (<http://webapp.cdc.gov/cgi-bin/broker.exe>) for six of the ten leading causes of death. For further information please go to www.healthywyoming.org.

Wyoming Vital Statistics records of deaths in Weston County:

In 1998 the total deaths in Weston County were-	69, 17 cancer related or 25%
In 1999 the total deaths in Weston County were-	66, 21 cancer related or 32%
In 2000 the total deaths in Weston County were-	59, 15 cancer related or 25%
In 2001 the total deaths in Weston County were-	62, 14 cancer related or 23%
In 2002 the total deaths in Weston County were-	67, 25 cancer related or 37%
In 2003 the total deaths in Weston County were-	63, 20 cancer related or 32%
In 2004 the total deaths in Weston County were-	122 (cancer info not available)

Peg Christie
Newcastle Action Group

2. BLM and states should require reclamation plans that are tailored for specific sites and updated yearly;
3. Professional engineers - not oil and gas industry executives - should prepare reclamation cost estimates; and
4. Bonds should cover full reclamation costs and potential liabilities.

Powder River Basin Resource Council will continue to push for bonding that covers the full and exact costs of reclamation. The coal industry abides by these rules. Why shouldn't the oil and gas industry?

Jill Morrison
Powder River Staff



Oil and Gas Development in the Powder River Basin

Powder River Expands Youth in Conservation Awards to Include Renewable Energy

Science-minded middle and high-school students throughout Wyoming can compete for recognition—and cash—under a new renewable energy category in Powder River's Bill Barlow Memorial Youth in Conservation Awards, offered in conjunction with the Wyoming State Science Fair.

The new category, which includes studies of renewable energy, energy conservation or energy efficiency technologies, is aimed at increasing awareness of and interest in alternative energy options that could offset America's demand for conventional fuels. Eligible projects will focus on renewable energy sources—including solar

or wind power, hydroelectric generation or generators fueled by biomass, such as animal or municipal wastes—as well as ways to reduce energy use or improve efficiency.

Like the original Youth in Conservation categories—studies of Wyoming ecosystem studies and exploration of development's impacts on Wyoming agriculture—the renewables-oriented projects will be judged on scientific thought, creative ability, thoroughness and skill, and clarity. Students and science teachers across the state can contact Powder River at (307) 672-5809 or prbrc@powderriverbasin.org for more information.

Powder River's Youth in Conservation Awards program honors Bill Barlow, a Gillette rancher who was one of the group's founding members.

John Vanvig
Powder River Staff



Wind Energy Task Force Makes Recommendations to WGA

Ronn Smith is representing Powder River on the Wind Energy task force for the Western Governors Association's (WGA) *Clean and Diversified Energy Initiative*, which has held face-to-face meetings and numerous conference calls in 2005. The task force, comprised of representatives from utilities, government and nonprofits, will submit a final recommendation to the WGA this fall. This will in turn be integrated with recommendations from similar task forces for solar energy, biomass, geothermal, clean coal, petroleum fuels, conservation and energy efficiency.

A draft report highlighting the opportunities and obstacles surrounding wind energy has already been prepared. The cost of wind generation has decreased significantly due to technological innovation and economies of scale, and further decreases in costs are expected in the future. In some circumstances today wind is cost competitive with conventional fuels used for electrical generation. Electric system operators are beginning to learn how to successfully integrate significant amounts of intermittent wind resources into the power system.

Studies completed so far suggest between 30,000 and 50,000 megawatts of wind could be installed in the western U.S. between 2004 and 2015. The higher figure would require significant expansion of the transmission system, incentives for utilities to deploy wind, development of cost-effective lower wind speed turbines, and greater attention to ways to "firm up" wind generation. (System reliability requires a certain amount of firm backup generation to complement unpredictable sources such as wind.)

The task force has already advocated extension of the federal Production Tax Credit (PTC) for a longer term than the one-year typical of past extensions. The PTC has been instrumental in encouraging investment in wind energy projects, increasing the economies of scale in the production of wind turbines, and thereby lowering the costs of production. Extending it for multiple years could do much more by sending clear signals to wind developers and lowering the investment risk associated with site development. A long-term extension of the PTC is vital to expand the experience base, continue technology advances, and drive costs down.

Another need addressed by the task force is transmission infrastructure to sup-

port the development of high-quality wind resources. Transmission is becoming a limiting factor in the deployment of wind resources. The Wind Task Force's recommendations will: (1) allow for more efficient use of the existing transmission system and thereby enable wind, which can be deployed in as little as 18 months, to expand in advance of major transmission additions; and (2) expand the transmission grid to support major wind deployments that cannot be handled by the existing transmission system.

A third need is policy reform. State government through its utility regulatory policies and procurement policies has the capability to significantly increase the deployment of wind resources. Many Western states have adopted Renewable Portfolio Standards and System Benefit Charges that provide incentives for additional wind generation. Other states have provisions for regulated utilities to provide their Public Utilities Commissions with utility resource plans that could factor wind into their preferred mix of generating resource additions.

The task force recommendations include supply curves for each state, indicating potential new wind generation as a function of the going price per kilowatt-hour. The WGA expects to complete its overall strategy by mid-2006.

Ronn Smith
Powder River Member

Learning About Renewable Energy From Other States: Oregon

John Day, Oregon is known more for its fossil beds than the fact that its Grant County Fairgrounds is powered by a grid-tied solar electric system—installed as a hands-on workshop during the 2000 SolWest Renewable Energy Fair. Every summer on the last weekend of July, the small town of John Day swells to accommodate the few hundred sun worshipers and renewables gurus that come here to take part in SolWest, many sporting graying beards and driving VW vans. It was a bit like going back in time, except for the fact that everyone was here to share ideas about our energy future, with cutting edge technology. Over 50 exhibitors and 50 workshops were featured at the event this year, and as a first-time fair goer, I was somewhat overwhelmed; I was able to experience a mere smattering of what was available.

I set out to attend workshops that offered broad, energy policy-oriented information that would be useful for Powder River, such as "How to form a community wind project," and "Making the transition to a sustainable economy," but as an aspiring home builder, I was also drawn to such workshops as "Space heating with solar hot water," "Choosing a solar pump," and "Solar electric power systems." With more time or different priorities, I could have attended "Making bio-diesel step-by-step," "Hands-on cob building," or "Pizza box ovens for kids." Next year, I told myself...

I found that, although much of the discussion on energy policy direction was focused on Oregon, Oregon has a lot to teach other states, being one of the most progressive states in the country for renewable energy issues. Oregon has its own Department of Energy, which provides tax credits for Oregon residents up to 35% of the cost of eligible renewable energy installations, as well as special tax credits for both residential and business energy retrofits.

Since March of 2002, many Oregon residents have reaped the benefits of the "Energy Trust of Oregon," which helps households and businesses invest in energy efficiency and renewable energy projects. The Trust serves and is funded by the customers of Pacific Power, Portland General Electric, and NW Natural utilities.

The Energy Trust has a mission statement that is both simple and refreshingly progressive:

To change how Oregonians produce and use energy. Through innovative programs, we invest in efficient technologies and renewable resources that:

- Develop new sources of clean energy
- Help Oregonians lower their energy bills
- Stimulate the economy
- Protect the environment

The Energy Trust has three specific goals they wish to accomplish by the year 2012:

- Save 300 average megawatts of electricity (enough to power two cities the size of Bend)
- Save 19 million annual therms of natural gas (enough to serve 26,000 homes)
- Meet 10% of Oregon's energy requirements through renewable energy (450 average megawatts)

Customers of Pacific Power, Portland General Electric, or NW Natural can save roughly half the installed cost of a solar electric or solar heating system through a combination of Energy Trust incentives and Oregon tax credits.

The Energy Trust incentive is \$3/watt (DC) of installed photovoltaic (PV) panels, up to \$10,000, and the Oregon tax credit is \$1500 for any system 500 Watts or larger.

For example, a 2KW residential solar electric system with a total installed cost of \$15,000 is reduced by \$6,000 (2,000 Watts X \$3) right off the bat, and further reduced by \$1500 with the Oregon tax credit, leaving a net cost of \$7500 to the customer.

Oregon residents may also claim a property tax exemption for added property value resulting from the installation of solar equipment—at least until December 31, 2012.

Oregon businesses may fare even better, with the combination of an Energy Trust incentive and available tax credits, making the payback period for investments in solar energy as little as ten years. The Energy Trust incentive is \$2/Watt (DC) for the first 10,000 Watts plus \$1/Watt for each Watt installed over 10,000, up to a maximum incentive of \$35,000.

In addition to the Energy Trust incentive, businesses are eligible for Oregon's business energy tax credits (up to 35% of the incremental cost of a solar energy system), the property tax exemption (except for energy producers and distributors, such as utilities), federal business tax credits like the Production Tax Credit recently extended in the Energy Bill, and the "Modified Accelerated Cost Recovery System" (MACRS) whereby businesses can recover investments in solar systems through rapid depreciation deductions on federal tax returns.

As an additional boost for renewable energy in Oregon, Pacific Power (which is owned by PacifiCorp) has a "Blue Sky" program which offers its customers one of three "sustainable energy options" for a monthly surcharge. Customers may opt for purchasing all of their energy through blue sky usage for a little under \$8 a month, they may purchase all their energy through blue sky usage and donate \$2.50 toward salmon habitat

restoration for just over \$10 a month, or they may purchase 100 kwh "blocks" of blue sky energy for \$1.95 a block.

This is not just a feel-good program that pads utility coffers; it actually requires the utility to purchase an additional amount of renewable energy equal to the customer surcharge amount, and deliver it to the grid. Oregon's program is closely monitored by consumer organizations and the Oregon Public Utility Commission.

Powder River has been discussing with the City of Sheridan the possibility of implementing a similar program at the local, municipal level, through their franchise agreement with Montana Dakota Utilities. Gillette's municipal utility offers its customers such an option, whereby for a nominal amount, they can purchase 100 kwh blocks from a wind farm in Nebraska.

Oregon's Energy Trust, in combination with state and federal tax credits and Pacific Power's Blue Sky program add up to a forward thinking environment that is friendly toward families and communities, as well as encouraging for businesses wanting to set up shop. Wyoming would do well to incorporate some of these innovative ideas into its planning future.

**Gillian Malone
Powder River Staff**



Photo courtesy of SolWest

Grid-Intertied Solar Electric System

The Grant County Fairgrounds grid-intertied solar electric system is owned by Eastern Oregon Renewable Energies Non-profit, the organization that sponsors SolWest Renewable Energy Fair (last full weekend in July each year; www.solwest.org). This system was installed as a hands-on workshop during SolWest Fair in 2000. The solar array and inverter are in the Solar Power Cage, an enclosed area where children's workshops are held during SolWest. The system is net-metered at the service panel on the south end of the RV Park restroom, with the reduction in utility bills donated to John Day/Canyon City Parks and Recreations Dept.

The system consists of 16 BP/Solarex VLX70 panels on a rack made by Two Seas Metalworks, and a Xantrex Suintie XR inverter. Thanks to workshop instructors Richard Perez and Joe Schwartz of Home Power Magazine and equipment sponsors BP Solar, Two Seas Metalworks, and Xantrex. James Sanders Construction, B & D Electric, and Sunlight Solar also contributed to this project.



Photo courtesy of SolWest

was not surprised "given our finding that environmental compliance inspectors in the BLM spend an average of just 15% of their time on inspection and enforcement activities."

The government investigation also found that:

- Approved drilling permits rose from 1,803 in Fiscal Year 1999 to 6,399 in Fiscal Year 2004, but the BLM's oil and gas management budget rose just 64 percent, and its staffing levels rose only 21 percent;
- Combined, the eight offices visited by GAO met their annual environmental inspections goals only about half of the time during the past six years;
- All of the field offices surveyed had a backlog of past due idle-well reviews, seven of the eight field offices had a backlog of reclamation inspections, and half of the field offices have failed to develop any resource monitoring plans.

The GAO report further points out that the BLM is inadequately staffed to carry out its duties and responsibilities, including conducting the required environmental inspections.

To address these problems, the GAO recommended that the Secretary of Interior direct BLM to implement a fee structure to recover the costs of processing drilling permit applications. In response, on July 19 the BLM announced a regulatory proposal to charge the industry \$4,000 to process permits to drill, as well as other fees for geophysical exploration permits. Unfortunately, the proposal was derailed by an amendment to the Energy Bill sponsored by Senator Craig Thomas, which passed with flying colors.

Jill Morrison
PRBRC Staff



Thank You
American Legion
Post No. 7

Thank you Post No. 7 in Sheridan, Wyoming for the generous donation of tables and chairs for Powder River's "Open House", coming up on September 8, 2005. All members are welcome! (See invitation below)

You Are Invited!

To an open house and barbeque on
September 8th from 5:30 - 8:00 PM.

We are celebrating our new office and
our new look. Help us kick off our
Capital Campaign to pay down the
mortgage on our new office and to
add some renewable energy saving
features to our home.



934 North Main Street
Sheridan WY 82801

If you have any questions please contact us at 307-672-5809

Powder River's 33rd Annual Meeting November 5, 2005

Join your fellow Powder River members — and bring a friend or two— for an afternoon of issues and fun at the Powder River Basin Resource Council Annual Meeting, November 5 at the Bozeman Crossing and Conference Center in Buffalo.

State Sen. John Schiffer, Kaycee Republican and powerful Senate majority floor leader, will be the keynote speaker following the banquet. A panel discussion on energy development's impacts — featuring county officials from throughout the state — along with sessions on the new split estate legislation and the Wyoming Beef Council round out the meeting schedule.

Call Powder River at 672-5809 for further details and more information.

Don't Miss Powder River's

33rd Annual Meeting

Building on Success

Saturday, November 5, 2005
Bozeman Crossing Conference
Center
Buffalo, Wyoming



With
State Senator
John Schiffer
Kaycee, Wyoming

