POWDER RIVER BREAKS

July ~ August 2021 Volume 49, Number 4

ENCOURAGING RESPONSIBLE DEVELOPMENT TODAY ~ FOR TOMORROW

POWDER RIVER BASIN
Resource Council

Join the Wyoming Association of Ratepayers to Keep Electricity Prices Low

Powder River is excited to announce the launch of our new campaign to protect Wyoming ratepayers and promote a just transition from higher-cost coal generation to lower-cost renewable energy. Our new project, the Wyoming Association of Ratepayers, supports affordable, reliable, equitable, and environmentally responsible electricity. We stand firmly against efforts to prolong the use of uneconomical electricity-producing infrastructure through mandating expensive and unproven technologies that come at the expense of Wyoming electricity customers. Through this work, we are committed to ensuring public accountability and accessibility in regulatory and legislative decision-making, providing certainty for Wyoming ratepayers, and advocating for utility energy portfolios that are responsible and have the least cost and risk.

All Powder River members are welcome to participate in the Wyoming Association of Ratepayers activities, and we are especially looking to engage members who are customers of the three investor-owned utilities in Wyoming - Rocky Mountain Power, MDU, and Black Hills Power/Cheyenne Light. You can sign up to get alerts on opportunities to protect Wyoming electricity rates and learn more about the association and our work by visiting www.wyoassociationratepayers.com. If you have any suggestions or would like to get involved, contact Monika on our staff at monikal@powderriverbasin.org. Together we have the power to form a bright future for Wyoming ratepayers.

Monika Leininger
Powder River Staff

Wyoming Increases Federal Oil & Gas Blanket Bonds, but Not Enough

The Bureau of Land Management's (BLM) current blanket bonding practices have been well-documented as inadequate to ensure plugging and reclamation. With statewide bonds set at only $25,000, companies can drill hundreds or even thousands of wells under a bond that covers only a tiny percentage of the true costs of reclamation. However, state BLM offices have the option to raise bonds above the minimum amount in order to more effectively incentivize companies' legal obligation to clean up wells once they are done with them. So, does the state's capability mean Wyoming has made up for the significant gap between federal minimum bond amounts and bond amounts that would effectively deter well abandonment?

Unfortunately, no. Current bond-review policies result in adjustments for only a fraction of statewide federal bonds, and these adjustments are not based on the total number of wells owned by an operator - the primary factor in estimating total costs to plug and reclaim an operator's wells. Requesting bond adjustments is administratively difficult and sometimes painfully slow. Each adjustment requires an individual proposal and approval, even if the bond has been adjusted in the past. Submitting such bond increase requests is time-intensive, and even when approved, collecting the additional bonding amount from operators can take years. If the operator is in bankruptcy or otherwise financially unstable, the bond may never be collected. Requests can go unresolved for years – at least one bond increase request from 2010 is still pending, and there are 25 adjustment requests with review dates from 2018 or earlier that remain unresolved.

Even when bonds are raised, the per-well amount still often falls woefully short of fully covering reclamation costs. Sixty-one bonds have been adjusted in Wyoming since 2007, according to data provided to Powder River by the Wyoming BLM. The median per-well bond amount for these bonds is $8,534. Coalbed methane wells generally cost $10,000-$15,000 to clean up, and modern shale wells can cost 30 times that, according to a 2020 Carbon Tracker report.

These insufficient bonds incentivize operators to simply abandon

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Powder River Basin Resource Council (Powder River) 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). WORC member groups are Dakota Resource Council, Dakota Rural Action, Idaho Organization of Resource Councils, Northern Plains Resource Council, Oregon Rural Action, Western Colorado Congress, Western Native Voice 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, $50 for families and $20 for students and senior citizens. Powder River is dependent on contributions for its work; contributions, large and small, are welcomed.

Active Affiliate Organizations

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- Clark Resource Council (CRC)
- Cheyenne Area Landowners Coalition (CALC)
- Pavillion Area Concerned Citizens (PACC)
- Sheridan Area Resource Council (SARC)

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Powder River Breaks
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Photos by Powder River staff and members.

Message from the Chair

Dear Powder River Members and Friends,

Powder River members are a gregarious lot. We enjoy getting together and eating good food, listening and dancing to zingy music, catching up with old friends and meeting new ones, and participating in lively fundraising activities like "Pies by Guys." Thus, the Board of Directors was reluctant—for the second year in a row—to cancel our Annual Harvest Celebration. And yet we did. This year's cancellation was almost more difficult than the first. After more than a year of observing safety precautions, we had just begun to meet again in person, as we laid aside masks, smiled at neighbors, and looked forward to "getting back to normal," however variably we interpreted that aspiration. The relief was sweet...while it lasted. But when the Delta variant of Covid 19 began attacking Wyoming communities, we paid attention. Then, as infections spiked, hospitalizations increased, and fatalities mounted, we became alarmed by the risk of hosting an event which could jeopardize the health of attendees and increase the burdens of our health care providers. Relying on both the facts and the science, which is our operating mode, we cancelled this year's gathering. We will miss you this year as we all do our best to keep ourselves and our communities healthy and safe and look forward to better days ahead.

Meanwhile, work still needs to be done. In his August 4 *WyoFile* article, Dustin Bleizeffer lays out the facts informing the failure of the state to assist its struggling coal-dependent communities to transition to a sustainable and diverse economy. As the article demonstrates, this failure is even more egregious in the context of a $300-million-dollar federal government spending package, created by presidential executive order last January, an order intended to help "hard-hit" coal and energy communities like those in Wyoming make sustainable economic transitions. According to Bleizeffer, "The federal funds are not automatically allocated, but available on a competitive grant application basis. The exact amount—and for what—depend on the readiness of state and local governments to develop, pitch and implement initiatives that qualify." But instead of helping local governments, which are often understaffed, coordinate among themselves to make competitive bids through the often unwieldy and complex task of grant-writing, "Gov. Mark Gordon and members of the Legislature have said communities don't need to 'transition' away from a reliance on coal and fossil fuels." Instead, the state politicians push initiatives to try to sustain fossil fuel dependence. By doggedly keeping their wagons hitched to coal's—and ultimately fossil fuel's—falling star and by not agressively and systematically assisting our local governments to apply for substantial federal funds, Bleizeffer's piece provides the facts that lead us to conclude that the governor and legislature are, in effect, undermining our rural communities' economic survival.

I urge you to read Bleizeffer's complete article, as well as Bob LeResche's ("Opportunity has knocked but Wyoming is slamming the door") and David Romtvedt's ("Calls for Nuclear Power Call for Caution") opinion pieces published recently in the *Casper Star-Tribune*. (Both pieces are reprinted in this issue.) The latter two opinion pieces by Powder River Board Members, along with the Bleizeffer article, underscore the importance of our holding state politicians accountable to the challenges Wyoming residents face.

Gratefully,

Marcia Westkott

Powder River Solar Energy Production

Energy Produced: 536.7 kWh
Carbon Offset: 777 lbs

We have offset the equivalent of 9 trees in June & July 2021!

Did you know that Powder River has a YouTube Channel?

You can find us by going to YouTube.com and searching PowderRiverBasinRC. All of our solar stories and our oil & gas impact videos are available to watch.

PSC Moves Forward with Carbon Capture Mandate Rules

On July 29, the Wyoming Public Service Commission (PSC) voted to move forward with new rules to implement House Bill 200, passed during the 2020 legislative session, which sets up a new controversial legal framework to mandate that a portion of a utility's electricity must come from coal plants with carbon capture technology.

> **The PSC has proposed a default portfolio standard of 20% of retail Wyoming sales, meaning 1/5 of the power supplied to Wyoming customers from the three investor-owned utilities (Rocky Mountain Power, Black Hills Energy, and MDU) should come from coal plants with carbon capture.**

Unlike most state laws that require a portion of a utility's power to come from a specific energy source – called a portfolio standard – Wyoming's House Bill 200 left most of the decisions, including how much carbon capture energy to require, up to the PSC. This means what regulations the PSC ends up adopting will be very significant for how the bill will be implemented.

In its draft rules, the PSC has proposed a default portfolio standard of 20% of retail Wyoming sales, meaning 1/5 of the power supplied to Wyoming customers from our three investor-owned utilities (Rocky Mountain Power, Black Hills Energy, and MDU) should come from coal plants with carbon capture. However, the draft rules allow a utility to go lower than this standard if the utility can show the 20% standard is "not economically or technically feasible." Conversely, the rules also require a utility to analyze 40% and 60% *and* 80% standards – with an overall goal for a utility to achieve "the highest economically feasible energy portfolio standard."

As you are probably gathering from all of this, whether a utility determines carbon capture to be "economically feasible" is going to be a determining factor for compliance. To date in the U.S., and around the world, carbon capture has not been proven to be economic for utilities or their customers. Just this past year, a coal plant in Texas stopped using its carbon capture system because it was determined to be uneconomic. No

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Ranchers Called to Action on Breaking Big Four Monopolization

The Biden Administration issued an executive order on July 9 to address corporate monopolization wherein only four companies - Tyson, JBS, Cargill and National Beef - control 85% of the meat purchasing and packing industry. After decades of increasing market concentration, these companies now reap a hugely disproportionate share of market profits. Thousands of independent livestock producers have suffered the consequences of having their markets ravaged, forcing hundreds out of business. Year after year, good legislation has been defeated, and executive promises have been weak or overturned.

Powder River and WORC members have a long history of supporting independent producers.

Ranchers have fought against concentration for over 25 years but have been unable to gain the sustained, national legislative and executive support needed to change entrenched corporate market control…until now. In the past few months, good legislation backed by both parties and aggressive, pro-rancher, executive activity has ranchers and supporters seeing a shift, a window cracking open, hope for something new. In response, Powder River has joined forces with the other six state affiliates of the Western Organization of Resource Councils (WORC) on a renewed campaign to get behind the actions of our elected leaders to stop big ag's market control and destruction of independent producers.

Legislative actions are gaining unprecedented support on both sides of the aisle. Serious efforts are underway to reinstate Country of Origin Labeling, reform the beef checkoff program, and ensure that the Packers and Stockyards Act fulfills its original mission of protecting independent livestock producers from corporate monopolization.

While producers are skeptical after decades of defeat, increasing numbers are sensing a radically different opening for change. A Senate Judiciary hearing on August 2 exhibited an excellent example of this shift of support towards independent producers. Two of the major meatpacking corporations, JBS and Tyson, were grilled by bipartisan members of the Senate not known for collaboration on the issue, such as Josh Hawley (R-MO) and Amy Klobuchar (D-MN) Senators from both parties expressed support for President Biden's initiative.

When Shane Miller, president of Tyson's fresh meat division, was pressed to explain the widening gap between low prices for ranchers' live cattle and high prices at the supermarket, he blamed the impact of COVID on cattle supplies. In similar past hearings, legislators often nodded in support of industry or said nothing. At this hearing, in contrast, Senator responses reflected a highly skeptical, "we're not buying that" attitude towards industry excuses.

The panel included producers and supporters from the National Grocers Association, the National Farmers Union, and the Iowa

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Calls for Nuclear Power Call for Caution

In conjunction with PacifiCorp, Rocky Mountain Power's parent company, owned by Berkshire Hathaway Energy, a subsidiary of Warren Buffett's Berkshire Hathaway, Inc. and TerraPower, a nuclear reactor design company founded by Bill Gates, Wyoming Governor Mark Gordon has announced his support for the construction of a nuclear reactor demonstration plant in Wyoming. According to Berkshire Hathaway, the project is intended to "validate the design, construction and operational features" of TerraPower's Natrium nuclear plant design which uses liquid sodium as a coolant rather than water.

Governor Gordon believes that Natrium offers a safe, reliable solution to Wyoming's economic woes, saying, "I am thrilled to see Wyoming selected for this demonstration pilot project as our great state is the perfect place for this type of innovative utility facility and our experienced workforce is looking forward to the jobs this project will provide."

So the benefits of the nuclear plant are said to be increased economic security and diminished environmental risk than with other forms of nuclear power plants. But it's not so clear. Both in construction and operation, Natrium nuclear plants require uniquely skilled workers employing specialized materials and building techniques. Other economic issues include the temporary nature of construction work, long lead times for safety and licensing reviews (Natrium is not licensed by the Nuclear Regulatory Commission), and diminished severance tax revenues as a result of the shift from coal to nuclear.

There's also the fuel—Natrium uses high-assay low-enriched uranium (HALEU). *Power Magazine* reports that there is no current supply of HALEU and that it will take at least seven years with sufficient demand to develop a fuel cycle infrastructure. Edwin Lyman of the Union of Concerned Scientist cautions that Russia is currently the only source of suitable fuel. In whatever quantity, the fuel is not likely to come from Wyoming uranium mines.

After construction there's generation. *World Nuclear Industry Status Report* has recorded the changing costs of electric generation per kilowatt hour (in US cents) between 2009 and 2020. They are: solar—35.9 to 3.7, down 90%; wind—13.5 to 4.0, down 70%; gas—8.3 to 5.9, down 29%; coal—11.1 to 11.2, up 1%; and nuclear 12.3 to 16.3, up 33%. Nuclear is the most expensive way to generate electricity.

And time—the Wyoming proposal projects seven years to completion. Since no new nuclear power plant with a license application submitted since 1975 has yet begun operation, we may question the Wyoming timeline. More time equals more cost. Georgia Power's Vogtle nuclear plants are years behind schedule with costs having risen from $14 billion to over $25 billion. But it may not matter as Georgia Power can charge cost overruns to its customers—the more the project is over budget, the more the company profits. In Florida, Duke Power, after seeing a cost increase from $5 billion to $22 billion, abandoned a Natrium nuclear project after passing $800 million dollars in excess costs to ratepayers.

A July 2021 *Foreign Affairs* article reports that in the past sixty years eight countries have spent $100 billion to produce sodium cooled fast reactors such as the one proposed for Wyoming. All have failed. The money's spent and the lights are out.

While the Natrium design posits less risk of a meltdown, the sodium coolant is under high pressure and is explosive in the event of any breach in the containment area. And while Natrium plants produce less radioactive waste than traditional nuclear plants, there's still the necessity to safely and permanently store this waste. How much will it cost? *World Nuclear Industry Status Report's* editor Mycle Schneider says, "No one knows…because there is no functioning permanent storage facility." Nowhere.

I'm guessing that Governor Gordon's decision was driven in part by his hope to protect the lives and livelihoods of Wyoming workers. But generating radioactive waste without a procedure for safe permanent storage of that waste will protect no one—not unemployed coal miners, not me, not the governor.

How much power are we talking about anyway? Writing for Canary Media, Eric Wesoff reported that in 2020, 2.4 gigawatts of new nuclear power plants were installed worldwide while there were 100 gigawatts of new solar and 60 gigawatts of new wind power generators. Meanwhile, old nuclear plants close—Indian Power in New York, Diablo Canyon in California, Exelon's Byron and Dresden plants in Illinois. What do we do with decommissioned nuclear plants? A cooling tower in Germany has become a climbing wall.

The questions loom. If I were a betting man, given initial costs, cost overruns, lost tax revenue, the increasing viability of renewables, the history of nuclear failure, and the health and safety hazards surrounding nuclear waste, I'd pause before I put my money on nuclear power. Not being a betting man, I wouldn't consider it.

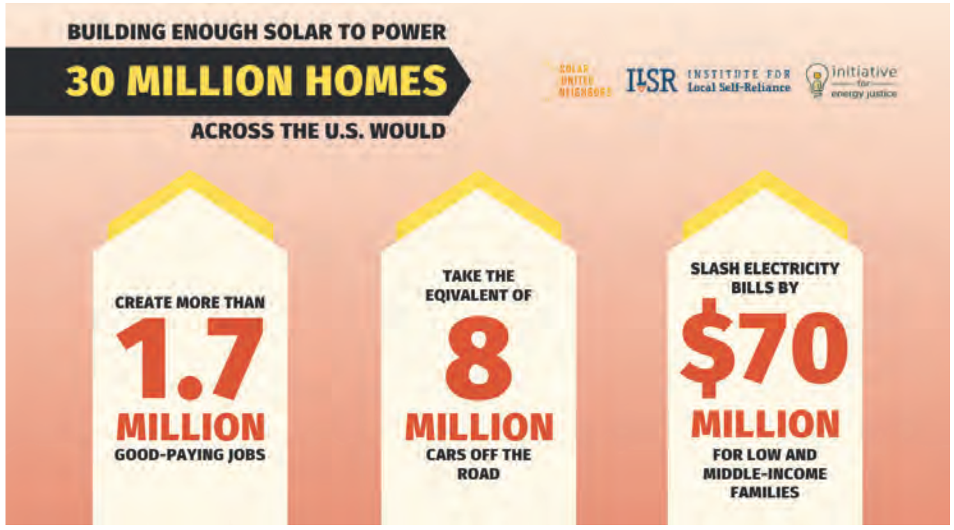
David Romtvedt is a writer and musician from Buffalo, Wyoming. A former activist with the Ground Zero Center for Nonviolent Action, he serves as a Board member for the Powder River Basin Resource Council.

Editor's Note: Reprinted from the Aug. 15, 2021 edition of the Casper Star-Tribune.

CALC Annual Meeting Set for October

Mark your calendars for the Cheyenne Area Landowners Coalition's Annual Meeting on October 20, 2021. Join CALC online for a webinar where they will hold a panel to discuss federal-level action to reduce methane and other harmful pollutants from oil and gas operations. The meeting is free, but registration is required and can be found at cheyennelandowners.org.

Powder River Joins 30 Million Solar Homes Campaign



Powder River has long been a supporter of distributed, local renewable energy because it directly benefits homeowners and small businesses by reducing their power bills; it increases local jobs and revenue from construction projects, and it does not disturb new land. Rooftop solar is in many ways a "win-win" solution to our carbon-constrained energy future.

This summer, Powder River joined the 30 Million Solar Homes campaign, partnering with Solar United Neighbors to advocate for new federal policies to expand rooftop solar in a much larger way. The campaign asks the Biden Administration and Congress to: 1) convert the current solar tax credit to a cash grant; 2) expand "Pay as You Save" on-bill solar and energy efficiency financing; 3) provide loan guarantees, block-grants to states, and subsidized financing for solar; 4) coordinate with energy efficiency programs to further reduce and stabilize energy bills; and 5) support community solar projects for people who rent, or whose homes are unsuitable for rooftop solar.

The campaign recently released new analysis about the economic benefits these policies will provide nationally, and in each and every state. In Wyoming, the policies are estimated to create 300 megawatts of new solar capacity at 51,000 homes, resulting in $97 million in power bill savings and $287 million in new federal investment in the state. The policies are also estimated to create many new solar jobs at Wyoming companies spread out across the state.

If you're interested in learning more about the campaign visit www.30millionsolarhomes.org. Powder River also has active groups of members working to expand renewable energy access and opportunity in Laramie and Sheridan. Please contact the office if you want to get involved in local-level work to bring solar to more homes and businesses in Wyoming.

Shannon Anderson
Powder River Staff

Wyoming Voices Storytelling Project Begins

Fort Bridger, Wyoming

Wyomingites do not speak with one voice. There are many more ideas and perspectives than those we hear each day on the news or from politicians. The diversity of Wyoming stories needs to be amplified. Our pilot project, Wyoming Voices, aims to do that using digital storytelling to identify and design community-based actions for wellbeing and health. The Wyoming Voices pilot project is a collaboration between Powder River and University of Wyoming researchers at the Haub School of Environment and Natural Resources. It is funded by the Wyoming Institute for Disabilities (WIND) and Equality State Research Network (ESRN). Partners will work with 10 community members in southwest Wyoming to develop and tell first-person accounts of their communities' assets, priorities, and challenges. We will then use these stories to identify community-driven, asset-based actions that support community development. If this pilot project goes well, we plan to seek funding to expand the initiative to other communities around the state.

StoryCenter (www.storycenter.org) will facilitate the storytelling through a process called "story circles" and will produce the resulting stories in a digital, video-based format. The story circles will use prompts focused on health, wellbeing, and community resilience surrounding economic and other community changes to help encourage participants to tell a two-part story about their values, as well as their community's hopes and needs. After the session, storytellers will work one-on-one with facilitators to record a brief two-to-three minute story voiceover with photos, videos, and music. Facilitators will provide all technical aspects of the digital storytelling, including video and audio recording and editing.

After completion, each storyteller will get a copy of their digital story and can use it however they like. Additionally, with permission from each storyteller, the story collection will be shared with other community members and policy makers to help drive conversations around recommended actions and activities for the community. Participants will also be given a small monetary stipend for their time.

Our initial one-hour information session was held on July 28 both in person (in Kemmerer), as well as via Zoom, and the initial story circle sessions took place on August 4. Eleven prospective participants attended the informational session, and nine of them signed up to continue with the storytelling process. August 4 participation included five storytellers in person (again in Kemmerer), and four online. We have a nice mix of voices coming from a variety of experiences, including people involved with the energy industry (coal and wind), and both native and transplanted Wyomingites.

The process has been very informative and transformative. Storytelling has a healing power to it, and we also hope this platform ultimately can contribute to community resilience and wellbeing. Stories encourage discussion and collaboration. Through the sharing of stories, we hope to shift the conversation about what our communities want for the future and how we get there. It's a process that can empower individuals to be proactive and nourish the grassroots resiliency needed to thrive under any change.

Michele Irwin & Alyssa Wechsler Duba
Powder River Staff

Opportunity Has Knocked but Wyoming's Slamming the Door

On January 27, President Biden signed an executive order pausing new oil and gas leasing on federal lands. Like Chicken Little, Wyoming and other resource colony states went apoplectic, predicting destruction of their economies. Lawsuits were filed, biased 'analyses' were publicized, and Governor Mark Gordon gained miles of press ink for "blasting Interior," "standing up for oil and gas," and whining before a Senate Committee. A federal judge in Louisiana issued an injunction halting Biden's lease sale "pause," but the Department of the Interior continues their reconsideration of federal oil and gas leasing policies.

Is Wyoming doomed?

Let's step back a bit. What was really proposed? Does today's federal leasing program truly serve the best interests of Wyoming's citizens and our economy? Could it be revised to our benefit now and in the future, when the world's energy economy will change no matter what? Did the governor use reliable information to reach his doom and gloom conclusions?

It's apparent to many that a) the leasing pause caused no harm to Wyoming's energy economy, b) the present federal leasing program is far from ideal for Wyoming citizens, c) Wyoming has touted biased and questionable 'sky is falling' conclusions rather than taking a cold-eyed view of facts, and d) Wyoming should instead seize this opportunity to actively participate in Interior's programmatic reassessment to benefit us in the new energy economy.

First, contrary to the anguished cries of Governor Gordon, (and the lawsuit filed by the Western Energy Alliance and Petroleum Association of Wyoming) the leasing pause caused no harm to our economy. Only the sale of new leases was paused, and business on the 10 million acres of existing leases in Wyoming continued as usual. Wyoming's rig count today is 13. A year ago it was zero. "Biden paused leasing. Oil boomed anyway," titled a recent report in E&E News. "Oil production is rising on federal lands in states like New Mexico and Wyoming…." Thus, state revenues from severance taxes and federal royalties and county revenues from *ad valorem* property taxes have increased, rather than disappearing.

Next, consider the federal leasing program, and whether it maximizes benefits to US citizens and the State of Wyoming. In 2017, Campbell County landowners, the Powder River Basin Resource Council, a former Montana Department of Revenue Director and others filed a petition for rulemaking to then Interior Secretary Ryan Zinke. The petition argued that Interior's leasing program favored industry over the public interest and should be revised. It found fault with the 12.5% federal royalty rate – unchanged since 1920 – which is much lower than private mineral owners and most states charge, and which deprives Wyoming of much-needed revenues. It pointed out that bonds to insure well plugging and land reclamation are totally inadequate to protect taxpayers when a driller defaults. It urged Interior to increase annual rental rates to provide a real incentive to drill and produce leases rather than hold them for speculation. (Today less than half of federal leases in the Rocky Mountain West are producing.) It urged increased annual lease rental rates to incentivize drilling and reduce speculation, and earlier suspension of undeveloped leases to allow lands to be managed for other uses. Finally, the petition urged that Interior cease leasing lands with low oil and gas potential and manage them for purposes better serving state and citizen interests. Zinke ignored this petition.

All these problems, which are so costly to Wyoming, are being reviewed by Interior and the public right now.

Wyoming's cry that the sky was falling cited a problematic "study" by an industry consulting group, ordered by the governor, funded by state agencies, and publicized as gospel by industry's Western Energy Alliance. Another former industry consultant and now UW professor had published a similar study in December, bemoaning the supposed financial effects on Wyoming if federal drilling was halted entirely.

On August 4, the Conservation Economics Institute released an in-depth fifty-page study by four PhD's that completely demolishes Wyoming's two advocacy pieces. The study estimates that, even if leasing was paused, "Wyoming has ample stockpiled non-producing acres and permits and an estimated 67 years of drilling opportunities on federal lands…" The study also suggests that, "In the rural West, [history has shown that] …. conservation attracts people and businesses; intensive oil and gas development repels people and businesses over the long run."

It seems clear, at least, that Interior's short-term leasing pause has not made the sky fall. What it has done is provide Wyoming with a grand opportunity to assist in the modernization of federal oil and gas leasing policies that are of such great importance to our economic and social future. Instead of predicting doom and gloom, moaning to Congress and joining industry's lawsuits, the State of Wyoming would be much better off seizing the opportunity to cooperate with Interior in re-inventing federal oil and gas leasing. Let's advocate changes in leasing, royalties, bonding, rentals and enforcement that benefit our state and our neighbors to the maximum extent possible. Let's open the door to this knocking opportunity. The world energy economy is moving on, and it's time we stopped standing in the corner, holding our breath and pouting.

Bob LeResche
Clearmont, WY

Bob LeResche oversaw a complete re-write of Alaska's oil and gas leasing program as Commissioner of Natural Resources for that state. He was Executive Director of the Alaska Energy Authority, an investment banker and CEO, and is a member of the Boards of Directors of Powder River Basin Resource Council and the Western Organization of Resource Councils. With his wife Carol he operates a ranch and organic heirloom vegetable farm near Clearmont, Wyoming.

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Donate a Car to Powder River

Powder River staff members travel around Wyoming, and we put a lot of miles on our cars. We keep them well-maintained as we want the staff to travel safely. However, the vehicles do eventually wear out. In the past we have been lucky enough to have members donate cars in good condition, which is a wonderful gift for Powder River.

If you have a reliable, dependable car that you would like to donate, please contact the office at 307-672-5809. Thanks to all of our members for their continued support!

Powder River Staff

Senate Passes Abandoned Mine Land Funding

Following the U.S. Senate's passage of the Infrastructure Investment and Jobs Act, advocates from coal communities across the country celebrated the legislation's historic investments in creating jobs by cleaning up abandoned coal mines. The $11.3 billion in Abandoned Mine Land (AML) funding would be a massive increase compared to the current annual distribution for AML reclamation and restoration. Over the last forty years of the AML program, states have received just over $6 billion in total grant distributions. This investment is nearly double that amount in just 15 years. While the full cost of reclaiming all remaining AML sites will likely exceed $20 billion, this funding would roughly equal the reclamation costs currently in the federal database. All told, this investment represents one of the largest investments in coal communities in decades if passed into law.

The successful passage of this new funding for abandoned mine lands represents a major victory for advocates from coal communities who have been fighting for years to spur economic development in the places they live and work through coal mine reclamation. AML sites pose health and safety risks to residents and stand as barriers to economic growth. These crucial infrastructure projects will put people to work repairing land and waterways damaged by mining, treating polluted waters, sealing and filling abandoned mine entries, and developing erosion prevention measures to prevent dangerous land and mudslides.

In 1977, Congress established the Abandoned Mine Land (AML) fund under the Surface Mining Control and Reclamation Act (SMCRA). Since then, the Abandoned Mine Lands program has eliminated over 46,000 open mine portals, reclaimed over 1,000 miles of dangerous highwalls, restored water supplies to countless residents of coalfield communities, and created jobs and economic development opportunities. It has also protected 7.2 million people nationwide from hazards like landslides and flooding that result from leaving damaged lands unaddressed. In addition to the $11.3 billion investment over 15 years, the legislation also reauthorizes the Abandoned Mine Reclamation Fee for 13 years at 80% of its level. Without reauthorization, the AML program will expire at the end of September this year.

This legislation provides $11.3 billion in clean-up funding over 15 years for 25 states and three Tribes, including Alabama, Alaska, Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming, and the Crow, Hopi and Navajo Tribes. Funding will be distributed based on a state or Tribe's coal production prior to the passage of the SMCRA in 1977.

For years, coal community advocates have pushed for AML investments and the RECLAIM Act to turn abandoned mine liabilities into economic hubs. By equaling the scale of the current official AML liability, these investments represent major success for their efforts that can be built upon in future policymaking. However, while the official inventory of AML sites puts the clean-up costs for construction alone at more than $11 billion, new estimates indicate upwards of $20 billion in investment is needed to reclaim and restore remaining abandoned mines throughout the country. Given the growing estimates for the cost of fully reclaiming AML sites, advocates urge Congress to pass this bill but also to build in full reauthorization of the AML fee, which is a tax on current coal production that has been used to fund AML reclamation since SMCRA was enacted.

"Coal reclamation is supposed to be funded by the coal industry, not taxpayers. It is deeply frustrating to see a departure from the commitment that was made to coal communities when the AML fee was first created more than four decades ago. This is a dangerous precedent that leaves taxpayers and communities at risk, as the coal industry is increasingly walking away from mines and this retreat signals Congress could be ready to continue to let them off the hook," said Shannon Anderson, staff attorney and organizer for Powder River.

To ensure maximum impact for communities, the legislation should also ensure local labor is used in these projects, set clear project labor agreements, and prioritize local input so that funding goes to cleaning up the sites that pose the most serious risk to community health and safety.

Courtesy of Appalachian Voices

Report on Federal Leasing Pause Finds No Dip in Western States' Economies

The pause on oil and gas leasing President Biden ordered upon taking office has a minimal effect on national and western regional economies, according to a new report by the Conservation Economics Institute (CEI). In fact, the analysis finds that the oil and gas industry currently holds leases worth decades of drilling opportunities.

The study, "*Economic Effects of Pausing Oil and Gas Leasing on Federal Lands*," looks at the United States and five Intermountain West states that dominate federal onshore production of oil and gas: Colorado, Montana, New Mexico, Utah and Wyoming.

The Natural Resources Defense Council (NRDC) commissioned the report, in partnership with the Center for Western Priorities (CWP) and eight other groups, including Powder River and WORC. The analysis was conducted prior to a recent federal court's decision to reinstate leasing.

> **"The pause on leasing federal lands is not an economic threat—industry is already sitting on a stockpile of leases that could yield drilling for well over half a century."**
> **- Josh Axelrod, NRDC**

Nationally, the report finds:

- Federal onshore production is a small sliver of overall production, representing about 6% of total domestic oil production, and 8% for gas;
- Demand for federal oil and gas leasing is on the decline;
- There is no meaningful link between acres of federal leasing and employment in the oil and gas sector;
- Pausing leasing does not limit existing drilling or production on federal lands;
- Most of the existing federal lands leased (14 of 26 million acres) are non-producing;
- Industry already holds 75 years of future drilling potential in existing federal onshore leases;
- Remaining unleased public lands are less desirable for oil and gas development.

In the Intermountain West, it finds:

- At least 86% of federal onshore oil and gas production takes place in Colorado, Montana, New Mexico, Utah, and Wyoming. In 2019, these states accounted for 86% of federal onshore oil and 95% of federal onshore natural gas production, respectively.
- In western states where federal oil and gas drilling accounts for most of the state's production industry has stockpiled so many unused leases that each state has more than a decade, and up to six decades, of remaining drilling opportunities.

The report cites significant benefits to a pause in leasing:

- Affording time for the Bureau of Land Management (BLM) to identify fiscal inefficiencies in its leasing program, collect critical information, complete studies, and update decision documents to make more informed policy decisions;
- Expanding conservation goals and multiple uses, such as protecting wildlife habitat, increasing recreation, and identifying potential wilderness;
- Temporarily protecting well over one million acres of unleased land while the BLM re-balances its approach to multiple use management;
- Signaling to the marketplace that the Administration is serious about addressing climate and transitioning to cleaner and renewable sources of energy.

And it shows how these positive outcomes vastly outweigh any potential costs in lost lease revenue.

Finally, the report demonstrates that the Intermountain West today is significantly less dependent on the oil and gas industry. It considers how protecting public lands can spur regional economic development, by attracting people and businesses, creating high wage information and service jobs, and envisioning development strategies for diversifying into conservation-based development. These alternative growth options include increased tourism, fishing, hunting, off-road riding, mountain biking, and nature viewing. The report also notes that cleaning and reclaiming legacy wells in the U.S. will create jobs and reduce greenhouse gas emissions, yielding as many as 85,000 direct annual jobs for 10 years of duration and eventually eliminating nearly 252,000 metric tons of methane. Finally, the study notes that conservation measures draw people and businesses, while oil and gas drilling can repel them.

"Polluters cried economic duress when the Administration set about reforming a broken system, and this shows just how misleading those claims are," said Josh Axelrod, senior advocate for the Nature program at NRDC. "The pause on leasing federal lands is not an economic threat—industry is already sitting on a stockpile of leases that could yield drilling for well over half a century."

CEI, NRDC and CWP are releasing this analysis in close collaboration with eight partner groups, including Conservation Colorado, Conservation Voters New Mexico, the National Parks Conservation Association (NPCA), Powder River Basin Resource Council, Southern Utah Wilderness Alliance (SUWA), Wild Montana, The Wilderness Society (TWS), and the Western Organization of Resource Councils (WORC).

Powder River Staff

POWDER RIVER BASIN RESOURCE COUNCIL

15TH ANNUAL HARVEST CELEBRATION RAFFLE

$5 each/6 for $25 - Email info@powderriverbasin.org
or call 307-672-5809 for ticket information.
Drawing to be held Aug. 30, 2021

DURHAM RANCH BISON MEAT PACKAGE	HANDMADE LAP/WALL QUILT	LOCAL FOODS BASKET
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2021 HARVEST CELEBRATION CANCELLED.

Due to rising Covid cases, the 2021 Harvest Celebration has been cancelled to protect public health & safety. We are still holding the raffle, with the drawing on Aug. 30.
We hope to see you all in 2022!

Wyoming Oil & Gas Bonding...Continued from page 1

wells, since forfeiting their bond is often cheaper than paying to plug the well. Companies can also offload the costs of reclamation by giving away (or sometimes even paying other companies to take) old and idle wells. Small or risky operators willing to bet on marginal production and an eventual rise in oil and gas prices have taken ownership of thousands of wells without any update in bond amount. While oil prices currently are at a post-pandemic high of over $70/barrel, the Energy Information Administration expects crude prices to drop in 2022 and beyond as global supply outpaces demand. Analysis by *Grist* and the *Texas Observer* shows that well abandonment increases dramatically as soon as oil prices drop below $50/barrel, although this threshold may be lower for companies relying on stripper wells or those who operate only a few wells. Those operators who have not already folded are going to face bankruptcy as their risky bets fail to pan out, and the BLM is going to be left with thousands of orphaned wells and grossly insufficient funds to reclaim them. While BLM's chain of lease title process does theoretically allow collection of reclamation costs from previous lessees, that process can take years, and is complicated when one or more of the companies on the lease are in bankruptcy.

Carbon Creek Energy (a subsidiary of bankrupt US Realm Powder River, formerly Moriah Powder River) is a great example of the dangers of relying on state-led bond adjustments to ensure plugging and reclamation. In 2015, Carbon Creek bought around 7,500 low and non-producing coalbed methane (CBM) wells in the Powder River Basin.

Many of these wells are federal minerals, and a good portion of them are located on BLM surface in the central Powder River Basin. While natural gas was trading at historically low prices at the time, Carbon Creek executive Tom Fitzsimmons claimed that through economies of scale they would be able to make the wells profitable again, something the previous owners had been unable to do. Six years later, US Realm is in bankruptcy and Carbon Creek owes more than $20 million in unpaid natural gas production taxes to Johnson County and more than $8 million in royalties to the federal government. A "Protective Proof of Claim" filed by BLM on May 1, 2020 shows a claim of $67,521,968 for oil and gas reclamation activities. The BLM holds only $118,300 in bonds, and it is extremely unlikely they will ever receive even a tiny fraction of the $67 million they have requested to cover plugging and reclamation. This means, of course, that taxpayers will pay the difference to clean up Carbon Creek's thousands of federal wells and infrastructure associated with the federal leases.

The kicker is that their bond was raised above the federal minimum by a Wyoming BLM office. However, the increase was so small as to be totally useless – the bond held by BLM is worth only $50/federal well, or 500 times less than what BLM estimates it will cost to clean up the wells when they inevitably end up on the orphan well list. The looming reclamation crisis of Carbon Creek's wells and infrastructure is not unique. Instead, it highlights the dangers of relying on state BLM offices to adequately incentivize plugging and reclamation.

Lottie Mitchell
Powder River Staff

PSC...Continued from page 3

utility in the country has installed carbon capture at a coal plant at scale because of the high costs vis-à-vis much lower cost energy options, like renewable energy.

The proposed draft rules require a utility to present a plan to the PSC by March 31, 2022 to identify suitability of carbon capture for each coal plant unit and to start to answer these sticky questions about carbon capture economic feasibility. In this coming filing, the utility has to explain the estimated costs and provide information about any proposed rate recovery method for the carbon capture systems. As you know, any regulatory mandates such as this one always come back to utility customers to pay for them, and unless the rules are carefully drafted and implemented, ratepayers stand to lose the most under the PSC's proposal.

Powder River staff has been actively following the rulemaking process so far, by attending stakeholder meetings held by the PSC, proposing new rule language, and commenting on flaws and challenges we see with the regulatory process. The next step of the rulemaking will need all of your voices as well during the forthcoming public comment period. Stay tuned for alerts and information we will share about how you can get involved.

Shannon Anderson
Powder River Staff

Ranchers...Continued from page 3

Cattlemen's Association. Their voices further discredited attempts by JBS and Tyson to convince Senators that their market control had nothing to do with the independent producers small and untenable market share.

Given the critical state of their industry, producers and supporters are expressing concern that this unprecedented shift may be a one-time opportunity, making it imperative to act now. As is usually the case, the most important piece of this new campaign is direct involvement by the producers themselves. History has shown that when united, the ranchers themselves have the greatest power to force lasting change. Along that line, Powder River and the other members of the WORC Livestock Group have committed resources to use this opportunity to create a competitive, profitable, and fair livestock market for independent producers. The group is working in collaboration with other organizations nationwide to support and activate the rancher voice. Each participating WORC affiliate committed to recruiting at least two producer members for the WORC-level working group and at least six producers to each state's livestock working group. Together we are committed to shaping a strong, action-oriented campaign to force substantive change at the national level.

Pennie Vance, ag and local foods organizer for Powder River and member of the WORC Livestock Group, is helping assemble Wyoming ranchers willing to join what could be the most important livestock producer fight in decades. In the next few weeks, we will send out notices to Powder River members who we already know are ranchers. However, because we have not identified all ranching members of Powder River, everyone wanting to join forces and/or stay informed on this critically important initiative are encouraged to drop Pennie an email at penniev@powderriverbasin.org or call the Powder River office at 307-672-5809.

Pennie Vance
Powder River Staff

Picnic on the Pathway was held at Thorne-Rider Park and the Sheridan Food Forest on Aug. 12. This event was co-hosted by Sheridan Community Land Trust, Science Kids, the North Main Association, and Powder River. Watch for a full article in the next Breaks!

POWDER RIVER BASIN
Resource Council

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Save the Date

2021

28 August	Harvest Celebration, CANCELLED
30 August	Harvest Celebration Raffle Drawing
8-10 September	Board/Staff Retreat, HF Bar
10 September	Board Meeting, HF Bar
6 November	Annual Meeting, Sheridan
7 November	Board Meeting, Sheridan

Planned Giving and Estate Planning Gifts

The Powder River "family" has been thinking a lot about the future lately, because, as the saying goes, "We aren't getting any younger." We want to make sure this organization remains viable for future generations in the same way it serves today's members. So we're inviting you, our extended family of members and donors, to consider including Powder River in your estate plans.

Your gift would create a living legacy allowing Powder River to continue our work far into the future and helping ensure Wyoming remains the place we know and love for our kids and grandkids.

As one long time Powder River member, Digger Moravek stated, "I want to raise Hell long after I'm gone." You too can do this through a bequest to Powder River.

The two easiest ways to include Powder River in your estate planning take little time (and no legal assistance).

- THROUGH YOUR RETIREMENT ACCOUNT (Your IRA, Roth-IRA, SEP-IRA, 401(k), or other such account): Name *Powder River Basin Resource Council* as a Primary beneficiary for a percentage. One percent, 10%, 25% or whatever you wish. You can do his through the account custodian, or often even on the custodian's website in a few minutes (Powder River's Tax ID is 74-2183158).
- THROUGH YOUR LIFE INSURANCE POLICY: - Name *Powder River Basin Resource Council* as a primary beneficiary of any percentage of your life insurance policy. You can do this through your insurance agent or the insurance company, or often even on your insurance company's website in only a few minutes (Powder River's Tax ID is 74-2183158).

If you are preparing a formal will or living trust document, you can include Powder River Basin Resource Council as a primary beneficiary of a specific dollar amount or percentage of your estate. If you already have such an instrument, you can have it revised to include Powder River. This is probably best done through your attorney.

Finally, there are several more complex tax-advantaged ways to contribute to Powder River's future and receive continuing income and tax advantages during your lifetime. These include "charitable remainder trusts" and sale of appreciated and depreciated securities. Please consult your legal and financial advisors about how you can use such tools to support Wyoming's most effective grassroots member organization, and how you might benefit.

If you have any questions, please give Powder River a call at 307-672-5809

Thank you!

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