



## Wyoming Strengthens Coal Bonding Rules

By a unanimous vote on February 19<sup>th</sup>, the Wyoming Environmental Quality Council (EQC) adopted new comprehensive rules to strengthen financial assurance requirements for coal and non-coal mines. Notably, the rules strictly limit what companies will be able to qualify to use “self-bonding” to guarantee mine reclamation costs.

The rules were developed by the Department of Environmental Quality (DEQ) staff after several years of problematic coal company bankruptcies, in which companies entered bankruptcy with over a billion dollars in self-bonds. Since self-bonds are not secured by a third-party, Wyoming would not have been able to collect on them during bankruptcy or forfeiture.

At the public hearing, DEQ staff told the EQC that the new rules take the state back to what was originally proposed in 1983 when the self-bonding standards were first adopted: that it is a tool available only to companies with a low risk of bankruptcy. To achieve this goal, the rules require a company to have a good credit rating from an outside company like Moody’s in order to qualify for self-bonding. Because of the down market, most coal companies will not be able to qualify, limiting the risk to the state.

The rules also require all self-bonds to be guaranteed by the

*“Today is a proud moment for Wyoming: We now have the toughest self-bonding rules in the nation.”*  
**Bob LeResche**

ultimate parent entity – the top of the corporate ladder for a mining company subsidiary. This is important because when an ultimate parent entity files for bankruptcy, so will the mid-stream subsidiaries that are backing self-bonds. The financial health of the mining operator is inextricably tied to the health of the parent entity, and the rules rightly recognize that self-bonding qualifications should be judged on the parent entity, not the subsidiary.

In response to the EQC’s vote, Powder River Vice-Chair Bob LeResche had this to say:

*“Today is a proud moment for Wyoming: We now have the toughest self-bonding rules in the nation. This was a critical step allowing the state to better manage the risk of over \$2 billion in strip mine reclamation bonds in Wyoming. With today’s uncertain coal market, and the huge scale of Wyoming’s mines, self-bonding the old way had become much too risky. We are delighted to see the Wyoming Department of Environmental Quality and the Environmental Quality Council take this step to protect Wyoming taxpayers.”*

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## Powder River Rolls-Out New Video Series on Oil & Gas Development Impacts

Powder River has released a new series of videos featuring Wyoming residents whose lives have been upended by nearby oil and gas development. From living with the legacy of contaminated groundwater in Pavillion to addressing booming oil and gas development in Laramie and Converse Counties, the videos explore the human cost of development.

“Because now there is oil and gas drilling so close to my home, my property value has plummeted. You work hard for something, and then this happens,” said Robin Arquilla, whose home near Cheyenne is now surrounded by oil and gas development. “I expect to be compensated for my decreased property value, and the inconvenience of relocation due to the close proximity of the rigs and wells. We homeowners shouldn’t be simply



Jeff & Rhonda Locker of Pavillion are featured in one of the videos.

disregarded as collateral damage by the oil and gas companies, as well as the state.”

In Pavillion, residents and landowners are frustrated by their lack of clean drinking water, a frustration compounded by the state’s failure to find a permanent solution years after the problem began. In Eastern Wyoming, an oil and gas boom has brought drilling very close

to quiet neighborhoods where people built homes to invest in their futures. Now with their quality of life dramatically diminished, many residents are asking why industry interests are being favored over those of people who have lived in these areas for years.

“Wyoming is a freedom-loving state, but there are people losing their freedom every day. Right here in Wyoming people are losing their investment in their homes and businesses because their air and water quality are being ruined, and no one is doing anything about it. We need some common sense in the siting of these industrial developments so that they will no longer be a threat to people’s air, water, health, and well-being. It goes way beyond noise, dust, road destruction, and property damage,” said Wayne Lax, who lives in

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# Message from the Chair



In Wyoming, right after the Holiday Season with all its peace on Earth and goodwill to men, comes the Legislative Season where there is little peace and even less goodwill. PRBRC has, once again, participated to its maximum potential in the legislative process, representing those of you whose elected representatives fall a bit short in that responsibility. Our thanks to the staff who have spent their time and intellectual capital to change poorly thought-out legislation, to encourage the good and necessary bills, and help to bury the rubbish. They deserve a good rest and our appreciation.

One interesting note was sounded early in the session, when bills to change the Wyoming primary voting process were being introduced. One Carbon County legislator warned that if his pet bill did not pass people would flock to the "center," thus becoming moderates. Try as I did, I could not fathom how that would be such a terrible thing. Perhaps it would reduce the amount of interesting name-calling. Perhaps being

moderate would allow people on different sides of an issue to listen and understand the worries of those on the other side. Perhaps being moderate would make us more humane. Perhaps moderates could make decisions based on the greater good and not solely on the chance of re-election. Perhaps it would make finding someone to blame less important than finding a solution.

If we, as a culture, were more moderate, we could make decisions the same way big companies do, based on what they need and what they can predict. When Omaha, Nebraska, was trying to attract a Facebook data center, the power company discovered that Facebook required 100 percent renewable energy. This was a business decision, not a decision based on fanatical environmental beliefs. The company needed a predictable and reliable source of energy, so it chose to require the use of renewables. Fortunately for Omaha, the power company was not only able to build a substation big enough to meet Facebook's needs, but it was able to guarantee all power came from renewable sources. Facebook is now building a data center in Omaha.

I can only imagine the howls that would have been heard if it had been a Wyoming community in the running for that data center. Our political leaders would doubtlessly said that we could not possibly use renewables because that would cost jobs. They probably would completely ignore the creation of more stable, and good-paying jobs that came with the new installation. And, worse yet, many of our citizens would have agreed with them. When will we, as citizens and electors, begin to look outside our political boxes and start finding answers for our own problems?

I hope that by the time the next elections roll around, every one of us is able to delve into the platforms of the candidates, not just the platforms of their parties, to formulate and ask the important questions, to put right or left aside, and shape our political and economic futures with good, moderate sense. Let us use our collective power to shape this state into a smart, dependable, pleasant place for everybody, not just for hold-outs far to either side of the center.

**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

- Cheyenne Area Landowners Coalition(CALC)
- Pavillion Area Concerned Citizens (PACC)
- Ranchers & Neighbors Protecting Our Water (RNPOW)
- Sheridan Area Resource Council (SARC)

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## Powder River Breaks

Editor: Robin EH. Bagley  
 Layout: Stephanie Avey  
 Photos by Powder River staff and members.

## Renewable Energy Resources Available

You can find many solar energy resources, including a Wyoming solar installers' directory, on our website,

[www.powderriverbasin.org](http://www.powderriverbasin.org).

Click on What We Do, then Renewable Energy.



# Powder River Welcomes New Ag & Local Foods Organizer



Hi, Powder River members! My name is Erik Rieger, and I joined Powder River as a Community Organizer in January. As a young farmer and food advocate, I feel a strong personal commitment to Powder River's work. I may be new to Wyoming, but I am no stranger to issues affecting producers and rural communities in the West.

I have a wide-ranging background in journalism, media production, organizing, and social justice, which stem from my pursuits

at Colorado College, where I graduated in 2012 with a B.A. in Philosophy, and through working for the member-based nonprofit, The American Alpine Club.

My full trajectory into agriculture began in 2015 as a bread baker in Ridgway, Colorado, where I felt a strong motivation to improve the food system on the Western Slope. I tend to pursue things

to their root—or, in this case, seed—and my work as a baker inspired me to pursue deeper learning about crop production. I soon joined High Desert Seed & Gardens, in Montrose, an organic operation that is recognized nationally for its work producing seed adapted to high-elevation drylands.

Subsequently, I interned with farm-based NGOs in India and Poland, where I gained further experience in livestock management, large-scale cropping, conservation practices, and seed sovereignty. The intensity and variety of these on-the-ground experiences helped to highlight to me the foundations of a strong and sustainable agriculture and of the many struggles afflicting farmers today.

I am driven by the belief that to change something, you must know it, and that knowledge must be lived wholeheartedly. I look forward to capitalizing on the lived knowledge of Wyoming's independent farmers and ranchers and Powder River members as we continue on the path of forging a profitable, ecological, and equitable food system.

**Erik Rieger**  
Powder River Staff

## Sheridan Seed Library is Moving to the Sheridan County Library



There is good news, seed savers! The Sheridan Seed Library is moving from the Extension Office at Sheridan College to the Sheridan County Fulmer Library. We are hopeful that this will increase the seed library's usage and prominence in the community.

A spring workday will be held at the library in an effort to start refurbishing the seed collection—date and details to come. If you have recently saved seeds in your garden, it is imperative that you get them clean and dropped off before the planting season begins. Powder River will also be working to update our seed saving information and notify you about upcoming workshops this spring and fall.

**Erik Rieger**  
Powder River Staff

## A Case for SNAP: Wyoming Farmers' Markets

Heading into 2019, Powder River will continue on its mission to increase access to local foods in our communities. One avenue for this is facilitating the implementation of SNAP at farmers' markets.

The "Supplemental Nutrition Assistance Program," known by many as food stamps, provides crucial support and food security for those moving from welfare to work, with the majority going to families with children, the disabled, and the elderly. On average, individuals receive less benefit than one might expect, about \$1.45 per meal or \$130 each month. The average American, for perspective, spends over \$250 on their monthly



grocery bill.

In Wyoming, food insecurity is augmented by the state's ruralness. The grandeur of endless grasslands and mountains that make this prime farm and ranch territory

often leave many residents with only nominal access to fresh food. Many might not realize that they live in a "food desert," although a number of counties in Wyoming contain at least one of these areas, with significant concentrations in the central and eastern regions. Because Wyoming farmers' markets are few and far between and dictated by a short growing season, it is critical that all Wyomingites are able to take full advantage of our state's foods.

The USDA reports that in Wyoming in 2014 "SNAP provided about \$50 million in food benefits to a monthly average of 32,606 people." However, as it stands now, very little

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# Spring Solar Celebration

## Set for April 17th in Casper

Following last year's successful pairing of craft beer and small-scale solar, this year's Spring Solar Celebration will be at Gruner Brothers Brewing in Casper on April 17<sup>th</sup> from 6:00-8:00 pm. Those of you who attended last year's celebration at Luminous Brewhouse in Sheridan already know what a fun event this is. We held the first solar celebration to kick-off our RENEWyoming Campaign, but we are pleased to make it an annual event. We will hold our celebration in a different community each year, opening up solar discussions across the state.

We are excited to be partnering on this event with a newly formed trade organization for Wyoming solar installers. In fact, this group is so new that they will be officially announcing themselves at the celebration! Solar installers around the state will be present to explain what this development means for Wyoming.

We have a lot to celebrate this year. Wyoming solar installers have organized a trade group to support and unite solar professionals across the state. Powder River has compiled and published resources for solar users, including lending options for solar systems offered by Wyoming banks. Legislation was proposed to allow net metered



the past year, enjoy some locally crafted beer, and help us plan our solar priorities for 2019!

This event is family-friendly and open to solar enthusiasts of all ages. Snacks will be provided; beverages will be available for purchase, including the brewery's Wyoming craft beer.

If you have questions, please contact Hesid Brandow at 307-672-9028 or [hbrandow@powderriverbasin.org](mailto:hbrandow@powderriverbasin.org).

**Hesid Brandow**  
**Powder River Staff**

## Powder River Files Public Records Act Complaint Against DEQ

In February, Powder River filed a complaint against the Wyoming Department of Environmental Quality (DEQ) because the agency withheld documents directly related to Contura's bond renewal for the Belle Ayr coal mine. Powder River's complaint maintains that DEQ unlawfully withheld land appraisal documents directly related to the bond renewal application. The release of those documents is mandated by Wyoming's Environmental Quality Act (WEQA) and Public Records Act (WPRA).

Last October, Powder River filed an objection with DEQ over the proposed renewal of Contura's Belle Ayr coal mine permit. The DEQ refused to release relevant documents, preventing the organization from reviewing details of the proposal to use parcels of ranchland as collateral in guaranteeing a significant portion of the mine's reclamation bond. Contura claims the value of these Campbell County land parcels is \$27 million; however, DEQ withheld the appraisal from public view at the company's request, stating it contained confidential material. Furthermore, Contura has also applied to transfer this mine's permit to another company, Blackjewel, further obscuring public scrutiny of the process.



"This is a complicated situation with both the mine permit renewal and the same permit's proposed transfer to a different company. We need to make sure the federal and state laws are being followed before allowing these actions to be finalized," said Powder River Chair Joyce Evans. "We must be especially vigilant about ensuring adequate bonds are in place. For that to happen, we need an open, transparent access to the information underlying the bond renewal to ensure that Wyoming taxpayers aren't taking on too much risk."

Federal and state laws require companies to provide proof of collateral for their reclamation bond obligations. However, DEQ is withholding the appraisal, which is the

only evidence supporting whether or not the land parcels being held for nearly 22% of the \$119 million bond are actually worth that amount. Appraisals, bills of sale, and other evidence including land valuations are commonly disclosed in public records. The appraisals for the two ranches offered as collateral to cover approximately \$27 million of the bond should not contain any trade secrets or confidential information.

"We have filed this complaint because withholding the appraisal and then shutting the door on public participation is not the way to proceed. Wyoming taxpayers deserve to know whether or not they're getting a good deal when it comes to millions of dollars in mine reclamation," said Evans. Since Contura is the first coal company to use a real estate bond for reclamation, this could set a precedent for other companies to follow.

Powder River is represented in the litigation by staff attorney Shannon Anderson and Travis Stills with Energy & Conservation Law.

**Robin EH. Bagley**  
**Powder River Staff**



# Powder River Statement on Ramaco Coal Permit Deficiencies

On January 17<sup>th</sup> the Land Quality Division of the Wyoming Department of Environmental Quality (DEQ) issued a letter to Randall Atkins, CEO of Ramaco, regarding the latest round of reviews for the proposed Brook Coal Mine near Sheridan. The letter stated the agency has “questions, deficiencies, and requests for additional information.”

“If you pull back the curtain on Ramaco, there are several components of the mine operation that are not discussed at all, much less to the level of detail required for neighbors to determine impacts to us and our property. When Ramaco submitted the permit, they said the ‘revised application exceeds not only what’s required under state law, but federal regulations as well’ and that it ‘provides the most far reaching environmental protections of any coal mine permit ever considered in Wyoming,’ and that is simply not the case. They still haven’t adequately addressed the serious concerns that caused us to protest the first permit

submittal. We’re happy to see that the DEQ has apparently come to the same conclusion,” said John Buyok, an impacted neighbor and retired engineer with years of experience working on mine permits.

Powder River’s consulting scientists have also reviewed this latest version of the permit and wrote:

“This permit application is barely any better than the original—very little new data which constrains the groundwater model, no CHIA (Cumulative Hydrologic Impact Assessment), there is some new discussion but not enough empirical data to adequately characterize the hydrogeologic setting,” said Mike Wireman, hydrogeologist and former EPA national groundwater expert.

“Ramaco only made a token effort to address the mine subsidence issues of the mine design,” said Dr. Jerry Marino, a professional engineer and national subsidence expert.

**Robin EH. Bagley**  
Powder River Staff

*Reprinted from the February 1, 2019 issue of The Sheridan Press.*

## **Ramaco’s Permit Process is Hardly Standard**

On January 22, the *Press* ran an article about Ramaco’s ongoing permitting process for their proposed Brook Mine in which the company spun the permit review under the Wyoming Department of Environmental Quality as “standard.” First of all, we need to remember that this is Round 8 of the mine’s permitting process—eight rounds of permitting are hardly standard.

It’s also important to note that that DEQ’s “request for additional technical information” for the permit application was a 30-page letter pointing out deficiencies and asking numerous questions. Again, 30 pages consisting of 138 questions and deficiencies in response to a permit application in the early rounds is not unusual, but by round 8 it is not standard.

Ramaco’s permit was found to be deficient in 2017 for hydrologic samples and related impacts, subsidence prevention, and blasting. It’s these deficiencies that the company is supposed to be addressing. These important issues affect the surface (the ground we walk on), and the water we drink – groundwater and surface water. If DEQ has found this many problems eight rounds into this process, we need to question Ramaco’s sincerity in meeting the required rules and regulations to obtain a mining permit.

**Stacy Page**

# Laramie Plans to Become Carbon-Neutral



Powder River has been leading the charge to bring one of our Wyoming communities into a clean and renewable energy future. Not only has Laramie has been blessed with great potential for renewable energy resources due to its high elevation and windy landscape but also has a potential for carbon-neutrality because of its lack of mineral development in comparison to other Wyoming communities. Other cities around the state have begun making this same economical and cost-effective switch. For instance, Jackson has created carbon emission reduction benchmarks and is involved in community solar programs through their local utility cooperative to reduce their carbon emissions. Now Laramie is following a similar path.

Through a partnership with the University of Wyoming, the Haub School of Environment and Natural Resources Student Group will be conducting a baseline emissions level inventory of

Laramie’s municipal operations. This work is being done in conjunction with a community group of concerned and passionate citizens organized by Powder River. This community group has been working in partnership with Laramie City Councilors, Laramie’s Environmental Advisory Committee, and County Commissioners to draft a resolution creating an ad hoc committee to create an emission reduction plan for the city. A comparable effort was begun in 2007 through the nationwide Cool Cities campaign; however the ad hoc committee never met due to lack of local momentum and no city-wide energy conservation plan. We are striving to reinvigorate this effort and bring Laramie into the future.

**Monika Leininger**  
Powder River Staff

# Powder River Basin 2019 Legisla

## Zombie “Crimes Against Critical Infrastructure” Bill Dies Again



Sponsor Rep. Lloyd Larsen watches as groups and individuals testify against the bill.

On the last day for committee bills to get through general file in their house of origin, House Bill 10, “Crimes Against Critical Infrastructure,” died quietly as it failed to make it through first reading before the deadline. We have been opposing this well-known and controversial bill since last session. This year we watched it make an ugly comeback despite the bill being vetoed by the governor last year. This bill has thick ties with industry and is a response to the 2017 Standing Rock protests blocking the construction of the Dakota Access Pipeline. House Bill 10 would have criminalized those who impede/trespass on or near “critical infrastructure” such as oil and gas operational equipment.

The American Legislative Exchange Council (ALEC) has been bringing these bills to legislatures

nationwide. There were a variety of arguments against the bill. Native American tribes spoke about how the bill would impact their sovereignty, and landowners opposed the bill because the vague language could have criminalized those who have oil and gas operations on their property. Other Wyoming citizens spoke about how it stifles their free speech, including their right to assemble. We know that we may see this bill again in future sessions, but we are thankful to all of our members who made their voices heard this year! Your emails, testimonies, and lobbying made a huge difference. We are committed to fighting this bill in the future.

**Monika Leininger**  
Powder River Staff

## Net Metering

House Bill 231 would have amended Wyoming’s net metering law to allow systems over 25 kW to be net-metered upon utility approval. The bill would not have forced utilities to agree to net metering arrangements for larger systems; it would merely have allowed utilities to do so. The bill sailed through the House, but died when Senate President Drew Perkins, in a move known as a “pocket-veto,” did not assign it to a committee for consideration. His arguments against

the bill hinged on the idea that net metering places a financial burden on non-solar utility customers. These false arguments highlight the need for continued solar education at all levels in Wyoming.

**Hesid Brandow**  
Powder River Staff

## Delinquent Mineral Tax Relief

Senate File 118 will provide counties assistance in the collection of delinquent *ad valorem* mineral production taxes. While the bill does not provide a solution to the tens of millions of uncollected ad valorem taxes, it will give counties higher standing during collections efforts. Essentially, counties will have the ability to jump in line ahead of secured lenders and take priority status, provided they notify other

creditors of their intent to do so, and the creditors do not take further legal steps to maintain superior status. SF-118 sailed through the Senate and is now moving through the House. As of press time, it had passed first reading.

**Hesid Brandow**  
Powder River Staff

## Hemp Opportunity Act

Powder River’s Board recently voted to support legislation that allows Wyoming farmers to grow hemp as an agricultural crop. For background: The 2018 Farm Bill made it legal to cultivate hemp, produce hemp-derived products, and transport and sell those goods across state lines. The Farm Bill allows states to create their own programs or else be at the whim of federal provisions.

House Bill 171, the “Hemp Opportunity Act” defines a Wyoming state program that mirrors the Farm Bill but gives the state primacy. The bill gives authority to the state’s Department of Agriculture, accelerates program implementation, and advantages Wyoming over other states at a key transitional moment nationwide. The bill requires producers to obtain a \$750 permit to start production. The fee itself feeds back into the program, helping offset an initial \$435,000

appropriation by the Wyoming Legislature, which funds staff, testing equipment, and basic resources to implement and regulate the program. Overall, the bill is farmer-centric and helps to create economic diversification in Wyoming.

HB-171 passed with a unanimous 60-0 vote in the House. After moving to the Senate, there was one large scare from the Senate Appropriations Committee, which stripped an essential \$120,000 appropriation for a two-year staff position. Thankfully, this standing committee amendment failed overwhelmingly during Committee of the Whole. As of this writing, the future of hemp growing in Wyoming looks promising.

**Erik Rieger**  
Powder River Staff

# Oil & Gas Industry Shenanigans Result in Legislative Oversight

The 2019 session of the Wyoming legislature saw at least four pieces of legislation aimed at addressing serious impacts of the oil and gas industry on land and mineral owners. Two proposed bills (HB-208 and HB-209) dealt with recent efforts by the oil and gas industry to seize entire ranches, take over private property by failing to negotiate in good faith with landowners, or neglecting to offer a fair deal on surface use and damage agreements. Another piece of legislation (HB-261) concerned the thousands of permits filed by the oil and gas industry to hold leases in order to control areas without developing the minerals.

The slew of bills to address these problems is due to an unprecedented boom in oil and gas permitting plus a wave of new, smaller and less reputable oil and gas companies entering Wyoming. Land and

mineral owners are treated as second-class citizens in this latest boom, and the Wyoming Oil and Gas Commission (WOGCC) is struggling to keep pace with the permitting disputes between oil and gas companies.

The bills were heard in committee on January 30th, but a pre-ordained outcome was already decided by legislative leadership, the Petroleum Association of Wyoming, and the Governor, who all agreed to table the legislation and conduct an interim study. This proposal was announced in a press release immediately after the House Minerals Committee meeting.

The release stated: “The Joint Minerals, Business & Economic Development Committee plans to address a number of important issues impacting oil and gas production in Wyoming during the upcoming interim, including bonding, the acquisition of oil and gas leases, drilling practices and a host

of other critical topics. Working with Governor Mark Gordon, industry and the Wyoming Oil & Gas Commission, the Committee will compile a list of key subjects to address and release them during meetings held in the spring.”

“We are committed to a comprehensive approach to getting Wyoming’s regulatory framework up to speed,” said Representative Greear, committee chair. “This means encouraging oil and gas development while protecting private property rights.”

Powder River, our leaders, and members will be fully engaged in this interim topic to ensure protection of private property rights and responsible development of oil and gas.

**Jill Morrison**  
**Powder River Staff**

## Severance Tax Cuts

This legislative session saw a trio of bills introduced—House Bill 139, House Bill 167, and Senate File 134—proposing to cut severance taxes for uranium, coal, and oil and gas industries. The severance tax rate varies from four to seven percent depending on the industry, and all combined taxes on extractive industries provide more than half of Wyoming’s revenue. These numbers make Wyoming communities heavily reliant on severance tax revenue for schools, public services, and more.

Luckily, House Bill 167, "Severance Tax Reduction on Coal" died in the House Revenue Committee 5 - 4, and House Bill 139, "Uranium Taxation Rates," did not reach the House floor in time, effectively killing it. At one point during committee testimony, Representative Western challenged the sponsor of HB-167, Representative Hallinan, “The CEO of Cloud Peak Energy has stated this won’t help their bottom line. Why would you bring this bill?” His words echoed the advice of recent studies made at the behest of the Wyoming Legislature, which shows production is not influenced by the severance tax rate but primarily by prices and geology.

Still, the bills’ sponsors suggest that tax deregulation will increase production, employment, and revenue enough to offset multi-million dollar losses in tax revenue. Despite stated woes from some legislators and pro-industry lobbyists, the current outlook for Wyoming is quite good. The state continues to produce 350 million tons of coal a year; likewise, the oil and gas industry is at a 25-year production high. Ultimately, severance tax breaks are a drop in the bucket for these industries yet exponentially increase the risk of lost revenue, especially amidst a trend of bankruptcies.

Despite the arguments against, Senate File 134, a severance tax

exemption for oil and gas wells, experienced a steady climb from the Senate to the House, thanks in large part to strong support from Senate leadership. The Senate did strip the bill of its most worrisome exemption for *new* oil and gas production, which would have caused over \$100 million in projected revenue loss to the state budget accounts over three years.

SF-134 now focuses on severance tax exemptions for marginal or secondary recovery, mostly on previously shut-in or idle wells. The potential loss to state revenue from these wells is unknown. The Wyoming Oil and Gas Conservation Commission shows there are currently 4,005 private, shut-in wells. However, that number does not include wells on federal and state lands that would also qualify for the SF-134 tax break; the total number of idle and shut-in wells that would qualify is likely in the tens of thousands. Beyond concerns about fiscal responsibility, the exemption poses significant environmental risks by keeping idle or orphan wells online, which may further delay their timely reclamation.

This bill barely passed the House Revenue Committee with a vote of 5 - 4 after House Speaker Harshman brought a significant amendment to further reduce industry’s take. The heavily amended bill then narrowly passed Committee of the Whole on the final day following a number of tough questions and a 34 out of 60 majority vote. As of this writing, the bill awaits second and third readings, which are likely to bring further debate and amendments.

**Erik Rieger**  
**Powder River Staff**



*Editor's note: Senate File 159 passed the Senate and is now being considered by the House. As of press time, it had passed its second reading in the House and likely will be placed on the consent calendar for final passage.*



**The Jim Bridger Power Plant near Rock Springs**

## **What does the market say? Coal bailout will impose a hidden tax on families and workers**

People in Wyoming typically like more market competition, minimal government interference and low taxes. We also like the jobs and revenues generated by our natural resource base. So what happens when the market speaks and Wyoming legislators do not listen? We end up with Senate File 159 — a coal bailout bill that could force Wyoming families and businesses to pay hundreds of millions of dollars in higher electricity costs. The bill does not solve the problem; it simply shifts the burden of free market forces to consumers from energy producers.

Let me explain. The energy market has changed and no one person or legislature can change it back. Energy markets are telling us that coal is no longer king when it comes to being the cost-minimizing source of energy. In Kentucky, Tennessee, Indiana and Colorado, electric utilities have calculated that retiring coal plants will save

customers money. Here in Wyoming, Rocky Mountain Power has compared the costs to operate its coal units to see how they compare to other available energy sources. Rocky Mountain Power's analysis suggests that retiring the Naughton plant in Kemmerer by 2022 and replacing its output with cheaper market purchases, including Wyoming wind power, could save customers \$175 million. Rocky Mountain Power's parent company, PacifiCorp, has also stressed that over 60 percent of its coal units are now more expensive to run than alternatives.

This coal bailout bill would make Rocky Mountain Power find an outside buyer to operate uneconomic coal plants, and then require the utility to buy back high-cost power from the new owner. Bill proponents claim that any such coal contract would need to be less expensive than other sources to be approved. But Rocky Mountain Power has already done the math! Unless a new owner intends to cut corners on environmental cleanup or slash worker benefits, it's hard to see how someone else could run these aging coal plants more cheaply and effectively than Rocky Mountain Power.

For the Naughton plant, this implies \$175 million in extra electricity costs over the next decade, 100 percent of which would be passed on to Wyoming families and businesses through higher bills — a hidden tax. These plants are too expensive for Rocky Mountain Power when the operating costs are being shared by all of its customers in Utah, Idaho, and Wyoming. How expensive will they be when they're only spread across Wyoming?

The open question then becomes: Is this bill the best method to support our state's coal-dependent communities that must compete within a global energy market over the long run? The market is silent on this question, however — it does not worry that the prospect of retiring coal plants will upset the communities of Kemmerer, Diamondville and others whose local economies are tied to coal. Mine workers are already seeing their pensions and health benefits axed while corporate executives get bonuses, as bankrupt Westmoreland sells off its mines.

To me, the market is saying we need to all slow down and think harder about passing bailout bills like Senate File 159 that will commit Wyoming families and businesses to spend hundreds of millions in higher energy prices to prop up uneconomical coal plants. Perhaps Wyoming citizens will be glad to pay higher energy bills if it means coal jobs for their friends and neighbors — perhaps not. But they should have the choice and they should know the true costs of bills that take on the market. But this bill is being rushed through the Legislature so fast that the state has yet to complete a fiscal note that would give the public a clearer picture of the financial risk they are taking on to extend the life of these expensive coal plants. Bill payers in Wyoming should ask our legislators to step back and be transparent about this new hidden tax imposed by this bill.

The electricity industry is undergoing fundamental and permanent changes, and Wyoming's coal communities need and deserve help. That means embracing our state's immense potential to generate wind and solar power, finding ways to use coal for profitable materials, and providing transition funding for displaced workers. But a bill that claims to "save coal" by charging energy customers more, slashing worker benefits, and preventing cleanup of Wyoming's land and water is not the answer.

The market is talking and it is telling us that this bill will not reverse the decline of the coal industry, and that it will only delay critical conversations we all need to be having about how to help Wyoming's coal-dependent communities benefit from the inevitable transition to a cleaner energy future.

### **Jason F. Shogren**

*Since 1995 Shogren is the Stroock Chair of Natural Resource Conservation and Management in the Department of Economics at the University of Wyoming, his alma mater, and he also served on WY's Environmental Quality Council (2000-04).*

*Reprinted from the Casper Star-Tribune February 18, 2019*





# SPRING SOLAR CELEBRATION

**APRIL 17TH - 6 TO 8 PM  
GRUNER BROTHERS BREWING**

Great opportunity to learn more about solar power for your home, businesses, or ranch.

Light refreshments will be served & beer available for purchase.

Free & open to the public.

Powder River Basin Resource Council - 307-672-5809  
or [info@powderriverbasin.org](mailto:info@powderriverbasin.org)



## Powder River Solar Energy Production

Energy Produced: 343 kWh  
Carbon Offset: 522 lbs

We have offset the equivalent of 6 trees in Dec 2018/ Jan 2019!



## Did you know that Powder River has a YouTube Channel?

You can find us by going to [YouTube.com](https://www.youtube.com) and searching PowderRiverBasinRC. All of our solar stories and our new oil & gas impact videos are available to watch.

# Debra Anderson - Sheridan USDA Office

The Rural Energy for America Program (REAP) assists rural small businesses and agricultural producers in increasing energy efficiency and utilizing renewable energy through the provision of grants and loans. Debra Anderson, Energy Coordinator for the program in Wyoming, explains how it works:

I am the Energy Coordinator at the Sheridan USDA Rural Development office. I am the person who applications for REAP will be submitted to. In my role, I help my applicants fill out the documents – so there would not be a need for them to hire anyone to do that.

I have been working this program for almost four years now, and it has been growing every year. To date, we have had ample funding in-state to fund all of the applications received. It appears that this year may be the first year where all of our funding is spent. If we do not spend all of our monies allocated, those funds go back to National Office and are pooled to cover projects competing in the national office competition I mentioned earlier.

All applicants would need to have a Dun & Bradstreet number and then register in the System for Award Management as part of the application process. Depending on the type of project it is, there may be other requirements. I discuss requirements with applicants when they come in. What I recommend is that anyone (small business or ag producer) interested in the program to contact me and discuss their specific project. At that time we will discuss the application process going forward. The applicant would be either a small business or an ag producer. Small Businesses (determined by SBA small business size standards) and Ag Producers (at least 50% of their income must be from ag production to apply as an ag producer. I have ag producers that apply as a small business because they do not have 50% of their income from ag production).

Our funding is divided into two separate pools of money; one for those with total project costs of \$80,000 or less and the other for those with total project costs of over \$80,000. Historically in the \$80,000 or less category, we receive approximately \$120,000. In the over \$80,000 category, we historically receive approximately \$320,000. The grant can cover 25% of eligible project costs. The eligible costs include soft costs such as labor, shipping, taxes, fees, etc.

Grantees have two years to complete the project (most are finished long before that time). There is a semi-annual (twice a year) report due until the project is complete. The semi-annual reporting keeps us apprised of the progress of the project to ensure that it is proceeding as planned. Once the project is complete, there are annual reports due (two annual reports for energy efficiency projects and three annual reports for renewable energy projects). The annual reporting is basically a document showing the amount of energy saved or produced in that year.

We take applications at any time but there are funding/competition deadlines. For the projects under \$80,000 there are two (one is the end of October and the other is either the end of March or April; it has varied). The projects over \$80,000 just have one deadline (either the end of March or April).

The only “cap” on how many businesses can apply is the amount of annual funding we receive. If all of our state-allocated funds have been exhausted, then we could submit the application for National competition. In that case it would compete nationally for any funding that may be available there.



A 27 kW Pole Mounted Photovoltaic system in Wyoming that received a REAP Grant.





# Powder River Supports Proposal to Strengthen Rules for Oilfield Waste Facilities

Powder River and Cheyenne Area Landowners Coalition leaders and staff recently met with the Wyoming Department of Environmental Quality (DEQ) Water Quality Division regarding an outreach effort for input on improved rules regarding Commercial Oilfield Waste Disposal Facilities (COWDFs). These facilities are used by the oil and gas industry to dispose of billions of gallons of produced and fracking wastewater from oil and gas drilling and production. When these waste disposal facilities are not properly designed and constructed, they cause groundwater, soil, and surface water contamination.



In the recent past, Powder River highlighted the problems with these facilities and was successful in getting Wyoming to require bonding for grandfathered COWDFs that were operating in Wyoming. Of the 35 COWDFs permitted in Wyoming, 12 grandfathered facilities lacked financial assurance to cover the cost of closure, corrective action, and reclamation. DEQ calculated the cost to decommission and reclaim all 12 of these grandfathered facilities was \$7.2 to \$9.2 million. If an operator of one of the un-bonded COWDFs defaulted, the state would have to bear the burden of closure and reclamation costs. The stronger bonding rules for COWDF facilities passed in 2017.

During that time, we also pushed for increased bonding of these facilities and for DEQ to implement requirements for public notice, review, and comment when these facilities are proposed. Unfortunately, DEQ punted on that requirement, but today the DEQ's new proposal includes better public notice, review, and comment.

In addition, the DEQ's outreach document indicated they are considering proposing upgraded design standards for COWDF facilities. One concern for Powder River is the potential proposal to "streamline" monitoring, reporting, operating, and maintenance plans. We told the DEQ that Wyoming needs these facilities to have the following requirements: Re-use of waste water (as much as possible) as well as safe measures for storage and treatment; no self-bonding of these facilities; greater setback distances from homes; these facilities must be equipped for handling what is essentially hazardous waste; increased monitoring and detection, including for radioactive waste; and requiring the best technology available. Stay tuned; the devil will be in the details as we await a specific proposal from DEQ.

**Jill Morrison**  
Powder River Staff

## Wyoming Strengthens...Continued from page 1

Powder River has supported DEQ's rulemaking efforts since the summer of 2017. We celebrate this hard-earned success with our members and leaders who have been so active to push the state to better protect taxpayers and ensure reclamation and cleanup of coal mines.

The rules are now headed to the Governor's desk for his review and signature as the final step in the rulemaking process.

**Shannon Anderson**  
Powder River Staff

## New Oil & Gas Videos...Continued from page 1

Cheyenne and has seen the drilling increase in many neighborhoods. We have released three videos so far in the series, and will release a new video every two weeks. The videos are only a few minutes long and are released through our social media channels but also hosted on

our website [www.powderriverbasin.org/what-we-do/oil-gas/](http://www.powderriverbasin.org/what-we-do/oil-gas/) and our YouTube Channel.

**Robin EH. Bagley**  
Powder River Staff

## SNAP...Continued from page 3

of those tax dollars are recirculating into our local foods economy. Currently, Wyoming has just 11 SNAP "authorized" farmers' markets out of its approximately 30 total markets. Since not all permitted markets have actually administered the SNAP program, the actual number appears to be about half that. Together, in 2017, those farmers' markets brought in only \$6,500 in SNAP redemptions. This puts Wyoming in nearly the lowest ranking in the United States outside of North Dakota.

Those numbers have the potential for incendiary growth. In the same year, Montana, for example, had 29 authorized markets and approximately \$53,000 in redemptions, and Colorado had 53 authorized markets and approximately \$268,000 in redemptions. These

numbers are not outliers: Colorado was just one of 35 states that brought in over \$100,000 in SNAP dollars at farmers' markets—many of those states took in millions of dollars.

The multiplier effect of thousands of new dollars being spent on local foods would be significant. USDA says, "Every dollar in new SNAP benefits results in \$1.80 in total economic activity in Wyoming." Positioning those SNAP dollars away from big-box grocery stores and back into local communities, farms, and ranches could increase the multiplier effect through farmers' markets alone twofold. It would not take much growth for producers to feel the benefit. A 2010 study showed that if nationwide redemptions at farmers' markets grew to just 1% of all SNAP transactions, it

would create nearly \$500 million in additional dollars going directly to local producers participating at farmers' markets.

Right now, Powder River is working to get SNAP implemented at both Sheridan-area farmers' markets, and we hope there will be more to follow. Ultimately, the effort to provide, communicate, and improve this service throughout the state will require the voice of our members, citizens, producers, and farmers' market managers. Together, we can help keep Wyoming food in Wyoming.

**Erik Rieger**  
Powder River Staff



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## Save the Date

- 15th March ~ Board Meeting, Casper
- 17th April ~ Spring Solar Celebration,  
6-8 p.m. Gruner Brothers Brewing- Casper
- 27th June ~ Cover Crops Workshop - Sheridan
- 24th August ~ Harvest Celebration
- 3rd November ~ Annual Meeting/Auction

# Planned Giving and Estate Planning Gifts: Don't Forget Powder River Basin Resource Council

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. For this reason, we are inviting you, our extended family of members and donors, to consider including Powder River in your estate plans.

More specifically, we are asking that you consider designating Powder River Basin Resource Council as a beneficiary in your will. Your gift will create a living legacy allowing Powder River to continue our work far into the future and helping to ensure that 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 with a

generous bequest to Powder River.

Please consult your legal and financial advisors about how you can use a variety of estate planning tools to support Wyoming's most effective grassroots member organization, and how you might benefit. For example, there is a tax exemption for estate tax rates of up to \$5 million.

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

**Powder River Basin Resource Council  
Fundraising Committee**

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