



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

Jack Dalrymple  
Governor

Wayne Stenehjem  
Attorney General

Doug Goehring  
Agriculture Commissioner

**N**EW

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## COAL-TO-LIQUIDS PROJECT TO END

BISMARCK, - The Industrial Commission announced today that American Lignite Energy, LLC, (ALE) will not continue work on the Lignite Vision 21 Program's coal-to-liquids plant in McLean County.

"The advancement of drilling technologies such as hydraulic fracturing and horizontal drilling has led to a large increase in domestic oil and gas production and has changed the prospects for a successful coal-to-liquids project," said Carroll L. Dewing, an ALE executive committee member. "The partners of ALE ... believe that it is time to end the ALE project."

In 2006, the commission awarded matching funding from the Lignite Research Development and Marketing Program (Program) to help with costs of completing the front-end engineering and design process for the proposed coal-to-liquids plant. Under contract terms, ALE will refund \$117,504.65 of the \$1,385,000 expended by the commission on this project. The Program is funded by taxes paid by the coal industry--a percentage of the coal severance tax and a special 2 cent per ton research and development tax.

"Although the project is not going forward, we appreciate American Lignite Energy's work in trying to identify a technology that would result in an economically viable project," Industrial Commission members said in a joint statement. "What was learned may prove helpful to future ventures."

"Uncertainties at the federal level on carbon dioxide regulations and the lack of development of a national energy policy also impacted the work on this project and the ability of the partnership to find a technology that would use our lignite resources," said Jason Bohrer, Lignite Research Council chairman.

"Through the Program, the state continues to work with the private sector on research that will use the state's natural resources to support economic development and the growth of the lignite industry," said the program's director, Mike Jones.

The Industrial Commission, consisting of Gov. Jack Dalrymple as chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring oversees the Program.

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