

News Release

For Immediate Release

February 2, 2001

## **Great River Energy Files Grant Application To Explore Feasibility of New “Lignite Vision 21” Power Plant**

Karlene Fine, Executive Director of the Industrial Commission of North Dakota, and John Dwyer, President of the Lignite Energy Council and Chairman of the Lignite Research Council, announced today that Great River Energy, which operates North Dakota’s Coal Creek Station and Stanton Station, has applied for \$10 million in matching funds under the state’s Lignite R&D Program for the development of the Lignite Vision 21 Project.

The funds would be matched by Great River Energy to conduct the necessary detailed environmental, economic and transmission feasibility studies which will hopefully lead to the construction of a new \$700 million, 500 megawatt lignite-fired power plant in North Dakota.

The Industrial Commission of North Dakota is partnering with the Lignite Energy Council on the Lignite Vision 21 Project, a state / industry partnership to encourage construction of the next “state-of-the-art” baseload power plant in North Dakota so that it is available in the 2008-2010 timeframe.

As proposed, the Lignite Vision 21 Project is designed to meet growing regional electrical needs and revitalize the lignite industry by producing 3 million more tons of coal, creating 1,300 new jobs and generating an additional \$6 million annually in tax revenue.

According to Governor John Hoeven, Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson, the application by Great River Energy is a positive response to the state’s initiative to develop a new power plant in North Dakota.

Hoeven said, “If this project becomes a reality, it would help generate the high quality jobs that we need more of in the state. I am very pleased that Great River Energy has stepped forward to invest in this project.”

Stenehjem said, “We are pleased that Great River Energy is considering the development of a new power plant in North Dakota, one that will use the latest technologies to provide abundant energy to our region in an environmentally responsible manner.”

Johnson said, “We commend Great River Energy for its’ efforts through the Lignite Vision 21 Project to help diversify the economy of our state. The lignite industry has proven to be a great partner with agriculture in diversifying the economy of the state, and this development will help strengthen those efforts.”

Dwyer said “After many months of hard work, the State’s strategy of providing an incentive to a project developer has worked, and I applaud the Industrial Commission for its foresight and continued support. It’s a very positive development that Great River Energy is taking the initiative to conduct the feasibility studies that are necessary.”

Through the feasibility studies, Great River Energy will analyze many critical technical and economic factors. "We should have the results by mid-2003 and can then make a decision whether to build a new coal-fired baseload facility in North Dakota," said Rick Lancaster, Vice President of Public Affairs, Great River Energy.

Lancaster pointed out that Great River Energy has owned and operated power plants in North Dakota for nearly 35 years and "we like doing business here. We commend the Industrial Commission's proactive support of the lignite industry and we look forward to working with the state on this study."

The project must first go through an independent peer review process and consideration by the Lignite Research Council before it will be considered by the Industrial Commission this spring.

Great River Energy currently owns and operates two power plants in North Dakota. Coal Creek Station, a 1,081 megawatt facility located near Underwood, is North Dakota's largest power plant, employing more than 200 people. Stanton Station, a 186 megawatt facility located near Stanton, employs nearly 75 people.

Headquartered in Elk River, MN, Great River Energy is a not-for-profit generation and transmission cooperative providing wholesale electric energy and related services to 29 distribution cooperatives in Minnesota and Wisconsin.

North Dakota's Lignite Research, Development and Marketing Program is a multi-million dollar state/industry partnership that concentrates on near term, practical R&D projects that provide the opportunity to preserve and enhance development of our state's abundant lignite resources. Over 19,000 jobs, \$1.4 billion in business volume, and \$65 million in tax revenue are generated by the lignite industry for the State of North Dakota each year.

The Lignite Research Program is overseen by the North Dakota Industrial Commission, consisting of Gov. John Hoeven, Attorney General Wayne Stenehjem, and Commissioner of Agriculture Roger Johnson. The program is a cooperative state/industry effort concentrating on near-term, practical projects to enhance development of the state's abundant lignite resources.

- 30 -

For More Information

Lyndon Anderson, Lignite Energy Council, (701) 258-7117

Kandace Olsen, Great River Energy (763) 241-2293

Karlene Fine, Industrial Commission of North Dakota, (701) 328-3722