



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Roger Johnson
Commissioner of Agriculture

News Release

December 31, 2002

For Immediate Release

North Dakota Industrial Commission receives Lignite Vision 21 status report

Members of the North Dakota Industrial Commission (NDIC) received status reports today from John Dwyer, president of the Lignite Energy Council, regarding Lignite Vision 21 (LV 21) studies being conducted by three applicants that have expressed interest in building a low-emissions, lignite-based electric generating station in North Dakota.

Dwyer told the commission that most of the preliminary feasibility studies – including environmental, generation and transmission work – are now complete and two out of three original applicants have expressed interest in moving ahead to the engineering and permitting phase. The applicants continuing are: Great Northern Power Development, a limited partnership with coal reserves near Dickinson, North Dakota; and Montana-Dakota Utilities Co., and Westmoreland Power, Inc., who are interested in jointly developing a project at the former Gascoyne Mine site in southwestern North Dakota.

A third applicant, Great River Energy, has said that its immediate electric generation needs can best be met with intermediate/mid-range and peaking power near its load centers in Minnesota, rather than by adding baseload power.

North Dakota Gov. John Hoeven, who is chairman of the Industrial Commission, has made energy development one of six pillars for growth in the state. Hoeven said he is encouraged that two of the three projects are moving forward.

“I’m excited about the economic possibilities that could result if one or more new baseload power plants are sited in North Dakota,” Hoeven said. “Developing our resources in an environmentally sound manner will not only add good paying jobs but also allow our state to help meet the nation’s growing energy demands.”

Ron Tipton, chief executive officer of Montana-Dakota Utilities, and Chris Seglem, Chairman of the Board, President & CEO of Westmoreland Coal Company, said that the studies completed to-date indicate a strong need for reliable, low cost power in the region.

“Our customers and others in the region are demanding more electricity,” Tipton said. “MDU and Westmoreland think it’s prudent to continue investigating all generation sources that can efficiently satisfy these needs.”

Jerry Vaninetti, president of Great Northern Properties, echoed Tipton’s comments saying that the studies completed to date are also encouraging.

“Our studies show real potential for operating a competitive power plant that is nothing short of the finest coal-based generating station in the world,” Vaninetti said. “We would be using advanced generation technologies that have been developed, tested and proven viable since the last coal-based plant in North Dakota went on line nearly 20 years ago.”

In delivering the status report, Dwyer noted that much progress has been made relating to environmental challenges that had earlier looked to be impediments for the LV 21 Program.

Attorney General Wayne Stenehjem, and Industrial Commission member, said he believes the environmental challenges facing new coal-based plants can be met. “The energy industry in our state has proven itself to be a good steward of our land, water and skies,” he said. “The proposed projects similarly would be among the cleanest in the nation.”

Another hurdle involves adequate transmission capacity. Dwyer said that much of the electricity from any new generation source in the state will likely flow not only to North Dakotans but also to customers in neighboring states.

“We have identified several transmission routes that end the current bottleneck situation – especially between North Dakota and Minnesota,” Dwyer said. “However, several transmission issues are in flux and building additional transmission facilities carries financial uncertainty. It’s imperative these issues be resolved in a timely fashion by the Federal Energy Regulatory Commission and multi-state transmission planning entities.”

Roger Johnson, Agriculture Commissioner and also an Industrial Commission member, noted that both wind energy interests and coal-based power plants will require additional transmission capacity if significant amounts of generating capacity in the state are to occur. “Resolving the transmission constraints is necessary and will require great cooperation of both wind energy proponents and LV 21 applicants to get it accomplished,” he said.

Jim Van Epps, president and chief executive officer of Great River Energy, said his company began the feasibility studies because of North Dakota’s excellent lignite reserves, quality workforce and favorable business climate.

“At this time, it appears that an intermediate or peaking generation source would better meet our needs,” Van Epps said. “This, however, doesn’t preclude us from looking at another lignite-based plant at some point in our future.”

The Lignite Vision 21 Program is a partnership between state and industry and is designed to encourage construction of a baseload power plant in North Dakota that is available to produce power in the 2008-2010 timeframe. As proposed, the LV21 Program is designed to meet growing regional electrical needs and revitalize the lignite industry by producing 3 million tons of coal annually, creating 1,300 new jobs and generating an additional \$6 million annually in tax revenue.

The Lignite Research, Development & Marketing Program and the LV21 Program are overseen by the Industrial Commission of North Dakota, consisting of Governor John Hoeven as Chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Roger Johnson.