

LMFS-02-35
LIGNITE VISION 21 PROGRAM - PHASE III
PROGRAM MANAGEMENT AND DEVELOPMENT OF
LIGNITE VISION 21 PROJECTS

CONTRACTOR: Lignite Energy Council

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CONTRACT AMOUNT: \$1,300,000

Project Schedule – 15 Months

Contract Date – 10/19/2001
Start Date – 9/1/2001
Completion Date – 4/30/2004

Project Deliverables

Quarterly Reports – 1/1/2002 ✓
Quarterly Report – 4/1/2002 ✓
Quarterly Report – 7/1/2002 ✓
Quarterly Report – 9/1/2002 ✓
Quarterly Report – 1/1/2003 ✓
Quarterly Report – 4/1/2003 ✓
Draft Final Report – 11/1/2003 ✓
Final Report – 4/30/2004 ✓

OBJECTIVE / STATEMENT OF WORK

The primary objective of the Lignite Vision 21 Program is to construct one or more new lignite-fired power plants in North Dakota. The objectives of this proposal are to; 1) coordinate and assist the successful grant applicants, 2) develop and implement legal, marketing, environmental, and transmission strategies, 3) manage the programs in order to eliminate any potential duplication, and 4) maximize value for the State of North Dakota.

The strategic vision for the Lignite Vision 21 Project is economic development through revitalization and growth in the lignite industry. Specific objectives and the vision of the Lignite Vision 21 project for the State of North Dakota is to increase jobs, business growth, and tax revenue.

Specific tasks for the Lignite Vision 21 Project Phase III program are:

- λ Project Management
- λ Legal and Marketing Strategies & Activities
- λ Environmental Strategies & Activities, and
- λ Transmission Strategies & Activities

STATUS

Phase III of the Lignite Vision 21 Program (LV21P) concluded on April 30, 2004. Phase III was from September 1, 2001 through April 30, 2004. The primary objective of the LV21P is to construct one or more new lignite-fired power plants in North Dakota. In order for the LV21P objective to be met, the North Dakota Industrial Commission (NDIC) entered into a Phase III contract with the Lignite Energy Council (LEC) to coordinate and assist the successful LV21P grant applicants (program participants) under contract with the NDIC. The current program participants are Montana Dakota Utilities - Westmoreland (MDU-W) and Great Northern Power Development (GNP). The LEC developed a LV21P team to develop and implement legal, marketing, environmental, and transmission strategies and manage the program in order to eliminate duplication and maximize value for the State of ND. The LV21P team consists of the Project Manager, the NDIC Technical Representative, the Manager of Environmental Services and the Manager of Transmission Services. In part, project management consisted of monthly LV21P management meetings to coordinate activities among the team members, and to the extent possible, monthly meetings with the program participants, either individually or jointly. During the participant meetings, progress of the participants' Phase I feasibility studies was discussed, which included budgets, schedules, progress related to generation, environmental, and transmission activities and strategies, and efforts to avoid duplication among the Applicants. In particular, the LV21P team worked towards developing strategies that would provide solutions to the environmental and transmission challenges facing the program participants. Both program participants continue to make progress.

Phase III activities are complete. In January, 2004, the LV21P team submitted a Phase IV application to the LRC Executive Committee, which was approved by the NDIC on January 22, 2004. The Phase IV contract between the LEC and the NDIC was signed March 5, 2004 and activities under the contract are scheduled through March 30, 2005, which will include Project Management, Legal and Marketing, Environmental, and Transmission activities.