

Industrial Commission Recommends Matching Funds For Lignite Vision 21 Project

In an effort to further the largest economic development project in the state, the Industrial Commission of North Dakota today recommended that up to \$10 million be made available in matching demonstration project funds for the Lignite Vision 21 Project.

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 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.

"While feasibility studies indicated that there are critical challenges in building a new power plant, those challenges can be addressed through cooperation and support of industry officials as well as the various levels of government," said John W. Dwyer, Chairman of the Lignite Research Council and President of the Lignite Energy Council, Bismarck.

According to Dwyer, Phase I feasibility studies identified:

- Advanced generation technologies that will make lignite a more viable, safer and cleaner fuel for electrical generation.
- Potential transmission export routes that could service the expected additional generation, while increasing stability and reliability of the existing transmission system.
- New environmental technologies that will result in cleaner operating facilities and substantially reduced emissions.

Governor Schafer said, "North Dakota's economic growth depends on our ability to add value to our abundant natural resources through innovation and technology. Our Lignite Vision 21 Project combines the latest environmental and generation technologies to provide cleaner, more affordable electricity for our region's citizens and businesses."

Schafer also indicated that the State of North Dakota will provide the necessary regulatory assistance to help make the Lignite Vision 21 Project a reality.

"Our state leaders are committed to streamlining the various permitting processes in order to shorten lead time, reduce risk and ensure a successful investment. With our productive work force and favorable business climate, we can help develop and build the finest state-of-the-art electrical generating facility in the world," said Schafer.

The new lignite-fired power plant would also help the state and region meet future electricity needs.

"Projections show that the Upper Midwest will need new sources of electricity generation as early as 2002, due to a growing demand for electricity and because little generation has been added in recent years or is planned in the near future," said Dwyer.

A major focus of the Lignite Vision 21 Project is to also develop a power plant with the latest environmental technologies.

According to Attorney General Heidi Heitkamp, "With over 4,000 megawatts of existing generation, North Dakota's lignite industry has a solid record in meeting standards imposed by EPA and the North Dakota Department of Health. We are one of only a handful of states to meet all federal ambient air quality standards."

"Not only will the latest environmental technology that is part of our Lignite Vision 21 Project protect our state's environment, but it will also provide opportunities for technology transfer in national and international markets. Quality jobs for our state, a clean environment, and affordable energy for our region will give us the competitive edge we need to successfully compete in the world marketplace," said Heitkamp.

North Dakota Agriculture Commissioner Roger Johnson said, "Mining, power generation and transmission have become as much a part of North Dakota's landscape as the wheat fields and pastures. With our Lignite Vision 21 Project, the lignite industry will continue to be good stewards of our natural resources in producing energy, just as farmers and ranchers are good stewards of the resources they use in producing our food."

"The lignite industry has proven to be a great partner with agriculture in diversifying the economy of the state. Their solid record of reclamation makes us all proud to have them as a part of our state," said Johnson.

The State of North Dakota is providing seed money for the Lignite Vision 21 Project from the 10 cent per ton check-off from the coal severance tax, which was approved for research and development purposes by voters in both 1990 and 1994, and the Legislature in establishing the state's Lignite Research, Development and Marketing Program and enacting biennial appropriations.

The Program provides matching grants to assist research and development, preserve and enhance jobs and production, ensure economic growth and opportunity, maintain a stable and competitive tax base, and market coal-based electricity. The Industrial Commission of North Dakota approves all grants for marketing, research and development.

More information on the Lignite Vision 21 Project is available at www.lignitevision21.com.

The Lignite Research Program is overseen by the North Dakota Industrial Commission, consisting of Gov. Edward T. Schafer, Attorney General Heidi Heitkamp, 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.