

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Notice and Agenda

Meeting of March 2, 2020

Time: 1:00 p.m. – Conclusion

Location: Great River Energy
1611 E Century Ave. #200
Bismarck, ND 58503

Re: Lignite Energy Council Meeting

Agenda:

Lignite Energy Council Quarterly Meeting

Prepared by: Steve Kahl
Date: 27 February 2020
Telephone: 701-328-2400

Reclamation and AML Topics

Lignite Energy Council Quarterly Meeting

March 2, 2020

Permitting

- Coteau's application for a new permit has been deemed complete and the technical review has begun. This permit consolidates the acreage of 5 permits into a single permit and converts it to an electronic format. No previously unpermitted acreage is being added to the permit.
- There are several significant permit revisions and permit renewals currently under review.
- American Colloid is beginning preparations for approximately an 1175 acre addition to their existing permit area near Reeder.
- A formal hearing was held on December 16 & 17 on a significant revision and permit renewal for the Coyote Creek Mine. The issues raised were AVF, dust, sediment, reclamation, and access. The Commission issued an order on February 7th affirming the earlier decision to approve the renewal and revision.
- We have three pending bond release applications. One at the Freedom Mine for 318 acres, one for 87 acres for a farmstead at the Falkirk Mine, and one for 44 acres at the Center Mine.

Federal Coal Leasing/Mine Plan Approval

- The lease for 160 acre federal coal tract in Permit BNCR-1101 was issued late last year and the revision associated with the renewal of that permit added plans for mining the federal coal was approved in May. The draft mine plan decision documents have been sent to OSM in October.
- BNI's lease application for 3 tracts was expected to be issued this fall; however, it now appears it will not be issued until early to mid-2020.
- The pilot project for streamlined NEPA process for the federal coal lease and mine plan approval at the Coyote Creek Mine is moving along (slowly). The goal was to have leasing and mine approval processes done concurrently and completed in approximately six months. The draft EA is under review and the March 4 public hearing/meeting on the draft EA has been postponed.
- Additional federal lease applications have been submitted by Coteau and Falkirk.
- Leonardite Products request for a royalty rate reduction is still pending.

Miscellaneous

- The Beulah Mine is now owned by Westmoreland Beulah Mining, LLC, a subsidiary of Westmoreland Mining, LLC. The next step will be for the new company to file the permit transfer documents.
- The special oversight topic that OSM selected for the current evaluation period is a review of the adequacy of the state's laws and rules for dealing with mining company bankruptcies.
- Lanny Erdos has been nominated to serve as the Director of OSM and has had his confirmation hearing.
- To date, one NOV has been issued this year (July 2019).
- There has been very little activity on pending federal rule changes or regulatory initiatives. Carryover issues include 2016 biological opinion, self-bonding, oversight initiatives, cost recovery, mine placement of coal ash, blasting, & temporary cessation of mining. In light of recent bankruptcies, federal legislation to eliminate the use of self-bonds is expected to be introduced.

- The state and federal budget for the Reclamation Program appears to be in good shape for the near term. Our current budget/grant allocation (7/1/19-6/30/20) is identical to last year.
- Jeff Roerick began work as an Environmental Scientist in December and Shawn Nixon began work as Environmental Engineer on March 2.

AML Activities

2020 AML Projects

- **2020 Hettinger/Stark County AML Project:** This 37-acre project will reclaim four surface mines and eliminate about 2250 feet of dangerous highwalls in Hettinger and Stark counties. These AML sites are characterized by steep final pit highwalls that are about 15-30 feet high. The proposed reclamation work involves a combination of backsloping and backfilling the highwalls with earthen material from adjacent spoil piles. About 151,060 cubic yards of spoil material will need to be moved in the reclamation process. Two of the AML sites will contain tree plantings to serve as wildlife habitats. The estimated project cost is \$400,000.
- **2020 Williams County Road 9 Phase 8 AML Project:** This remote backfilling project will stabilize underground coal mine workings at an industrial development near Williston along Williams County Road 9. This project will use holes drilled and cased in 2019. Additional drilling will be completed as needed. The 2020 project will continue the pumping of cementitious grout and grout testing. It is estimated that an additional 3,500 cubic yards of grout will be pumped into mine voids. The estimated project cost is \$750,000.
- **2020 Noonan Foamed Sand AML Project:** This remote backfilling project will stabilize collapsing underground mines near public use areas and roads south of Noonan. Holes were drilled and cased in 2019. Additional drilling will be completed as needed. This project will include pumping sand water and surfactant foam into the mine voids. It is estimated that 1,000 tons of foamed sand will be pumped in these areas. The estimated project cost is \$290,000.
- **2019-2020 Sinkhole Filling AML Project:** This is the second year of a two-year project conducted to fill dangerous sinkholes caused by underground mine collapse. Some funds may be used to conduct maintenance work on reclaimed sites. If necessary, some of these funds may also be used for emergency projects. The estimated 2020 project cost is \$125,000.

AML Grant: We received the 2020-2023 AML grant of approximately 2.8 million dollars.

Staff Changes: Ross Edison began as an Environment Scientist in December and Jonathan Emmer began as an Environmental Engineer in February.

AML Reauthorization The federal AML fee on coal that funds the AML Program will expire September 30, 2021, unless Congress reauthorizes legislation to extend it. The current AML fee on North Dakota lignite is eight cents per ton. Although important work has already been completed to protect the public from the adverse effects of abandoned mines, much more work remains. We have records for more than 1700 abandoned coal mine sites in western North Dakota. At the current rate of funding, we estimate it will take at least 20 years to address all the highest priority AML problems in our state. Re-authorization legislation was introduced in Congress last fall.