

# Council supports DKRW coal-to-liquids plant

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The Laramie City Council will send a letter of support for the nation's first coal-to-liquids plant planned for Carbon County to the U.S. Department of Energy.

Only Councilor Erik Molvar voted against sending the letter of support at a regular meeting Tuesday. After discussion, the other councilors decided to edit the letter — which had included a “glowing endorsement” of the plant plans — to include the stipulation that the city's endorsement will be contingent on environmental impact studies on the project. Councilors Joe Vitale, Scott Mullner, Dee Mickelson, Klaus Hanson, Joe Shumway, Bryan Shuster, Karl McCracken and Mayor Jodi Guerin voted in favor of sending the edited letter.

The proposed coal-to-liquids plant will be located 13 miles south of Medicine Bow and 10 miles north of Elk Mountain in Carbon County. It will be near the Arch Coal Inc., mine, and the parent company of Medicine Bow Fuel & Power is DKRW Advanced Fuels. DKRW previously estimated that the company would hire 2,300 employees from 2011-12 during the construction phase, and that it would employ 450 permanent workers to run the coal mine after construction is complete.

Assistant City Manager Dave Derragon said that the Laramie Economic Development Corporation (LEDC) requested that the city send a letter of support of the project.

Molvar said he had several concerns about the proposed plant, including what he said might be an exaggerated economic benefit to the Laramie community.

“While I might like to believe that a Laramie firm will win the bid to build this multi-billion dollar facility, I find it rather unlikely,” Molvar said. “The contract is probably going to go to a company outside of Laramie and outside of the state ... those dollars are probably not going to stop here. They are probably going to go elsewhere.”

Molvar also said he is concerned that the carbon dioxide (CO<sub>2</sub>) emissions that DKRW plans to sell to the oil industry for enhanced oil recovery for carbon sequestration will not actually be marketable because of a surplus of CO<sub>2</sub> already present in Wyoming.

“There is already too much carbon dioxide on the market to use for enhanced oil recovery, therefore adding a major new source of carbon dioxide is not in fact going to be used,” Molvar said. “Even though you can segregate that CO<sub>2</sub> aside, (DKRW is) just going to end up venting it to the atmosphere anyway.”

Finally, Molvar said the proposed plant will include a mile long mine and conveyor belt that will be in the middle of the governor's sage grouse core conservation area designated for the state for sage grouse conservation.

“We might end up looking back on this wishing that this never happened,” Molvar said. “This is the scoping stage. This is the very beginning of it. There is no reason for us to weigh in. ... I don't see why we should move forward with a position statement of this type at this early in the process.”

Mullner said he is also concerned about the effect the plant might have on Laramie's air quality, but supported sending the letter after it was edited to imply that the city supports the economic development aspects of the project contingent upon an environmental impact statement, as suggested by Hanson.

“The clean air portion of (Molvar's) discussion really is valid. We are, to some extent, downwind (of the plant location), and we do have some limitations in quantities (of CO<sub>2</sub> in the air). If we support this and they do pollute to the extent that they could, it could have a great impact on the city and our future development,” Mullner said. “I really don't think we should send a glowing recommendation.”

Shuster, McCracken and Vitale said they trust that the Department of Environmental Quality and other federal agencies will appropriately regulate the operations at the plant, and all said the potential economic benefits warrant sending the letter.

“I think the intent of this letter is for the city of Laramie to indicate that, yes, we would like to see economic development, we would like to see the area where we have those types of resources — the gas and the oil — to be extracted. I don't think we are sitting here trying to be all the environmental agencies passing judgment on the consequences of CO<sub>2</sub>,” Vitale said. “One way to help use up that CO<sub>2</sub> is to plant more trees around there ... I will support this letter and let the professionals in their three-piece suits with all their gauges come out here and do all the other work to validate it.”

"I get a kick out of these projects, how people get alarmist and Chicken Little, the sky is going to fall down. I was fortunate to grow up in a community that had one of the first atomic power plants, everybody was worried about (that)," Vitale said. "It has done nothing but help southeastern Michigan. ... I look at this from a tremendous economic standpoint."

The council also:

n Approved a liquor license application from Yellowstar Restaurants, Inc., dba Mizu Sushi, to be located at 307 S. Third. Owner Travis Luu said he hopes to open his restaurant Jan. 8,

n Approved a 30 ft. by 1,000 ft. public access easement with LaFarge North America, Inc., a corporation that runs a sand and gravel operation north of city limits, across the southern boundary of city property north of town near the Barnstormers airfield,

n Accepted a grant for \$100,000 from the United States Department of Homeland Security in support of a Wyoming regional emergency response team, which will help sustain hazardous materials response capabilities in the area,

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