

# Group: Revoke plant's permit

By RENA DELBRIDGE

Star-Tribune correspondent

Thursday, February 21, 2008 2:05 AM MST

GLENROCK -- Long plagued by assorted delays, North American Power Group's Two Elk Power Plant project is now facing several lawsuits aimed at halting its progress.

The Sierra Club is asking the state Department of Environmental Quality's Industrial Siting Council to revoke a construction permit issued to Two Elk in 1997, and extended twice since then. The permit is "based on stale information and is woefully out of date," according to the petition.

The Sierra Club also has legal actions pending before the Environmental Quality Council and in state District Court in Cheyenne concerning air pollution, Laramie-based Sierra Club attorney Reed Zars said.

Industrial Siting Division Administrator Todd Parfitt alerted the council it will need to meet within 60 days to decide whether to hold a formal case hearing on the Sierra Club petition.

Brad Enzi, vice president of government affairs for North American, updated the Industrial Siting Council on the Two Elk project at the council's meeting Tuesday in Glenrock. The 325-megawatt, air-cooled power plant would use "waste" coal available at several Powder River Basin coal mines to generate power.

He was questioned by concerned council members who want to see some forward movement with the project, which has proven slow to get off the ground in the 10 years since its announcement.

"Obviously there is much reason for concern about the progress of Two Elk," council member Sandy Shuptrine said. "It is a serious concern -- the construction schedule, the holding of revenue bonds, and the important question of emissions."

So far, North American has spent "in excess of \$65 million," Enzi told the council. When announced in the late 1990s, the project price tag was \$300 million. Two years ago, that figure had increased to \$550 million. Today, Enzi said, the total is greater than \$750 million, in large part due to the rapid development of coal-based power plants in foreign countries.

He estimated Two Elk will require another \$300 million to \$400 million in financing beyond what has been acquired so far through the sale of industrial revenue bonds.

Largely, the financial backing for Two Elk came from state-issued industrial revenue bonds, recommended by the Campbell County Commission and authorized by Gov. Dave Freudenthal. With more than \$450 million in bonds issued over the past six years, Enzi said North American is within "a few tens of millions" of federal maximums for revenue bonds.

At the Two Elk site near Wright, crews are finishing road work. Scrapers will start leveling a foundation for the plant and will move dirt through the summer, Enzi told the council. The plant should be fired up in late 2011, would be ready for commercial operations in 2012.

Meanwhile, North American has secured a large generator interconnect agreement with PacifiCorp, signed in September. That allows Two Elk to feed power into the utility's transmission network.

Council member Jim Miller asked who owns North American, a privately held company. He expressed concern with the principals' leap to a project a "ten-fold step up in size" of previous work.

"It's a big, dark cave on who NAPG is. We'd like to know," Miller said.

Enzi declined to publicly disclose who the principals are.