

No UW/GE plant for Gillette

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Plenty of coal isn't enough to bring a gasification plant to Campbell County as it turned out Friday when University of Wyoming trustees agreed the plant should be in Laramie County.

The decision came as a disappointment to Campbell County and City of Gillette officials who were hopeful that Campbell County's location and energy portfolio would weigh in the decision.

"I'm disappointed," said Mayor Duane Evenson. "We pride ourselves as the energy capital of the nation ... and we support the state with our minerals and tax dollars. And when something as new and innovative as this plant with GE comes, and goes someplace else, you always question why and what the motives were behind it."

Evenson couldn't come up with a reason why the plant should be in Laramie County.

"The coal industry is here," he said.

Trustees agreed on their vote and explained that the cost of construction in Laramie County will be cheaper than in Campbell County. Trustee Taylor Haynes of Cheyenne abstained from the vote.

"The proximity of the center to Wyoming coal is extremely important, but it is only one element of the evaluation process," said Jim Neiman, vice president of the UW Board of Trustees, during a phone conference Friday. "The Laramie County site has the bulk of the needed infrastructure in place. The estimated cost of construction is less in Laramie County than in the other sites. And over the life of the project, this will result in millions of dollars in savings."

It was up to UW trustees to decide on the location of the plant because the facility will be owned and operated by the university. They based their decision on the recommendation of the plant's governance board, which is composed of both representatives from UW and GE.

Trustees also asked Campbell County to extend its offer until June 15 in case an agreement with Laramie County can't be reached. Evenson said he's doubtful negotiations in Cheyenne will fall through, but Campbell County will hold the offer and try to keep the site available. It will depend on negotiations with Black Hills Corp., which owns 80 acres east of Cam-plex that were proposed for the plant.

"I'm not sure what the landowner will do at this point, but we'll probably be in contact with them and ask them how they want to deal with that. That may be the only criteria that may change Campbell County's participation," he said.

Campbell County has been trying to attract the plant since January 2008 when its developers — University of Wyoming and General Electric Energy — announced plans to build a plant that would develop a technology to gasify Powder River Basin coal. The technology will burn coal cleaner by gasifying it and also turn coal into synthetic gas, which can be burned for electricity and used to make chemicals, liquid fuels and hydrogen.

Here's how Campbell and Laramie counties compare: - [Proximity to coal](#)

If the test plant landed in Gillette, it would have access to coal of various heating values from 13 mines in Campbell County — from 8,100 British thermal units north of Gillette to 8,680 Btus south of town. It also would have access to cheap electricity because several power plants are located within a few miles of Gillette. Cheyenne doesn't have any mineable coal but both Union Pacific and BNSF railways run through town.

Cheyenne's proximity to the University of Wyoming and to the Denver International Airport could have played a bigger role than proximity to coal because research at the plant will involve worldwide researchers, said Sen. Michael Von Flatern, R-Gillette. "I don't know any reason now that would make Cheyenne more of an ideal location," he said. "I just think it was picked for human factors: being close to the university and Denver for the airport. It wasn't for the best technical reasons." - [Infrastructure](#)

It would cost about \$4 million to extend the city's infrastructure to the site in Campbell County, Evenson said. The City of Gillette and Campbell County agreed to split the cost. That figure also includes the cost of the land, which is now owned by Black Hills Corp. But it doesn't include the cost of the utilities, which the facility would have to pay.

The site in Laramie County, which is on a 600-acre industrial park east of Cheyenne, already has infrastructure in place, said Scott Sutherland, vice president for Cheyenne LEADS, economic development agency for Laramie County. Plus, the agency already owns the site.

But Cheyenne buys its power from a Black Hills-owned power plant in Campbell County and has higher water rates than Gillette, Evenson said.

"They don't have their own utility program. It's not to say that somebody didn't put together some type of promotional rate for them, but it didn't call for that in the request for proposals," he said. "I just don't see where the utilities would be that much less in Cheyenne. I would have to see that to believe that."

"We put our best proposal forward and I don't second guess anything we did," said Dan Coolidge, Campbell County Commission chairman. "We were going to pay to put that infrastructure in for them." - **Cost of construction**

Although construction prices in Gillette and Cheyenne are somewhat similar, Gillette's work force has more expertise in construction than Cheyenne's, which would have to bring in a work force from outside the county, said Rep. Tom Lubnau, R-Gillette.

"Saying that people build houses cheaper in Cheyenne than they do in Gillette isn't comparing apples to apples," Lubnau said. "At some level I can't help but think that politics loaded the decision."

The plant will boost the economy of the community where it's built by promoting its retail and commercial services. It will also diversify its work force and bring more jobs by adding more value to the most abundant natural resource in Wyoming. Gasification would be a cleaner way to burn Powder River Basin coal and will ensure it remains on the energy market.

Even if the plant goes to Laramie County, it still benefits Powder River Basin coal mines. When the gasification technology proves itself, commercial gasification plants likely will be built in Campbell County, local officials said.