

EXHIBIT NO. _____ (AML-3)
DOCKET NOS. UE-200115
COLSTRIP UNIT 4 SALE
WITNESS: AMANDA MARIE LEVIN

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant, v.

PUGET SOUND ENERGY,

Respondent.

DOCKET NO. UE-200115

**THIRD EXHIBIT TO THE
PREFILED RESPONSE TESTIMONY OF
AMANDA LEVIN
ON BEHALF OF
THE NATURAL RESOURCES DEFENSE COUNCIL**

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NEWS

Colstrip Units 1 and 2 shutting down this week, lawmaker says

Phil Drake Great Falls Tribune

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A state lawmaker said Thursday that Colstrip Units 1 and 2 will be closed this week, “with the doors dismantled and welded shut,” calling it a “dark day in Montana history.”

Sen. Duane Ankney, R-Colstrip, said in an email the closure of the coal-fueled power plant units would be felt throughout the state.

“As I have said for years, this is not just a Colstrip issue, it is a Montana issue. This is a prime example of how out-of-state and foreign dark money are destroying our communities and our families,” he said.

Talen Montana, operator of the Colstrip Steam Electric Station, announced in June that in early January it would “retire” Colstrip Units 1 and 2, which have a 614 megawatt capacity rating. The units began operating in 1975 and 1976,

Dale Lebsack, president of Talen Montana, which owns Colstrip Units 1 and 2 along with Puget Sound Energy, said in the June news release that the decision to close was made after determining they could not make the units “economically viable.”

“The decision to retire Colstrip Units 1 and 2 comes after extensive review and exhaustive efforts over the last few years to address the financial challenges that these units face,” he said.

Ankney said the units would be closed Saturday. Other dates have been reported as well. Puget Sound Energy told Lee Newspapers Unit 1 shut down Thursday and Unit 2 would close Saturday.

On Thursday, a Talen Energy spokeswoman said the “formal retirement date for both Units 1 and 2 is expected to be (Sunday) Jan. 5.

“The units will stop operating on or before that date when they run out of coal,” Taryne Williams, media and community relations manager said in an email. “After Units 1 and 2 cease operating, they will be put in a cold, dark, dry and safe condition. We expect this work to take several months.”

When asked about layoffs, Williams said “Talen Montana aims to avoid a significant layoff of Colstrip employees and is committed to doing what is right by our employees. Because our employee transition plan is still being finalized, we are not able to comment further.”

Colstrip was sued a few years ago by the Sierra Club and Montana Environmental Information Center (MEIC), related to the Clean Air Act. The litigation was settled by an agreement to shut down Colstrip Units 1 and 2 no later than July 1, 2022.

The plant's owners said they considered “economic factors related to market conditions” in their decision, such as low natural gas prices, compliance with recent environmental regulation related to carbon emissions (the Clean Power Plan) and environmental regulations” that would mean more environmental equipment installation at Colstrip.

Anne Hedges, MEIC deputy director, said the closing of Units 1 and 2 is indicative of the rising cost to operate the facility. She said closing the plant was due to rising fuel costs.

"Coal prices are getting too high," she said. "Blaming it on anything other than that is ridiculous ... This is plain and simple economics, you can't keep an old car running forever either."

In 2017, Montana Department of Justice officials said the town of Colstrip would receive a minimum of \$10 million from Puget Sound Energy to aid economic impact from closing Units 1 and 2..

The plant has four units employs about 320 people overall. The owners will submit a remediation plan to MDEQ no later than three months after permanently retiring the units.

Ankney said coal does more than power homes.

“Coal funds our public schools, infrastructure, parks, and libraries,” he said,

Ankney said in his email that the Coal Severance Tax “generates irreplaceable revenue” for these public services, “unlike hobby projects like wind and solar which produce no revenue for these services.”

“My thoughts and prayers are with the union workers who will lose their jobs and their families,” Ankney said. “They have served Colstrip and all of Montana well and we owe them a debt of gratitude for providing the baseload power we need to keep our communities safe and strong.”

Ankney said he worked on Units 1 and 2 when they were just pilings in the ground.

“I could not believe how good the money was and there were workers from all over the world,” he said.

Talen said in June that Colstrip's other two units, 3 and 4, will remain in operation.

Six utilities own shares of 3 and 4, built in the 1980s. Most of the owners are making preparations for operations to cease as early as 2025.

One of the owners, Northwestern Energy, announced in December that it wants to acquire part of Puget Sound Energy's interest in Colstrip Unit 4 for \$1 , the Associated Press reported.

That would boost South Dakota-based NorthWestern's ownership interest in the power plant to 55% even as many other utilities across the U.S. have been getting out of the coal power market in recent years, AP said.

The Associated Press contributed to this story. Reporter Phil Drake is our eye on the state capitol. For tips, suggestions or comment, he can be reached at 406-231-9021 or pdrake@greatfalls Tribune.com. To support his work, subscribe today and get a special offer.