

Colstrip ash pond cleanup could cost \$700M, Montana DEQ says

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Cleaning up Colstrip will cost as much as \$700 million, maybe more, according to a legislative memo from state environmental regulators.

Department of Environmental Quality officials have informed Dan Zolnikov, R-Billings, chairman of the House Energy Committee, that just cleaning up the three coal ash ponds fed by the power plant will cost \$400 million to \$700 million. It was the first time numbers had been put to the final cleanup costs of all three ponds.

"Our big question, the biggest one, is if NorthWestern owns one sixth of at least the big ponds, that's one sixth of \$600 million, \$100 million, who will pay that?" Zolnikov said.

Some of that burden will fall on utility customers.

DEQ holds \$80 million to pay for approved portions of the cleanup in three pond areas, it said in the memo.

Not in the DEQ equation is the cost of dismantling and cleaning up the four coal-burning units that comprise the power plant.

DEQ told The Gazette Tuesday that ash pond cleanup estimates came from the power plant's largest stakeholders, Talen Energy, which operates Colstrip and Puget Sound energy, which has the largest ownership share. The ponds have leaked contaminants into the local groundwater for decades.

"Talen and Puget Sound Energy have provided the range of estimates based upon the types of remedies that DEQ might choose to address the groundwater contamination in the three pond areas," said Kristi Ponozzo, DEQ spokeswoman. "So far, DEQ has only chosen a remedy for the smallest pond area and has approved closure plans for all three areas. The other two pond areas are larger and the Units 3 and 4 pond area is the most complex. That area may cost the most to remediate."

The cleanup price could increase if additional steps are needed. An estimated 200 million gallons of contaminated water has been seeping each year for 30 years from Colstrip ash pond, rendering the groundwater undrinkable for the Colstrip community of about 2,300. The polluted ponds' worst ingredient is "bottom ash," a highly concentrated coal ash sludge. The contaminants of concern, according to DEQ, are boron, sulfate, molybdenum, manganese, lithium, selenium, and cobalt. The contaminants can be toxic and do require remediation.

The ash pond complex consists of nine containment sections spread over 800 acres. As part of a recent lawsuit settlement, the power plant's owners agreed to stop pooling toxic coal ash sludge from Units 3 and 4 this year, but that's just a start.

The Colstrip community doesn't drink the groundwater. Rather, it relies on water pumped from the Yellowstone River some 30 miles away. The water feeds the power plant's coal-fired steam generators and the town. A major concern has been assuring the town still has Yellowstone River water once the power plant closes.

The low end of the estimate was met with skepticism, by the Montana Environmental Information Center, a watchdog group that successfully sued the state in order to stop the permitted wet storage of coal ash.

"Wow. These are eye-popping numbers and they are still likely underestimated," said Anne Hedges, of MEIC. "The liabilities are an astonishing amount. Since DEQ has never accurately estimated these liabilities at other large facilities, we have every expectation that the numbers are going to be close to a \$1 billion. Consumers should pay attention or it could end up in their laps."

It was MEIC that acquired the DEQ memo.

Customers of the utilities with Colstrip ownership will shoulder some of the cleanup burden. Montana's largest monopoly utility, NorthWestern Energy, Portland General Electric, PacifiCorp, Avista Corp, Puget and Talen split ownership unevenly. NorthWestern's share is about 10 percent of Units 3 and 4.

It will be up to the state utility regulators, like Montana's Public Service Commission, to determine the customers' share.

In 2008, 57 Colstrip residents sued the power plant owners and obtained a \$25 million settlement because of contaminated groundwater. The first phase of the settlement removes the most highly concentrated pollution. The second phase removes the rest, putting the ash ponds out of business in six years.