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STATE OF MONTANA

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The Honorable Tracy Stone-Manning
Director
Bureau of Land Management
1849 C Street N.W.
Washington, D.C. 20515

Sonya Germann
State Director, Montana-Dakotas
Bureau of Land Management
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Billings, MT 59101

Irma Nansel
Project Manager
Bureau of Land Management
111 Garryowen Road
Miles City, MT 59301

RE: Miles City Draft Supplemental Environmental Impact Statement (EIS)/Resource Management Plan (RMP) Amendment

Director Stone-Manning, Ms. Germann, and Ms. Nansel:

I am concerned that the alternatives proposed in the Bureau of Land Management (BLM)'s Miles City Draft Supplemental EIS/RMP Amendment unreasonably restrict the State of Montana's ability to carry out its constitutional trust responsibilities for the benefit of educational and state institutions, negatively impact our statewide economy, and would increase energy prices for Montanans and many in the region.

Under the current BLM coal screening process, reflected in Alternative A, most of the coal reserves held in trust by the State of Montana for the benefit of its trust beneficiaries are already constructively "off-limits" due to restrictions on adjacent federal coal reserves. It is simply uneconomical for a lessee to develop sections of state coal without also developing the adjacent federal coal. But despite the existing screening restrictions, Alternatives B, C, and D reflect an even more restrictive approach that would unfairly block nearly all of Montana's coal reserves from development. The impacts to the State of Montana's schools and public institutions, as well

as the statewide economy, would be severe if any of those three alternatives were selected. At my direction, the Montana Department of Natural Resources and Conservation is submitting independent comments that outline specific concerns with the draft supplemental EIS and detail the impacts of these alternatives on Montana's trust obligations.

The impacts of restricting coal development extends beyond Montana's trust obligations and would initiate cascading negative economic impacts across the entire state and region. Montana has the largest estimated recoverable coal reserves in the country, comprising approximately 30 percent of all U.S. coal reserves. The coal produced in Montana not only currently keeps the lights on in Montana, it also fuels power generation and manufacturing across the country and the world. Montana coal is in high demand. Worldwide coal demand recently hit an all-time high and is predicted to rise further.¹ This means that coal will continue to be produced and used around the world, but if the BLM puts Montana coal out of reach, that coal will simply be harder to procure and more expensive.

Furthermore, Montana requires a stable supply of coal to ensure electric reliability and to avoid the price volatility seen in other parts of the country. The coal-fired generating units in Colstrip, Montana are an essential part of state's economy and rely on coal from the Rosebud Mine. Even the perception of disruption in the coal supply to these generating units could have a significant impact on electricity prices in the state. With Montanans already having the highest energy consumption per capita in the country due to its low population and extreme weather, price stability is absolutely essential to our communities across the state.

Last, upon reviewing the draft supplemental EIS, it is concerning that the economic impact analysis was limited to 2038 due to "uncertainties in global markets and local economic factors," but the emissions impacts and the environmental justice analysis was extended to 2060 and even 2088 in some instances. Given the pace and scale of new advances in carbon capture and sequestration and other technologies that could address emissions, the latter impacts would be just as uncertain as any other impacts into the future. By limiting the economic analysis to a shorter time period than other analyses, the BLM fails to ensure consistency across multiple disciplines.

I urge the BLM to rethink its draft supplemental EIS and propose alternatives that reflect the needs of the State of Montana and the economic realities of global energy markets.

Sincerely,



Greg Gianforte
Governor

¹ IEA 2022 Coal Report, available at: <https://www.iea.org/reports/coal-2022/executive-summary>