

- Wandoan Coal Project proposal: The Galilee and Bowen Basin proposals come just seven months after a consortium led by Xstrata Coal proposed to develop a 30 million tonnes-per-year open-cut operation near Wandoan, about 350 kilometers northwest of Brisbane. The draft terms of reference for the environmental assessment phase of the Wandoan project will be released for public comment by the coordinator-general shortly. This project has the potential to rival the size of the state's largest coal projects and account for about a quarter of Australia's annual thermal coal exports. The proposed mine would employ 1,000 people during the construction phases and between 500 and 600 people during operations. The ability to meet the water and energy needs for this operation is critical to its success, and a number of possible solutions will be covered as part of the environmental assessment process.

[Click to view the full filing](#)

[E-mail this story.](#)

Report: Rockland plans new SO2 scrubber for B.L. England plant

by [Barry Cassell](#)

The manager of the B.L. England power plant in New Jersey plans to invest more than \$204 million in improvements to meet air- and water-pollution rules by 2012, with one of the projects to include a new SO2 scrubber for one of the plant's coal units.

According to a July 15 report in the *Press of Atlantic City* (N.J.) newspaper, Rockland Capital official Jim Maiz on July 14 outlined plans for the 447-MW power plant to a handful of local business and government leaders. The power plant burns coal sourced from West Virginia and Wyoming mines and also has a third boiler that can burn oil when needed, the report said. The company has also burned tires and could do so again after the pollution controls are ready, Maiz said.

The biggest investment by RC Cape May, an affiliate of Rockland Capital, will be the installation by 2012 of a \$130 million SO2 scrubber on unit 1, one of the plant's two coal-fired boilers. B.L. England shut unit 1 in December 2007 and now uses it only during peak demand for electricity in the summer, the newspaper said. The plant's other coal-fired boiler, unit 2, already has a scrubber in place, but RC Cape May plans to invest \$50 million by 2010 to cut unit 2's NOx emissions.

Also, the company hopes to curb the plant's water pollution by creating a closed loop that will prevent slag water from being dumped into Great Egg Harbor Bay. The slag water will be recycled back into the system. The company hopes to install that \$9 million system by 2010.

Rockland Capital referred a July 15 inquiry from SNL Energy about the Maiz presentation to a public relations specialist, who was unavailable for immediate comment.

The Rockland Capital Web site (<http://www.rocklandcapital.com/ble.asp>) indicates the company bought B.L. England in February 2007 through affiliate RC Cape May Holdings. Pepco Holdings Inc., the parent of local utility Atlantic City Electric Co., made the sale announcement in February 2007.

Located in Cape May County, N.J., the 447-MW plant consists of a 129-MW coal-fired cyclone boiler, a 155-MW coal-fired cyclone boiler with scrubber, a 155-MW oil-fired unit and four emergency

diesel generators. B.L. England is a merchant plant selling electricity and capacity into the Atlantic City electric zone of the PJM market. The plant fuels are identified as "Appalachian and PRB coal and No. 6 Oil."

In a February 2007 announcement about the purchase of the plant, Rockland Capital Energy Investments LLC said environmental controls are a priority. "Reducing B. L. England's emissions to levels set by the New Jersey authorities will allow Rockland to keep the station running well into the future, providing local jobs, support to the tax base and greater energy security to southern New Jersey," Scott Harlan, managing director of Rockland, said at the time.

The SNL database shows that the two coal units at B.L. England were brought into service in the early 1960s. The plant's coal suppliers last year were the Blacksville No. 2 longwall mine in West Virginia of CONSOL Energy Inc.; the Federal No. 2 longwall mine in West Virginia of Patriot Coal Corp.; Peabody Energy Corp.'s North Antelope Rochelle strip mine in Wyoming; and the Nelms deep mine in Ohio of Rhino Energy LLC, which is controlled by Wexford Capital LLC.

The SNL database lists various investor owners of B.L. England, including Energy Investors Funds Group.

COMPANIES REFERENCED IN THIS ARTICLE:

[RC Cape May Holdings](#)

[Atlantic City Electric Co.](#)

[CONSOL Energy Inc.](#)

CNX

[Energy Investors Funds Group](#)

[Patriot Coal Corp.](#)

PCX

[Peabody Energy Corp.](#)

BTU

[Pepco Holdings Inc.](#)

POM

[Rhino Energy LLC](#)

[Rockland Capital Energy](#)

[Wexford Capital LLC](#)

[E-mail this story.](#)

Navajo Nation could end up holding 25% of Desert Rock coal plant

by [Wayne Barber](#)

The Navajo Nation, acting through its Diné Power Authority, will have the option to buy a 25% interest in the 1,500-MW Desert Rock coal plant being developed on tribal land in New Mexico, a national conference on tribal energy development was told July 11.

Providing that the Sithe Global Power LLC project proceeds as planned, the ownership interest could translate into a \$350 million value for the tribe, according to E3 Consulting Executive Director Joe Mendez, who spoke at a conference held July 10-11 in Washington, D.C., sponsored by Law Seminars International.

"Business transactions with tribal entities, particularly for energy projects on tribal lands, are governed by a patchwork of tribal, federal and state law," said Douglas MacCourt, an attorney at Ater Wynne LLP, who was one of the conference moderators and who has done much work for Diné Power and the Navajo Nation in connection with Desert Rock.

The Navajo-Diné Power equity position in Desert Rock would help attain a key goal for many tribal officials, MacCourt said. "As one trib-

al energy leader recently put it, "Tribes want to be owners of energy projects on tribal lands, not just landlords." This means sharing in upside and downside risks — not just relying on taxes, royalties and lease payments from the deal, MacCourt said.

Considering that a tribe's investment generally will not be subject to federal income tax, the return on investment made by the tribe may be significantly higher than the same investment made by non-tribal parties, MacCourt said.

Nancy Wodka, an attorney at Bracewell & Giuliani LLP who has represented Sithe in its development effort, said the company is excited to have its tribal partners as potential equity owners of the Desert Rock property.

The project, however, still has some hurdles to overcome.

Provided that a settlement between Sithe and the U.S. Environmental Protection Agency is reached as expected, EPA would be expected to rule upon the air permit for the plant by July 31. On July 10, however, New Mexico Attorney General Gary King announced that his office and the New Mexico Environment Department have filed a motion to intervene in the case.

King said the July 31 deadline would mean that EPA would act on the permit before it completes important environmental reviews. "New Mexico cannot afford to sit idly by as attempts are being made to skirt the legal requirements for a new coal-fired power plant to be built in the state," King said in a news release.

But MacCourt said the state has had ample opportunity for input on the coal-fired plant. "The Navajo Nation has made a lot of attempts to talk to them," MacCourt said.

Plant supporters from the Navajo Nation and Sithe have met with New Mexico Environment Secretary Ron Curry and his staff on two occasions earlier in 2008 about the project, Sithe officials said recently.

Sithe and the Diné Power Authority together sued the EPA's Region 9 office in March for failing to rule upon the application within the required deadlines. EPA has now had the Desert Rock application for four years, while the statute requires a decision within 12 months.

After a permit decision is issued by EPA, the ruling probably will be challenged before the agency's Environmental Appeals Board, MacCourt said.

Sithe is owned by Blackstone Capital Partners and Reservoir Capital Group LLC.

Conference emphasizes Native American energy clout

While Native Americans represent less than 1% of the U.S. population, tribal lands possess 10% of U.S. energy reserves, said Gregory Smith, a Washington-based lawyer at Smith & Brown-Yazzie with a focus on tribal energy and development issues, who was one of the moderators for the conference. These reserves include 30% of known coal deposits in the West, 5% of onshore oil deposits, 10% of known onshore natural gas deposits, virtually unlimited wind energy in the Great Plains and vast lands with huge solar potential, Smith noted.

"The historic value of energy resources developed on Indian lands through 2000 is \$15.3 billion for oil, \$10 billion for coal and \$7.9 billion for gas," Smith said in a 2007 analysis.

The development potential is much greater, Smith said. Untapped reserves in the Lower 48 states on tribal lands are estimated at \$187 billion for oil, \$151 billion for gas and \$537 billion for coal — "and these figures are based on 2001 prices," Smith said.

Tribal governments have also been aggressively pursuing new

wind and solar power projects. For example, a new wind generator recently came online to provide electricity for KILL radio, which serves the Lakota Nation and the Pine Ridge Reservation in South Dakota, noted Darryl Francois, an official with the U.S. Interior Department's Bureau of Indian Affairs.

Francois addressed the conference regarding Tribal Energy Resource Agreements that make it possible for tribes to submit voluntary umbrella resource development plans to the BIA.

Also, later this year the Interior Department hopes to publish a national wind atlas for tribal land, which should include wind velocity levels and transmission access for potential wind power projects on tribal land, Francois said.

COMPANIES REFERENCED IN THIS ARTICLE:

[Sithe Global Power LLC](#)

[Blackstone Capital Partners](#)

[Reservoir Capital Group LLC](#)

[Click to view the full filing](#)

[E-mail this story.](#)

EPA proposes regulation for underground storage of carbon dioxide

by [Kathleen Hart](#)

The U.S. Environmental Protection Agency proposed a rule July 15 creating a national framework for the underground injection and long-term storage of carbon dioxide captured from coal-fired power plants or other emissions sources.

"Today's proposal paves the way for technologies that would protect public health and help reduce the effects of climate change," EPA Administrator Stephen Johnson said in a news release. "With proper site selection and management, geologic sequestration could play a major role in reducing emissions of carbon dioxide into the atmosphere."

EPA is proposing the rule to support what the agency views as promising technologies to prevent industrial emissions of carbon dioxide through secure, long-term underground storage of the greenhouse gas.

The agency expects to issue a final rule in late 2010 or 2011, EPA Assistant Administrator for Water Benjamin Grumbles said in a teleconference.

EPA's proposed rule, which is intended to protect underground drinking water resources from contamination by carbon dioxide, would create a new class of injection wells under the authority of the Safe Drinking Water Act's underground injection control program.

The proposed rule builds on the agency's existing program to permit and regulate underground injection wells, which includes extensive requirements to make sure that wells are appropriately located, constructed, tested, monitored and closed.

Grumbles characterized geologic sequestration as a "promising, yet unproven, technology" for the long-term storage of large volumes of CO₂. The rule would apply to owners and operators of wells that will be used to inject carbon dioxide into the subsurface for long-term storage.

Grumbles said EPA is proposing the rule to make sure environ-