

Highwood power plant a go after special-use permit OKd

BY RICHARD ECKE • TRIBUNE STAFF WRITER • SEPTEMBER 11, 2010

After bitter rhetoric and years of wrangling over the Highwood Generating Station, the proposed power plant cleared its last major hurdle on Friday.

Five members of the Cascade County Board of Adjustment voted 5-0 Friday afternoon in favor of a special-use permit for the project, clearing the way for construction of the natural gas-fired power plant to resume.

"Full steam ahead," said Olaf Simac Jr., president of the North Central Montana Building and Construction Trades Council, after the 4-hour, 15-minute meeting wrapped up. "We're looking forward to putting men to work."

Tim Gregori, general manager for Billings-based Southern Montana Electric Generation & Transmission Cooperative, which is the plant's developer, said the longstanding effort to build the plant has been trying "both emotionally and financially."

"We think they reached a good conclusion," Gregori said of the board members. County commissioners are not required to affirm the board's decision.

Gregori said Southern Montana awaited the board's decision before awarding contracts to proceed with the \$85 million Phase I of the plant, which calls for installing a 40-megawatt gas-burning turbine at the site, about seven miles east of Great Falls along Salem Road.

One longtime opponent of the plant, Mike Witsoe of Great Falls, expressed disappointment at the decision.

"I've been doing this for six years," said Witsoe, one of only six people to speak against the special-use permit.

Earlier public hearings on what was then a proposed coal-fired plant attracted dozens of project opponents.

This time, however, major critics of the project had already formally settled their objections, including area landowners east of Great Falls and the Helena-based Montana Environmental Information Center. Those two groups summer won a divided Montana Supreme Court decision this summer that ruled the county changing the site's zoning to heavy industrial constituted spot zoning amid farmland.

The recent settlement between the parties cleared the way for the developer to apply for a county special-use permit rather than seek rezoning.

Two Great Falls residents, Ron and Kathleen Gessaman, urged the Board of Adjustment to heed the Supreme Court decision and deny the permit. They said the plant should be placed in an industrial park instead of the Salem Road location.

Board member Greg Rider asked why the plant wasn't proposed for an industrial park.

"Staff would never tell an applicant, 'We don't like that location,'" County Public Works Director Brian Clifton said, adding the county acts upon requests based upon a site chosen by the applicant.

"That's a very good question," Gregori told Rider.

He said Montana Power Co. considered the site ideal for a power plant in 1989, in part because of its proximity to water and transmission lines. Southern Montana consultants also found the site well-suited for a power plant, he said.

In addition, Gregori said the developer already owns the property and has transmission rights for the current location.

"It isn't like picking up a tractor-trailer and moving it from one site to another," Gregori said. He said the idea of a new site was more "like saying let's move the city of Great Falls."

Board members Friday focused on a few points that they said bothered them regarding the power plant.

"I think there's a good argument that this should not be allowed," member Tim Wilkinson said. However, he then noted the settlement between previous opponents and Southern Montana, and said he felt comfortable voting for the special-use permit.

Twenty people in favor of the project spoke at the hearing, including officials of rural electric cooperatives that are members of the Southern Montana group.

"Fergus Electric is 100 percent behind the project," said Scott Sweeney, general manager of the Lewistown-based cooperative.

Union officials also expressed support, as did businesses doing work for Southern Montana, and former Electric City Power board member Bob Pancich. ECP, a member of Southern Montana, is the electric utility arm for the city of Great Falls.

"We're in a recession," Pancich said. "We need new taxpayers in this town."

"I think that we should move forward with this," said Don Ryan, a Democrat running for Public Service Commission against Republican Travis Kavulla.

Ronda Wiggers, who represents the area Chamber of Commerce, said the power plant will provide jobs and boost the tax base.

Great Falls native Richard Budde, who is now a Helena official for the Corval Group, said his company is building a similar gas-fired plant near Anaconda for NorthWestern Energy.

"I think it will be a great thing for Great Falls," Budde said. He urged Southern Montana to use local labor, saying that's what happened with construction of the 150-megawatt plant at Mill Creek.

Brett Doney, president of the Great Falls Development Authority, said he believes the recent settlement of the court case put the controversy over the power plant to rest.

Gregori added that much of the opposition to the plant initially came because it would have burned coal to generate electricity.

"The coal plant's dead," Gregori said. "The coal plant's done."

A series of consultants followed Gregori, describing a power plant they say would be relatively low-slung, as quiet as a wooded area, and would feature attractive landscaping, including native grasses.

Great Falls attorney Mary Jaraczski, speaking for Southern Montana, urged the board to ignore suggestions that it wait a month to make a decision.

"Our project has been studied and restudied," she said. "We're finally on the 5-yard line and we need to get into the end zone."

Board of Adjustment member Leonard Lundby, a longtime volunteer fire agency official, grilled Kevin W. Cavanaugh, vice president of Stanley Consultants in Colorado, about fire protections plans for the project. Lundby recommended special fittings be installed on water tanks at the site so volunteer firefighters could more easily tap into the tanks. That

language was written into one of the permit conditions.

Southern Montana has lined up the Sand Coulee and Black Eagle Volunteer fire departments to provide protection at the gas plant. Clifton read a letter from City Manager Greg Doyon that states the city does not have a permanent agreement with Southern Montana to provide fire protection at the site, although language in the permit said city fire protection might be arranged by the power plant in the future.

During Phase I of the project, wastewater probably will be trucked to the city of Great Falls for disposal, while in the long-term the plant's wastewater may be piped into the city's sewage treatment system, officials said.

Wells should provide sufficient water to the plant, consultants told the board.

Fewer than 100 people attended the hearing.