

Colstrip Power Station

“So we can put up with all the pollution and they get the gravy, and that’s gone on for 40 years. And we took it. We run with it. We made it successful and now these prima donnas out there can just walk away? No.”

--Hugh Mannix, longtime resident of Colstrip, Montana to NPR

Context: The Colstrip Power Station, operated by Talen Energy in the 2200-person Montana town of the same name, is owned by Talen and a spattering of other, regulated electricity sellers throughout the West. As the second largest coal plant in the West, Colstrip employs around 360 people in the power station, and another 370 people work at the Rosebud Mine operated by Westmoreland and almost entirely devoted to supplying Colstrip Power Station. Colstrip’s facilities include four generating units, totaling 2094 MW of capacity, built throughout the 1970s and 1980s. The electricity generated is delivered to customers throughout the Northwest states. A variety of retirement agreements exist for different generating units with different owners and with different environmental groups and agencies.

Transition Negotiation: The smaller, older, and more heavily-polluting Units 1 & 2, owned evenly between Puget Sound and Talen Energy, are scheduled to shut down in 2022 under an agreement between the owners and Sierra Club and Montana Environmental Information Center as the result of a federal lawsuit over emissions violations. Between 2013 when the lawsuit was initiated and 2016 when the agreement was reached, multiple studies concluded it would be cheaper to retire Colstrip 1 & 2 than continue operating.

For the larger Units 3 & 4, the greater amount of power at stake and higher number of utility owners has made transition plans more complicated. Puget agreed to speed its cost recovery plan to allow for its 25% share of the older units to be closed by 2027, as does Avista, who holds a 15% share of the older units.

Plant Owner Funding: Most substantially, Puget’s rate case settlement established \$10 million in community transition funding (half to be paid by Puget, half “rate-based,” or paid by customers through fees).

State Funding: Montana offers general grant funding of \$3.2 million a year to affected coal communities. Contentious bill proposals have considered funding everything from job training to decreased property value. Other state efforts focus on repurposing Colstrip transmission lines to bring renewable energy and green jobs to the area.

Federal Funding: Montana received \$4.7 million in Power Plus grants to retrain affected workers in the Colstrip area. Funds were split among three local community colleges, including the local Tribal college.

Just and Equitable Transition Financing: Case Study at a Glance Colstrip Power Station



Facility: 2094 MW total capacity, four generating units

Fuel Source: Rosebud Mine

Location: Southeast Montana

History: Mining community as early as World War II, plants built in 1970s and 80s, sold to Talen in 1998

Community: Rural town of 2200

Employment: 360 in powerplant, 370 in mining

Environmental Record: History of coal ash suits, closure prompted by 2013 air pollution lawsuit

Operator: Talen Energy (formerly PPL)

Ownership: Puget Sound Energy, Talen, Portland General Electric, Northwestern Energy, Avista Corp, PacifiCorp (in order of share, mixed among units)

Operation Status: Units 1 & 2 (716 MW total) to close by 2022, Units 3 & 4 *potentially* closed by 2027 (1556 MW total)

Nature of Transition Deal: Initial unit closures attained via pollution lawsuit; transition plans mainly developed in rate case settlements.

Transition Funding: Over \$15 million from a mix of utility, state, and federal sources.