



May 19, 2009

Dr. Richard Opper, Director
Montana Department of Environmental Quality
PO Box 200901
Helena, MT 59620-0901

Re: Southern Montana Electric Generation and Transmission Cooperative (SME) application for a Montana Air Quality Permit, and Title V operating permit for the Highwood Generating Station

Dear Dr. Opper,

The Montana Preservation Alliance (MPA) has reviewed SME's April 24, 2009 application to DEQ for a Montana Air Quality Permit and Title V operating permit to approve construction of a gas plant at the site of the proposed Highwood Generating Station on Salem Road outside of Great Falls. This application represents a new phase in SME's plans to develop an electrical generation facility outside of Great Falls, and as your agency considers this application and its completeness, we would like to bring several concerns to your attention regarding the Highwood proposal and its impacts to cultural resources.

First and foremost, we strenuously oppose the prospect of issuing a permit for a gas-fired power plant as part of the HGS without a supplemental EIS and meaningful public input on such a facility. The HGS project is proposed to be constructed on the edge of one of this nation's most eminent Lewis & Clark sites – the Great Falls Portage National Historic Landmark (NHL). It is abundantly clear from this permit application that the project now under consideration is not a natural gas plant instead of a coal-fired plant, it is a natural gas plant and a coal-fired generator along with an unknown number of wind turbines to be developed into the future. For a project of this scale and level of adverse impact, an EIS is clearly needed and mandated by law.

Secondly, the January 2007 Final Environmental Impact Statement on the HGS project specifically dismissed detailed consideration of a natural gas-fired electrical alternative, citing price volatility and cost factors. Therefore, the data to evaluate such an alternative and the impacts of adding a natural gas plant to the HGS power facility has not been developed.

Beyond this, the EA submitted by SME as part of the permit application for a gas-plant permit is inadequate. Typically, an Environmental Assessment (EA) is issued by a government agency to determine the effects of an undertaking on the human and natural environment, and to determine if a broader environmental impact statement is necessary. This EA, prepared by SME and included in Appendix G, is

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misleading on issues of cultural resource consultation, mitigative strategies, and the gravity with which the HGS proposal is being scrutinized by those representing historic preservation interests. The EA fails to mention, for example, the following:

Under Section 106 of the National Historic Preservation Act, consultation must take place on all federal undertakings that affect cultural resources. Under the federal permitting process, MPA and several other stakeholders, including the National Advisory Council on Historic Preservation, the National Park Service, the National Trust for Historic Preservation, the National Parks Conservation Association, the Montana State Historic Preservation Office, Montana Preservation Alliance, the Lewis & Clark Trail Heritage Foundation and the Great Falls-Cascade County Preservation Commission, have been engaged in consultation on the adverse impacts posed by the HGS to cultural resources in its vicinity since 2006.

Throughout these discussions, all stakeholders have consistently expressed grave concerns regarding the deleterious and unmitigatable impacts posed by the HGS facility to the Great Falls Portage National Historic Landmark. Due to the serious nature of these impacts, likely resulting in a landmark delisting of this outstanding national heritage site, the National Park Service (NPS) and Advisory Council on Historic Preservation have made it eminently clear that they were reviewing the HGS project with great care and thorough review, and have repeatedly called for consideration of alternative sites.

As a result of these proceedings, information was developed that SME should have provided to the DEQ as part of its permit application. Instead, there is a glaring omission of information that would reflect the grave concerns that have been raised to the highest national levels through those meetings, additional data that was generated by the NPS, and the fact that this consultation has not been concluded.

These include, but are not limited to:

- Record of consultation on the historic significance of the Great Falls Portage NHL;
- Acknowledgement that Section 106 Consultation is far from over;
- A special 213 report developed by the NPS at the direction of the Advisory Council on Historic and Cultural Places concluded with a call for a supplemental EIS on the HGS that more fully explores alternatives to constructing a power plant on the Great Falls Portage NHL.

In fact, SME's EA is contradictory and inaccurate. The statement on p. 37 that "SME proposed and RUS agreed with proposed mitigation measures for the HGS coal-fired power plant and wind turbine project" is simply not true. In 2006, SME did attempt to open cultural resources consultation with their mitigative proposals, but the law dictates that the 106 process explore options to avoid and minimize impacts prior to considering mitigation, especially when a National Historic Landmark is threatened. Because the HGS project has been fraught with uncertainty, the Rural Utilities Services rejected SME's request for a loan guarantee for the HGS project (and is no longer participating in this process), and SME has altered the project with a new proposal for the gas plant, the Section 106 dialog has stretched across three years and is far from concluded. No mitigative measures have been agreed to by anyone.

Incredibly, in the Cultural Resources Section 8.0, SME's EA states that "the much smaller profile of the natural gas-plant, located outside the boundary of the NHL, will not result in a significant impact to the NHL." To our knowledge, no cultural resource professionals have offered this opinion and this concept was certainly not brought up during the recent consultation meeting on March 12, 2009.

In the same section, SME states that the gas-fired component will not be located within the NHL. However, we find no map depicting the gas plant in relation to the NHL in the document. Significantly, the SME report fails to note that the plant is sited essentially along the NHL boundary, with at least four nearly 400' high wind turbines (and related infrastructure) slated for construction in the NHL boundary.

And finally, the table on p. 66 of SME's EA records the gas-plant having a moderate impact on the NHL and none on archeological resources. Again, to our knowledge these impacts have not been evaluated and the potential for archeological damage by site development and associated infrastructure such as underground pipelines has not been assessed.

In truth, because the affected property is a National Historic Landmark, any adverse affect on the site becomes, by definition, a "major impact." SME themselves acknowledge as much in the "Significance Definitions" included the January 2007 Final EIS (Appendix J, p. J-13), where a "major impact" is the "disturbance of a site...or National Historic Landmark [which] diminishes the significance or integrity of the site."

This EA misrepresents previous proceedings and the concerns of federal, state and local agencies as well as the public, and it attempts to persuade reviewers that adding a natural gas plant to a coal plant will not significantly add to the adverse visual impact from the coal-fired facility to the NHL are not substantiated.

We trust that Montana DEQ will seek further information from SME on all of these questions prior to accepting this permit application and will seek counsel at the earliest opportunity with the Montana State Historic Preservation Office, the National Park Service and the Advisory Council on Historic Preservation on how to proceed with consideration of this permit application that poses very clear and lasting damage to the Great Falls Portage National Historic Landmark.

Cordially,



Chere Jiusto
Executive Director

cc: David Klemp, Air Resources Division
Mark Baumler, Montana State Historic Preservation Officer
Reid Nelson, director Federal Programs, Advisory Council Historic Preservation
Christine Whitacre, NHL Program Denver
Dan Wiley, National Historic Trails Program
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