

My name is Doug Lempke, and I'm here to represent the views of Tri-State Generation and Transmission Association. Tri-State is a consumer-owned, not-for-profit wholesale electric power supplier owned by 44 electric cooperatives that serve approximately 1.5 million consumers, primarily in the rural areas of Colorado, Nebraska, Wyoming, and New Mexico. We own and operate the Colowyo Mine in Colorado which has long-term federal coal leases with the BLM. The Colowyo Mine generates a million federal royalties with approximately half of these royalty revenues returned to the State of Colorado and local communities. Tri-State is also a participant in the Trapper Mine in Colowyo in Colorado and in the Dry Fork Mine in Wyoming, which also has long-term federal leases. And we receive coal for our Springerville, Arizona facility from Peabody's North Antelope Rochelle Mine and from Arch Coal's Black Thunder Mine. The discussion regarding limiting access to federal coal and increasing royalty rates is nothing more than a continuing effort to artificially increase the cost and discourage the use of affordable, reliable coal resources. Increasing the cost of federal coal will have a direct adverse impact on our members and the communities they serve, but will provide little actual benefit to the environment since it will just shift the development to other areas. For the most part - - I'm sorry. For the nonprofit cooperatives like Tri-State, any increase in the fuel cost is directly borne by our members. And our member system serves one of the economically depressed communities in the region where residents can least afford to pay higher electrical bills. As BLM develops the programmatic environmental impact statement for the federal coal program, Tri-State strongly encourages you to consider the impact on the cost of electricity, consider federal, state, and local government dependence on royalty payments that they'd receive. Consider the true cost to mine federal coal including state and federal royalty payments, all bonus bids, ad valorem property taxes, ad valorem production taxes, sales and use taxes, severance taxes, and abandoned mine land fees, new ways to simplify reporting and administrative burdens for all parties involved. Consider the long-term benefits that coal mining can have for the environment, specifically reconfiguration of wildlife habitats which may be in decline or of poor quality to start. Consider the provisions of the Mineral Leasing Act that specifically

identifies and mandates the development of these resources for the benefit of the American public. I'm going to scoot down here. The idea that access to federal coal should be significantly reduced or eliminated would be disastrous and should not be considered as a reasonable alternative in the PEIS. Curtailment or elimination of federal coal will simply shift the emphasis to use of private coal and eliminate any royalty payments and increase electricity costs. As a nation we can continue to use federal coal in the future to keep electricity prices low while meeting national goals to reduce greenhouse gas emissions. While the current administration is focused on the reduction of coal generation, it does not suggest that federal coal production be eliminated. In fact, the Environmental Protection Agency estimates that under the Clean Power Plan, coal will account for approximately 30 percent of the country's electricity generation in 2030. This future coal can come from the federal reserves where there is more environmental oversight and provide significant revenue to the American taxpayer, state and local communities.