

## Clean Energy, Clean Water For Northern Colorado

Environmental groups encourage Fort Collins to investigate and implement every alternative to PRPA's participation in the Windy Gap Firing Project

July 27, 2009

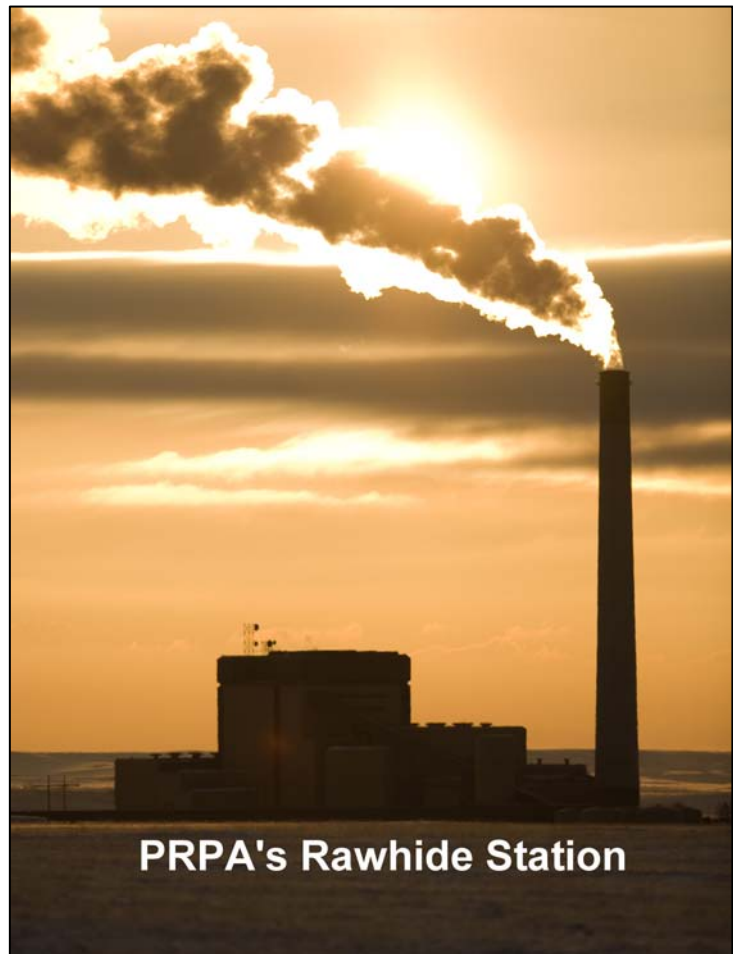
To: City of Fort Collins Mayor, City Council, and City Manager,

The environmental groups signed below would like to provide you with information concerning your water and energy supply planning efforts, specifically about the Windy Gap Firing Project (WGFP) that will be presented at the August 11 Council work session. Please know that environmental groups at the local, state, and national level are closely monitoring the WGFP proposal, and that we greatly appreciate that Fort Collins is proceeding with these efforts in an open and transparent way.

The environmental groups signed below – which include groups representing the West Slope and Front Range – are committed to analyzing all of the projects affecting the Cache la Poudre River basin with equal scientific integrity. Please also know that these environmental groups support Fort Collins' need to serve water to its current contract customers and to its entire growth management area in the least environmental damaging and most practicable way.

WGFP engages the National Environmental Policy Act, the Clean Water Act, the Federal Water Supply Act, and the Endangered Species Act. Because of this engagement with federal environmental laws, the process is likely to be long, expensive, and high risk. Specifically, such engagements often boil down to a yes/no permitting decision after years and millions of dollars have already been spent. Additionally, any farmer, city, oil shale company, county, water district, organization, or member of the public can challenge these decisions, thus resulting in potentially more time and expense. Consider examining recent water-supply examples where delay, expense, and conflict have occurred: Two Forks (Colorado), Animas La Plata (Colorado), and King Williams Reservoir (Virginia). Alternatives to WGFP that are less time-consuming, expensive, and risky should be immediately investigated and implemented.

WGFP participants, including PRPA and Fort Collins, should be aware that the WGFP water right is a **junior right** that is junior to many of the oil shale rights placed on this same Colorado River water. This information is summarized in the Western Resource Advocates report "Water on the Rocks"



available here: <http://www.westernresourceadvocates.org/land/wotrreport/wotrreport.pdf> The report says:

“Efforts are underway to “firm” the yield from this project [WGFP] by improving the delivery and reliability of the existing supply with an additional Front Range reservoir. However, substantial development of senior rights for oil shale development would make this task much harder to achieve.” (page vii)

This oil shale company conflict with WGFP water could result in expensive and delayed settlement, or ultimately no water at all – it is further described in this 2009 *Denver Post* article:

[http://www.denverpost.com/news/ci\\_11945056](http://www.denverpost.com/news/ci_11945056). Additionally, a very recent study warned that climate change also threatens Colorado River water supplies. As Colorado River water dries up, junior water rights could be impacted first: <http://www.colorado.edu/news/r/f0f273435508fe6525e5e4903baa539b.html>.

Finally, the water use rate for Windy Gap participants is grossly overinflated. The WGFP DEIS proposes a future average per capita daily (gpcd) water use by participants of **217 gallons**. For comparison, Fort Collins currently uses 155 gpcd, and is proposing to go to 140 by 2020. We believe that Fort Collins should not condone, support, or subsidize such an extraordinary waste of water by other participants.

Below, please find:

- 1) an “**Overview**” which summarizes Fort Collins’ involvement in WGFP and summarizes concerns by environmental organizations and the U.S. EPA.
- 2) a very brief discussion of “**Alternatives**” for Fort Collins, PRPA, and other WGFP participants.

## **I. OVERVIEW**

### **A. Summary of Fort Collins’ involvement in WGFP**

Platte River Power Authority (PRPA) is the second largest participant in the Windy Gap Firming Project, subscribing to 5,150 acre feet out of the total 31,575 acre feet of the project, and representing 14% of the total project storage volume. PRPA currently trades the Windy Gap water with Fort Collins, and thus Fort Collins is directly involved in the new WGFP, both as a 49% owner of PRPA, and as a present and future recipient of WGFP water. This water trade between Fort Collins and PRPA is simplistically summarized as follows:

1. Windy Gap sends water to Fort Collins.
2. Fort Collins provides an equal amount of its treated wastewater effluent to PRPA; PRPA uses that effluent to cool its Rawhide coal-fired power plant. (This effluent is piped/pumped 15 miles to PRPA from the Drake Wastewater Treatment Plant.)
3. Fort Collins takes the Windy Gap water and provides it to a large commercial contractor, Anheuser-Busch/InBev (ABIB), which uses it in their facility for production, and then ABIB rents the facility’s wastewater to farmers east of I-25.

The proposed cost of WGFP is at least \$272 million, which will “firm up” (store in reservoirs) more of the Windy Gap water. PRPA’s 14% share equals at least \$38 million. Because Fort Collins ratepayers represent 49% of PRPA, Fort Collins ratepayers will pay at least \$19 million for WGFP. The DEIS states that PRPA will pay for WGFP with cash. Further, the proposed cost is likely significantly underestimated – similar projects have come in 10% to 50% higher (page 36: [http://www.usbr.gov/gp/eca/wg\\_comments/1138\\_wra.pdf](http://www.usbr.gov/gp/eca/wg_comments/1138_wra.pdf)).

Coal-fired power is a highly polluting energy source that represents a significant source of greenhouse gas emissions (GHGE); approximately 45% of Fort Collins’ total GHGE are attributed to electricity production at the Platte River Power Authority’s Rawhide Station coal-fired power plant (page 4: <http://www.fcgov.com/airquality/pdf/cap-final-2008.pdf>). We believe that a new expenditure of at least \$38 million on water delivery to Rawhide Station is exactly the wrong type of investment PRPA should be making in the 21<sup>st</sup> century’s New Energy Economy. Additionally, such an expenditure is inconsistent with PRPA’s Climate Action Plan discussed in IIB below. Alternatively, any financial investment at PRPA should be focused on a low-carbon economy of natural gas, renewables, and carbon reduction at Rawhide Station. Here is an aerial view of Rawhide Station: <http://maps.google.com/maps?client=firefox-a&hl=en&ie=UTF8&ll=40.858324,-105.020714&spn=0.026324,0.053473&t=h&z=15>

## **B. Brief Summary of Environmental Groups’ and EPA’s Criticisms:**

**Environmental Groups:** A full list of environmental groups’ comments on WGFP are available on the U.S. Bureau of Reclamation’s website here:

[http://www.usbr.gov/gp/eca/wg\\_comments/381\\_long\\_granby\\_hearing.pdf](http://www.usbr.gov/gp/eca/wg_comments/381_long_granby_hearing.pdf)  
[http://www.usbr.gov/gp/eca/wg\\_comments/883\\_colorado\\_env\\_coalition.pdf](http://www.usbr.gov/gp/eca/wg_comments/883_colorado_env_coalition.pdf)  
[http://www.usbr.gov/gp/eca/wg\\_comments/1117\\_sierra\\_club.pdf](http://www.usbr.gov/gp/eca/wg_comments/1117_sierra_club.pdf)  
[http://www.usbr.gov/gp/eca/wg\\_comments/1126\\_tu\\_deis.pdf](http://www.usbr.gov/gp/eca/wg_comments/1126_tu_deis.pdf)  
[http://www.usbr.gov/gp/eca/wg\\_comments/1138\\_wra.pdf](http://www.usbr.gov/gp/eca/wg_comments/1138_wra.pdf)

Very briefly, the below-signed groups assert that:

1. WGFP, as it is currently described in its DEIS, will dramatically increase the destruction of the Fraser and upper Colorado Rivers and their fishery ecosystems, and could violate the Clean Water Act and the Federal Water Supply Act.
2. The 13 participants in WGFP – including the Platte River Power Authority (PRPA) which is 49%-owned by the citizens of Fort Collins – have not come close to investigating or implementing alternatives to the project that could delay or eliminate its need. Participants must be required to maximize conservation and efficiency and other alternatives before this project moves forward.
3. Because Fort Collins uses Windy Gap water and trades it with PRPA, Fort Collins should fully investigate and implement alternatives to the project, and if possible, propose that PRPA drop out of WGFP.

**U.S. Environmental Protection Agency (EPA):** Below, we also provide you with a brief summary of the U.S. Environmental Protection Agency’s (EPA) objections to WGFP. The EPA gave WGFP the

same negative rating it gave to NISP. The EPA's full comments are here:

[http://www.usbr.gov/gp/eca/wg\\_comments/1141\\_epa.pdf](http://www.usbr.gov/gp/eca/wg_comments/1141_epa.pdf)

1. "EPA objects to the high potential for the WGFP to exacerbate existing water quality impairments in East Slope and West Slope water bodies." (page 2)
2. "EPA has significant concerns with the reduction in flows to the Colorado River below Windy Gap associated with the action alternatives and cumulative impacts. This significant reduction in flow would impact aquatic ecosystem functioning and could result in unforeseen and irreversible ecological impacts. Further, EPA is concerned that mitigation ... is extremely difficult and perhaps infeasible to offset losses." (page 3)
3. "The growth in the number of water projects in Colorado raises concerns over the sustainability of the current approach to water supply in the western United States. EPA believes that a higher priority should be placed on conservation, efficiency, and reuse, which could result in significant cost efficiencies and result in reduced environmental impacts and energy conservation. EPA believes that all of the communities taking part in the WGFP should be required, before any action alternative is considered, to take part in a number of conservation efforts that would boost the use of existing water supplies before building new infrastructure, dams, and reservoirs." (page 3)
4. "EPA believes other alternatives may exist that are within a reasonable range of alternatives required by NEPA as well as less damaging practicable alternatives required by the Clean Water Act Section 404(b)(1) Guidelines to meet current or future water supply demand." (page 4)
5. "...EPA has rated the DEIS as "Environmental Objections - Insufficient Information" ("EO-2"). The basis for the EO rating is EPA's belief that the action might violate or be inconsistent with achievement or maintenance of the Clean Water Act, e.g., impairment of already impaired waters without assurance of adequate mitigation of these impacts. (page 5)

## II. ALTERNATIVES

### A. Fort Collins Must Evaluate and Implement Alternatives

**Fort Collins has alternatives to WGFP.** Because Fort Collins uses Windy Gap water and trades it with PRPA (and thus that is why PRPA is a participant in WGFP), Fort Collins should fully investigate and implement alternatives to the project rather than support PRPA's expenditure of at least \$19 million of Fort Collins ratepayers' money on WGFP. The water that Fort Collins gets from Windy Gap and sends to ABIB is "reusable water" that allows ABIB to use it in its plant and then rent the treated effluent to farmers east of I-25. Fort Collins' alternatives could be much cheaper than the proposed \$38 million for WGFP which will cost approximately \$9,000 per acre foot (the Halligan expansion, in contrast, is proposed to cost Fort Collins \$3,000 per acre foot; other alternatives such as C-BT carryover, conservation programs, aquifer storage, and gravel pit storage could be even cheaper and less environmentally damaging). Fort Collins' alternatives should include but are not limited to:

- a) Using Fort Collins' current supply of "reusable water" to supply some or all of the water that ABIB and PRPA needs, instead of relying on WGFP.
- b) Buying or leasing additional "reusable water" that can be substituted for the WGFP reusable water. This water could be sent to ABIB, or this water could be traded for single use water through a variety of arrangements using Fort Collins' large surplus water supply. In the last 10 years, Fort Collins has leased to farmers an average of 20,000 acre feet of water per year. ABIB needs 4,200 acre feet. Fort Collins could store its surplus water, and use it to eliminate the need for PRPA to participate in WGFP.
- c) Renegotiating the contract between the City and ABIB. The 30-year contract with ABIB (signed in 1982) is up for renewal in 2012. This contract could be renegotiated such that Fort Collins provides "single use" water to ABIB, rather than "reusable" WGFP water; or Fort Collins finds another arrangement that works for ABIB and its need to lease water to farmers east of I-25. The original contract is here:  
<http://citydocs.fcgov.com/?cmd=convert&vid=4&docid=1445042&dt=RESOLUTION>

Please know that the below-signed environmental groups **fully support** Fort Collins' present and future need to supply water to ABIB, and to all of Fort Collins' current contract customers.

## **B. PRPA Must Evaluate and Implement Alternatives**

**PRPA will need less water in the future.** PRPA relies on a coal-fired power plant, Rawhide Station, to generate the vast majority of its power for its customers in Fort Collins, Longmont, Loveland, and Estes Park. Because America's, Colorado's, and PRPA's energy policies are moving towards a low-carbon future involving cleaner natural gas and renewables and away from dirty and expensive coal power that is a major contributor to global warming, PRPA's water usage will likely decrease over the next few decades. Specifically, PRPA's Climate Action Plan suggests that Rawhide/coal may be used less in the future, which will thus require less water usage (<http://prpa.org/environment/i/capjune2009.pdf>). Additionally, PRPA should focus more on demand reduction which will also reduce energy use and water use in the future.

A more developed analysis of PRPA demand reduction and energy use alternatives can be found in the WGFP DEIS comments by Western Resource Advocates at:

[http://www.usbr.gov/gp/eca/wg\\_comments/1138\\_wra.pdf](http://www.usbr.gov/gp/eca/wg_comments/1138_wra.pdf)

## **C. Other WGFP Participants Must Evaluate and Implement Alternatives**

**The project participants should better evaluate and implement alternatives to WGFP.** The U.S. EPA provided this statement in its review of the DEIS regarding alternatives to WGFP:

"The alternatives evaluated in the DEIS are limited to providing storage or firming for all or a portion of the existing junior water rights of the Windy Gap Firming Project for current and future municipal and industrial supply. EPA believes other alternatives may exist that are within a reasonable range of alternatives required by NEPA as well as less damaging practicable alternatives required by the CWA Section 404(b)(1) Guidelines to meet current or future water supply demand.

These alternatives include, but are not limited to: 1) water conservation including active municipal, industrial (M&I) and agricultural efficiency measures; 2) acquisition of more senior water rights including water rights that have been available to the project proponent since the original Windy Gap Project; 3) agricultural transfers including permanent, interruptible, and rotating/fallowing transfers; 4) use of short-term agricultural leases for immediate temporary water supplies; 5) conjunctive use of surface water and ground water; and 6) M&l reuse, including water rights exchanges, non-potable reuse, and indirect potable reuse. EPA believes a conservation alternative, potentially in combination with other alternatives, would be in the best interests of the communities involved, from both a cost perspective and an environmental perspective.”

A more developed analysis of alternatives to WGFP can be found in the WGFP DEIS comments by Western Resource Advocates at: [http://www.usbr.gov/gp/eca/wg\\_comments/1138\\_wra.pdf](http://www.usbr.gov/gp/eca/wg_comments/1138_wra.pdf)

In summary, we ask that the City of Fort Collins investigate and implements every alternative to PRPA’s participation in the Windy Gap Firing Project. The City is a statewide leader in sustainability efforts, and recently launched its “Utilities for the 21<sup>st</sup> Century” initiative. Such leadership and initiatives require that future water supply planning investigate and implement every alternative to destructive dams and reservoirs as well as alternatives to dirty and polluting coal power. Fort Collins should be a leader in the Clean Energy Economy so that the City and its citizens can better compete in the 21st Century.

We greatly appreciate the opportunity to provide these general comments to the City of Fort Collins, and we greatly appreciate your willingness to listen to our concerns. We support a positive vision for water and energy supply that protects the environment and ratepayers. We look forward to offering insight and assistance as your water and energy supply planning process moves forward. Thank you for considering our comments. Please don’t hesitate to contact us.

Respectfully,

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