

## 1.0 INTRODUCTION

The Powder River Basin (PRB) of Wyoming and Montana is a major energy development area with diverse environmental values. The PRB is the largest coal-producing region in the United States (U.S.); PRB coal is used to generate electricity within and outside of the region. The PRB also has produced large amounts of oil and gas resources. Within the last decade, this region has experienced nationally significant development of natural gas from coal seams.

For the purpose of this study, the Wyoming PRB cumulative effects study area for air quality (**Figure 1-1**) comprises all of Campbell County, all of Sheridan and Johnson counties less the Bighorn National Forest lands to the west of the PRB, and the northern portion of Converse County. It includes all of the area administered by the Bureau of Land Management (BLM) Buffalo Field Office, a portion of the area administered by the BLM Casper Field Office, and a portion of the Thunder Basin National Grasslands, which is administered by the U.S. Department of Agriculture-Forest Service (FS). The Montana portion of the PRB cumulative effects study area for air quality (**Figure 1-1**) comprises the area of relevant coal mines including portions of Rosebud, Custer, Powder River, Big Horn, and Treasure counties. It encompasses the area administered by the BLM Miles City Field Office. State and private lands also are included in the study area.

During the 1970s and early 1980s, the PRB emerged as a major coal production region. Federal coal leasing was a high profile activity as over 90 percent of the PRB's coal is federally owned. The BLM is the lead agency responsible for leasing federal coal lands in the PRB study area. Between 1974 and 1982, the BLM issued three and started a fourth separate regional coal environmental impact statement (EIS), all addressing federal coal leasing and development, as well as other regional development.

In 1982, BLM temporarily halted coal leasing. However, the existing mines continued producing coal, which depleted their leased federal coal reserves. As a result, interest in leasing federal coal to extend mining operations at existing mines in the PRB increased in the late 1980s. There was little to no interest in opening new mines, however, and therefore, there was not enough interest in leasing to justify a regional coal sale. In early 1990, the Powder River Regional Coal Team decertified the Powder River Federal Coal Region, which allowed BLM to begin processing applications by existing mines to lease maintenance tracts of federal coal using the lease by application (LBA) process.

BLM is required to complete a National Environmental Policy Act (NEPA) analysis (EIS or environmental assessment) for each coal lease application as part of the leasing process. In the coal leasing EAs and EISs that have been prepared since decertification, cumulative impacts have been addressed in a separate section of the chapter that describes the expected environmental impacts of the proposed action. This approach was designed to highlight the distinction between site-specific and cumulative impacts.

In the mid-1990s, BLM conducted a study called the PRB Coal Development Status Check (Status Check) (BLM 1996). The purpose of the Status Check was to compare actual cumulative development in the PRB with the levels of cumulative development that were predicted for 1990 and 1995 in the regional EISs discussed above. At the time the Status Check was prepared, the actual levels of cumulative development generally were within the levels that had been predicted.

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BLM continued updating key portions of the Status Check and used the results in the cumulative impact section of the coal-leasing EAs and EISs. The Status Check updates indicated that the actual levels of coal development and associated impacts began to approach the predicted levels in the late 1990s. Around that same time, impacts related to oil and gas development began increasing due to the development of coal bed natural gas (CBNG) in the PRB.

BLM prepared the Wyodak EIS (BLM 1999) and PRB Oil and Gas EIS (BLM 2003) to address the impacts of projected CBNG development in the Wyoming PRB. Modeling was used to quantify potential cumulative impacts to air and water resources in these two EISs. Surface coal mining operations in Montana and Wyoming were included in the modeling analyses as reasonably foreseeable, non-project sources of impacts. For these analyses, future levels of coal development were estimated using market demand projections. BLM used these cumulative impact analyses in the coal leasing EISs as well as in the CBNG EISs.

In early 2003, BLM completed a study of PRB coal demand through 2020 (Montgomery Watson Harza 2003). The study projected production to increase at a steady pace with current mines able to meet the demand as long as the existing mines continue to have access to additional coal reserves; therefore, the need for leasing using the LBA will continue into the foreseeable future. As part of processing these LBAs, BLM will include a current cumulative impact analysis as part of the NEPA analysis. An initial step in that direction is this PRB Coal Review, which includes the identification of current conditions (Task 1 reports), identification of reasonably foreseeable development (RFD) actions and future coal production scenarios (Task 2 report), and predicted future cumulative impacts (Task 3 reports) in the PRB.

The Task 2 component of the PRB Coal Review defines the past and present development actions in the study area that have contributed to the current environmental and socioeconomic conditions in the PRB study area. This report also defines the projected RFD scenarios in the Wyoming and Montana PRB for years 2010, 2015, and 2020. For the Wyoming PRB, the past and present development and RFD scenarios include coal mine development as well as coal-related activities (i.e., railroads, coal-fired power plants, major transmission lines, and coal technology projects) and non-coal-related activities (i.e., other mines, CBNG, conventional oil and gas, major transportation pipelines, and key water storage reservoirs). Coal mine development and coal-related activities in the Montana PRB study area are included in this study to provide the basis for the analysis of cumulative air quality impacts and to facilitate the concurrent development of the Miles City Resource Management Plan. The past and present activities identified in this report are based on the most recent data available at the end of 2003 and provide the basis for the resource-specific descriptions of current conditions presented in the PRB Coal Review Task 1 reports.

The RFD scenarios presented in the Task 2 report provide the basis for the analysis of potential cumulative impacts in the Task 3 component of the study. The accuracy of any projected cumulative impact analysis is dependent on the adequacy and accuracy of information regarding potential future development activities in the affected area. While it is impossible to identify all potential future activities over the next 15 years, it is possible and desirable to identify reasonably foreseeable future actions based on current industry announcements, agency plans, economic trends, and technological advances affecting major industry sectors. Information regarding potential new development is constantly changing; however, to facilitate development of the information in this study, the RFDs identified in the Task 2 report reflect information available through the end of 2004.

The past and present actions in the Task 2 report were identified based on information in existing NEPA documents on file with federal and state agencies, and the Coal Development Status Check (BLM 1996). The RFD scenarios in the Task 2 report were developed based on recent information that identifies proposed and anticipated development in the PRB, including NEPA documents; various other technical reports and studies; federal, state, and local (county) agency management plans; and permit applications. The specific development scenarios and development activities identified in these sources were assessed as to their current status prior to inclusion in the RFD scenarios for the PRB Coal Review. In addition, potential additional projects were identified through interviews with agency and industry representatives, review of published news articles and trade publications, and discussions with community leaders.

The identified RFD activities subsequently were evaluated as to their probability for occurrence. Due to the lack of detailed information for many developments beyond the next few years, the degree of uncertainty associated with the predicted developments and trends increases as the timeframe extends further into the future.

For each of the past and present and RFD projects and activities, project-specific impact-causing parameters (e.g., disturbance acreage, emission levels, employment levels, etc.) have been compiled from the sources identified above. Where specific information was unavailable, assumptions were developed and included based on typical industry-specific standards, permit criteria for similar existing industries, and professional judgment. This information is summarized in the Task 2 report.

In order to account for the variables associated with future coal production, two detailed coal production scenarios (reflecting upper and lower production estimates) were projected for this study to bracket the most likely foreseeable regional coal production level and to provide a basis for quantification of related impact-causing parameters. These future production levels were derived from the analysis of historic production levels and current PRB coal market forecasts, public and private information sources, and input from individual PRB coal operators and are summarized in the Task 2 report.

## 1.1 Objectives

This PRB Coal Review is a regional technical study to assess cumulative impacts associated with past, present, and RFD in the PRB. The PRB Coal Review:

- Describes past and present development activities in the PRB that have affected the environmental conditions in the study area;
- Describes the current environmental conditions in the study area and compares these conditions to the conditions described in the BLM's Coal Development Status Check (BLM 1996), as applicable;
- Estimates RFD in the study area through the year 2020, based on available information; and
- Estimates the environmental impacts associated with RFD through the year 2020.

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The PRB Coal Review will provide data, models, and projections to facilitate cumulative analyses for future agency land use planning efforts and for future project-specific impact assessments for project development in compliance with NEPA. The PRB Coal Review is not a NEPA document or a policy study, or an analysis of regulatory actions, or an analysis of the impacts associated with the development of a specific project or projects in the PRB.

This report summarizes Task 3A of the PRB Coal Review, a description of predicted future cumulative air quality impacts associated with RFD activities in the Wyoming and Montana PRB cumulative effects study area. Air quality impacts were assessed in both Wyoming and Montana and at individual sensitive receptor areas. The impacts were evaluated for the same receptor set that was used in the Task 1A Report for the PRB Coal Review, Current Air Quality Conditions (ENSR 2005b), using the same dispersion model and the same technical input data. The only difference between the modeling for the base year (2002), and for the results presented here, would be due to the projected change in emissions from the identified RFD activities.

The PRB Coal Review Task 3 descriptions of predicted cumulative impacts for water resources, social and economic conditions, and environmental resources are presented in separate stand-alone reports.

## 1.2 Agency Outreach, Coordination, and Review

The BLM directed the preparation of this PRB Coal Review. In order to ensure the technical credibility of the data, projections, interpretations, and conclusions of the study and ensure the study's usefulness for other agencies' needs, the BLM initiated contact with other federal and state agencies early in the study. This contact included meetings, periodic briefings, and written communications.

The BLM conducted an agency outreach program to solicit input from other agencies relative to their:

- Interested role and level of involvement in the study;
- Available data for use in the study;
- Input to the technical approach for resource evaluations; and
- Review of project deliverables.

As part of this agency outreach and technical oversight, the BLM organized technical advisory groups. These groups were composed of agency representatives and stakeholders with technical expertise in the applicable resources. Participating agencies relative to air quality included the BLM; Wyoming Department of Environmental Quality (WDEQ); Montana Department of Environmental Quality (MDEQ); U.S. Environmental Protection Agency (USEPA); National Park Service; and FS.

## 1.3 Methodology

The study included evaluation of impacts at all receptor groups on ambient air levels of nitrogen dioxide (NO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>), particulate matter with an aerodynamic diameter of 10 microns or less (PM<sub>10</sub>), and selected hazardous air pollutants (HAPs). The HAPs were evaluated at the near-field receptors in Montana and Wyoming, but not at the sensitive receptor areas. At the

sensitive receptor areas, impacts on visibility and acid deposition also were evaluated. The study evaluates the changes in impacts for each of these fields for the projected levels of development.

Impacts of HAPs were evaluated only for near-field receptors, because the areas nearest to the sources would have the maximum impact. Impacts at the more distant sensitive receptor areas were deemed to be well below those at the near-field and well below any applicable threshold concentration. There are no special thresholds for HAPs that apply to Class I or sensitive Class II areas. Impacts on visibility and acid deposition were provided for all the sensitive areas identified by the stakeholder group. The near-field analysis was aimed at evaluating impacts at non-sensitive receptors near the sources in the study area.

The study first included development of emission rates and emission factors, or increases in emissions, for each of the source groups. Emission rates were developed with available technical information, as no specific permit application or other site-specific document was available to determine the expected emissions. The Task 2 Report included the projected increases in production or operation for a series of source groups. For the Task 3A analysis, emissions for most groups were increased by a ratio that was calculated using production data for the proposed development level divided by the production data for the base year.

The study modeled air quality impacts only for 2010, but it included analysis of two separate levels of development for that year (lower and upper production scenarios). Impacts for 2015 and 2020 were based on a qualitative evaluation of the anticipated change in emissions, using the modeled impacts related to the 2010 development scenarios. During development of the approach for the air quality analysis for this study, it was determined that the production estimates for 2015 and 2020 were very qualitative, and, as a result, that a detailed quantitative modeling analysis of these years would not provide sufficient value to the project results.