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COAL

New Powder River Basin mine inches closer to opening

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A surface coal mine in Wyoming's Powder River Basin. Ramaco Carbon LLC is aiming to open a new coal mine in the area. Jim West imageBROKER/Newscom

A coal company is a step closer to opening a new mine in Wyoming despite the resource's financial woes in the state.

The coronavirus pandemic has dealt a severe blow to coal mining, especially in Wyoming and Montana's Powder River Basin, a region that produces 40% of U.S. coal. Wind, solar and cheap natural gas were already creeping into coal's share of the power market when the pandemic drove down demand for electricity.

Leading Powder River Basin producers Peabody Energy Corp. and Navajo Transitional Energy Co. laid off 300 mine workers last month. Decker Coal Co. furloughed another 98 on Monday. But Kentucky-based Ramaco Carbon LLC is betting that the first new coal mine in Sheridan County, Wyo., in 50 years will be a success.

Most thermal coal mined in Wyoming is packed onto trains and sent to power plants, but Ramaco plans to use it as feedstock for research and manufacturing coal products. The prospect of creating strong, lightweight carbon fiber to make products, including vehicles, could lead to a "coal to cars" revolution, Ramaco says.

"This permit is potentially the future of coal. Coal tech," said Tom Sansonetti, an attorney for Ramaco Carbon, at an informal virtual conference yesterday held by the Wyoming Department of Environmental Quality.

Ramaco envisions a vertically integrated coal campus including a research facility and a manufacturing center supported by the proposed Brook mine.

The mine site is located on privately owned land about 9 miles north of Sheridan near the Montana border. Using surface and highwall mining techniques, the Brook mine would produce 100,000 tons in its first year, growing to more than 17 million tons of coal over the mine's 39-year life span. The region routinely produces more than 300 million tons each year.

Ramaco Carbon CEO Randall Atkins has long lobbied for coal-to-products research as vice chairman of the National Coal Council, a Department of Energy advisory committee ([Greenwire](#), July 31, 2017).

He is also chairman of publicly traded metallurgical coal producer Ramaco Resources Inc., a recent recipient of an \$8.4 million Paycheck Protection Program loan.

DOE has awarded Ramaco Carbon numerous grants for coal-to-products research, including a \$5 million "Coal to Cars" project with its partner the Western Research Institute.

While Atkins said the initial plan for Brook mine was to sell coal to utilities, his latest mantra is "Coal is too valuable to burn."

Ramaco is working with DOE's national labs in Pittsburgh and Knoxville, Tenn., to make technological breakthroughs on coal building materials including carbon fiber and graphene. Atkins said the company is about two years away from developing marketable prototypes and making coal into products a viable business.

"In many cases where we think we can use coal, it will be a much smaller proposition of the overall cost structure of that product, so as a result, we think it could be sold for a much higher price," he said.

Skeptical landowners

The Brook mine proposal has roused staunch opposition from local landowners, hydrologists and a rival coal company. Many of them testified against the Brook mine application at yesterday's virtual conference.

The Tongue River Water Users Association fears the mine's water consumption of 300,000 gallons a day could diminish supplies of an already scarce resource.

Mary Brezik-Fisher is one of more than 100 landowners within a half-mile of the mine site in the Tongue River Valley. She worries that the mine will cause air and water pollution and property damage from blasting and sinkholes. But mostly she wants Ramaco to sit down with residents to answer their questions.

"They have made a concerted effort to thwart any attempts made by landowners to question their proposed plan," Brezik-Fisher told the DEQ panel yesterday. "Instead of having a meeting where questions and concerns could be expressed, the landowners were forced into a litigious contested case proceeding."

Atkins denied the claim. He said Ramaco had a community outreach program that would meet with about 25 residents several times a year. Atkins did not participate in yesterday's conference.

Ramaco first submitted the application in 2014, when the floodgates opened to intense scrutiny. The application has gone through 12 rounds of review since that year.

The state Department of Environmental Quality initially found the application sufficient but a separate regulator, the Environmental Quality Council, found numerous gaps and overruled the decision.

Ramaco took the issue to Laramie County District Court, which ruled in favor of the company. The ruling handed permitting power back to DEQ. Department Director Todd Parfitt has 60 days from yesterday's conference to make a final decision.

Shannon Anderson, an attorney with the landowner group Powder River Basin Resource Council, said it might be the most heavily reviewed coal mine application in the nation's history.

"It's been through the wringer," Anderson said. But "they haven't invested in putting together a permit application that properly considers the complex hydrology of the area, the risk of subsidence and the potential impacts to landowners," she said.

Gillian Malone said the Tongue River Valley's premier outdoor recreation is the reason she got involved in the discussions. She told DEQ yesterday that she fears the mine could disrupt hunting, fishing and boating there. She also cautioned the panel.

"The last thing we need right now is another failed coal mine in Wyoming," she said.