

## **Colorado State Freight and Passenger Rail Plan**

### **Coal Industry Stakeholders Meeting Notes – August 22, 2011**

CDOT State Freight and Passenger Rail Plan Project Manager Mehdi Baziar called the meeting to order and thanked every for attending and participating. Mehdi asked those in attendance to make self introductions (sign-in sheet attached).

Randy Grauberger, Parson Brinckerhoff's Deputy Project Manager for the SFPRP, provided a brief PowerPoint presentation highlighting state rail planning requirements and the consultant team's scope of work in completing this 12-month-long project for CDOT.

Evan Kirby, of Felsburg Holt and Ullevig, a sub-consultant on the project, next provided an overview of several pieces of data regarding the transportation of coal by rail in Colorado. Evan noted that CDOT has received the Waybill sample data from the Surface Transportation Board and that the consultant team will be evaluating that data in the near future as it relates to rail freight movement in and through the state.

Following these two presentations the meeting was opened up to a discussion of the issues related to the rail transportation of coal in the state as well as rail-related service issues. The following comments were made:

- Tom Canter of the Coal Transportation Association noted that he was concerned about how the Plan will address the future of coal transportation in the state.
- The ColoWyo coal mine ships only to the Tri-State generating plant in Craig (roughly 30 miles).
- Colorado Springs Utilities is currently utilizing about 25% of its two million tons of coal per year from Colorado mines. The rest is Powder River Basin coal and Colorado Springs Utilities will be moving to 100% Powder River Basin coal in the future.
- Utilities own and maintain their own fleets of cars (approximately 90 % of all coal cars) and the railroads provide the locomotives and train crews. Colorado Springs is leasing two sets of coal cars.
- The Denver Cherokee Station will be converting from coal to natural gas.
- Clean coal technology is essentially coal gasification and/or carbon sequestering.
- The re-opening of Tennessee Pass would be a big benefit to coal producers in Gunnison and Delta counties (on the North Fork of the Gunnison River).
- Flooding in the Midwest has forced the railroads to use Colorado's Front Range corridor for many coal moves that traditionally go through the Midwest.
- Any projects improving capacity would benefit coal transportation in Colorado.
- The coal industry is not expected to receive any benefits from Positive Train Control (PTC) technology that the railroads have been mandated to install. A better technological

improvement for the coal industry would be electronically controlled pneumatic brakes. These are currently being utilized in South Africa and Australia. These would cost approximately \$4,000 per coal car and \$40,000 per locomotive. These improvements help quicken movements in and out of sidings and could provide an overall 10% reduction in round trip travel time.

- An average of \$20-\$30 million of mineral severance taxes from Colorado coal production goes to Colorado schools yearly.
- Colorado Springs pays a “car tax” to both Wyoming and Nebraska for its coal cars moving through those two states.
- The coal contracts between the utility and the railroads to transport coal are no longer 20-year contracts; a three-year contract is now considered a good contract.
- The three electricity generating units at the Drake plant in Colorado Springs are 40 and 50 years old. The Nixon Plant south of Colorado Springs is 40 years old.
- Colorado is required to consume 30 % of its energy from alternative energy sources by 2020; California is required to use 33% by 2020.
- The Cline Mining Company expects to open the New Elk Mine (west of Trinidad) and have initial levels of production of 3 million tons annually beginning in 2012. The group believed that this coal will be put on trucks instead of rail.

Sign in sheet

8/22  
Coal Industry meeting

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