

REQUEST FOR PROPOSALS

Pathways to Reuse for Wyoming's Coal Industry Infrastructure

Background

The Nature Conservancy (TNC) is a global conservation organization dedicated to protecting the lands and waters on which all life depends. Guided by science, we create innovative, on-the-ground solutions to our world's toughest challenges so that nature and people can thrive together. We are tackling climate change, conserving lands, waters and oceans at unprecedented scale, providing food and water sustainably and helping make cities more sustainable. Working in all 50 states and 79 countries, we use a collaborative approach that engages local communities, governments, the private sector, and other partners.

Introduction

Wyoming's coal industry has flourished for decades and boasts an impressive array of infrastructure in the state. There are between 20-30 major industrial sites associated with coal mining and coal-fired power generation in the state. Each of these sites contains \$10-100 million in infrastructure investment, including rail access, loadout facilities, large fabrication buildings, offices, high voltage power lines and substations, water infrastructure, sewer services and more. These sites represent thousands of jobs and the revenue they produce is taxed to provide a significant part of the Wyoming state budget.

But Wyoming coal production has dropped 40% (WYEAD) in the last 6 years, and the country (over 90% of WY coal is exported) is predicted to lose another 6% of coal-fired generating capacity in 2022 (USEIA), which holds steady with the historical trendline. According to the Rocky Mountain Institute, 79% of the coal-fired generating units nationally are uncompetitive with the wholesale energy market. These trends are part of the nationwide transition away from thermal coal due to market competition from natural gas and cheap renewables, renewable energy portfolio mandates and emission reduction goals.

Pacificorp is the parent company of the largest utility in Wyoming, Rocky Mountain Power (RMP). They publish a biennial Integrated Resource Plan: their most recent has Wyoming's last RMP-owned coal-fired generating unit retiring around 2040, with most retiring several years before that. Wyoming's 15-20 coal mines do not have set dates for closure, but the timeline is likely to be similar as their markets disappear.

Current reclamation plans (generally speaking) for Wyoming's coal industry sites would demolish all infrastructure and return sites to grassland for livestock grazing and wildlife habitat. This would represent a missed opportunity for the state to repurpose existing assets and utilize the in-place workforce, who have institutional knowledge of the facilities and will be in need of new vocations.

Once these sites are fully reclaimed, they are unlikely to be targeted for new development due to legacy liabilities and geotechnical issues of new construction. New industrial facilities that could have repurposed these sites would then likely be constructed on greenfield sites elsewhere, leading to unnecessary impact to landscapes and wildlife across the state and country.

Along the same timeframe that these coal industry sites are likely to be abandoned, solar and wind energy are projected to see a tenfold increase in generating capacity on RMP's grid (there is significant overlap between RMP's grid and the state's coal sites). The sites represent an opportunity for low-

impact development of the utility-scale renewable energy facilities that Wyoming will need going forward. In addition, renewable energy facilities, and solar in particular, do not exclude other uses of these sites, and in fact, having zero-carbon energy generating capacity on site is often a great attractant for other types of economic investment.

The Department of Energy and other federal agencies are investing in the development of a variety of new clean energy technologies including carbon management, hydrogen, nuclear, batteries and advanced manufacturing, many of which are an excellent fit for Wyoming. The state government is similarly courting new energy technologies to diversify and strengthen the state's economy. These coal industry facilities represent near-ideal locations for the development of pilot projects, demonstration sites, and 'Energy Hub' type clean energy facilities.

Re-use of these coal industry sites will provide displaced workers with new jobs, the state and county governments with new revenue, will diversify the state's economy, will reduce impact of development on Wyoming's landscapes and will reduce reclamation costs for coal industry companies closing their operations.

TNC believes that the state is better served reusing these infrastructure assets for new industrial purposes, and that study of the opportunities and challenge involved is warranted. To inform this process TNC seeks a consultant to develop a report that would inventory these industrial sites, explain the opportunity, and examine possible pathways forward.

Scope of Work

The objective of this work for the selected team (hereafter '**Consultant**') to support TNC (hereafter '**Owner**') by delivering the following completed tasks:

- 1) **Inventory & Valuation:** Create a complete list of the relevant* coal industry sites in Wyoming, their relevant characteristics (e.g. topography, wind or solar resource value, high-level screening of geologic carbon storage potential, access to transmission & pipelines, conservation value), and any announced closure timelines. Create a catalogue and high-level valuation of the infrastructure assets on each site. Land ownership and existing post-mining use agreements should be recorded here as well. This process should involve meeting with current site owners and/or their industry groups.
[*Relevant sites are large industrial facilities in the thermal coal industry, specifically mines and power generation facilities]
- 2) **Prior Projects:** Analyze and describe previous examples of energy development on mine lands (for example: Rolling Hills, Glenrock and Cedar Springs III wind developments) as case studies. Out of state examples are also welcome. The purpose of this section is to highlight successful mine-land-reuse projects and to explore the problems and solutions they experienced.
- 3) **Pathways:** An exploration of policy and programmatic pathways to preservation of these infrastructure assets. The current structure of the Office of Surface Mining's (OSM) and Wyoming Department of Environmental Quality's (WYDEQ) reclamation and bonding procedures rightly incentivizes return of the sites to pre-mining use. This represents a challenge to their reuse for new industrial purposes. Liability concerns, bonding transfers, and the extension of reclamation dates into the future need to be examined. Good

examples to draw from include the EPA's Re-Powering Program, NYSERDA's Build Ready Program and TNC's own projects putting solar on mine lands in Appalachia.

- 4) **Funding and Partnership Opportunities:** A section of the report should identify and discuss opportunities for the re-purposing of these sites. This should include highlighting the Office of Clean Energy Demonstration, an overview of industries for which Wyoming may be uniquely attractive (direct air carbon capture, carbon manufacturing, hydrogen production), and suggesting a plan for alternative development as a default use of closing facilities. This section of the report should also discuss possible funding options for these industries and projects, and suggest possible partners where appropriate.
- 5) **Discretionary tasks:** This section is included to contain areas of important analysis that the **Consultant** identifies during the course of writing the proposal or completing contracted work. Funds allocated to this task shall be utilized at the sole discretion of the **Owner**.
- 6) **Meetings:** The **Consultant** shall organize and hold no less than four (4) project meetings, to include an initial scoping meeting, two project updates, and a final report delivery/presentation meeting. The project meetings may be held remotely if deemed appropriate by **Owner**.

The above tasks shall be delivered to the **Owner** on or before the **Project Deadline** (see below) in the form of three (3) hard copies of the report and three (3) digital copies delivered in pdf or equivalent format on a digital storage medium (i.e. flash drive).

Schedule

May 13, 2022: Proposal due

May 23, 2022: Consultant selected

June 1, 2022: Contract paperwork completed and signed, notice to proceed issued

Week of June 6-10, 2022: First core team meeting

November 11, 2022: Project deadline

Information for Consultants

Proposal Requirements: In order to be considered, the proposal must include the following elements:

1. Qualification – Applicants must describe: (1) Knowledge and experience in documenting infrastructure assets and estimating valuations, analyzing complex budgets and distilling information, performing high-level risk analysis and identifying opportunities and co-benefits. (2) Experience with preparing complex reports, performing literature research and conducting meetings and interviews with diverse stakeholders to acquire data and insight.
2. Budget & Payment Terms – The Nature Conservancy has budgeted an amount not to exceed \$65,000 for this project, with an additional \$10,000 as a discretionary use fund. Proposals in excess of these amounts will be considered non-responsive and will not be

evaluated. Applicants must submit a total project budget. The overall budget also must be broken down into the specific work tasks (i.e., a cost for completing each task listed in the Scope of Work should be assigned). TNC will not be responsible for expenses incurred in preparing this proposal and such costs should not be included in the project. Typical payment terms are monthly invoices, with final payment held until all deliverables are submitted to TNC. If the typical terms are not acceptable, the applicant should provide their requested payment schedule and a justification.

3. Conflict of Interest Disclosures: To ensure that TNC lives up to its high fiduciary obligations and operates in compliance with its highest corporate value: “Integrity Beyond Reproach,” it maintains a rigorous conflict of interest policy. In order to eliminate any conflict of interest or perceived conflict of interest, it is necessary for each interested contractor to disclose names and information in accordance with the attached Conflict of Interest Disclosure Form. Applicants should state in the proposal whether the team members have any potential conflicts of interest. The successful team will be expected to complete and sign the Conflict of Interest Disclosure Form.

Evaluation of Proposals: TNC will evaluate all proposals and select an individual or team. To be eligible for review, proposals must be complete and received by the 5 pm MST on the due date. Proposals will be evaluated and ranked using the following selection criteria:

1. Qualifications: Evaluation will be based upon the qualified personnel and their knowledge and level of experience associated with the requirements above and their availability to perform work on this contract.
2. Fee: Cost of proposal elements relative to other selection criteria. Please break total Fee down by each task listed in the Scope of Work.

F. CONTACT INFORMATION

For any questions regarding this RFP, please contact:

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