

**Testimony of Ann T. Donnelly, Ph.D., 4305 Oregon Drive Vancouver WA 98661,**

**360-921-1281 (cell), October 20, 2016**

I am writing to support the Millennium Bulk Terminal, submitting my comments on line as I will be out of town during the hearing in Vancouver, Washington. My perspective is as a taxpayer and community leader for Vancouver since 1988, where I have served on such as boards as the Fort Vancouver Regional Library, Clark College Foundation, and currently several boards of organizations serving and advocating for the mentally ill and their families.

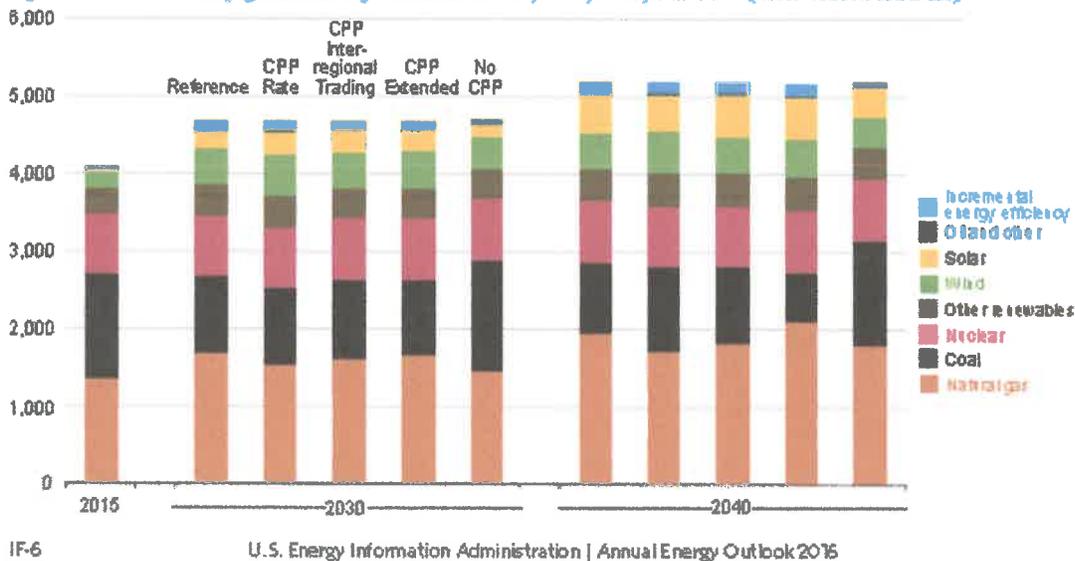
Furthermore, I speak as an expert in the energy field. I hold a Ph.D. in Geology and have worked with energy organizations as a management consultant for several decades, helping utilities and large energy users to plan energy sources cost effectively and sustainably. I am experienced in the field of Integrated Resource Planning (IRP), a planning process by which utilities, jointly with stakeholders, develop the optimum portfolio of resources to provide long-term for their customer needs. I have served on the study teams for such studies on numerous occasions. My energy analysis clients in the Northwest and Western U.S. have included Bonneville Power Administration, Northwest Natural Gas, Puget Sound Energy, California Energy Commission, Washington State University, Portland Public Schools, and many others. . (My resume is available on linkedin.com under Ann T. Donnelly.)

I am supporting the Millennium Bulk Terminal for the following principal reasons:

- The well-being of our U.S. coal industry is very important to the entire U.S. We are all dependent upon coal for a portion of our electricity needs. Coal provides cost-effective and reliable fuel for power plants, resulting in baseload power that is not intermittent such as solar or wind, and not specific to particular locations such as geothermal. Energy efficiency and demand side management are preferred but do not always provide for growth of the power requirement in a given region, and they may be very expensive. Nuclear and hydro are also baseload resources but are not available in every region. The Pacific Northwest is nearly unique in having substantial hydro, great wind resources, nuclear as well as excellent gas pipeline availability, but many regions do not.

Under the latest modeling by the Energy Information Agency for the entire U.S., coal will provide a substantial portion of the nation’s energy portfolio at least through the current planning horizon (2040) (See the black-colored component of the below bar graph comparison of EIA scenarios.) For those who oppose fossil fuels, it is notable in this chart that in all scenarios, fossil fuels (coal and natural gas) make up roughly 50% of requirements under all scenarios. This does not mean that renewable sources are not important. It just emphasizes that coal and fossil fuels are essential.

Figure IF1-3. Electricity generation by fuel in five cases, 2015, 2030, and 2040 (billion kilowatt-hours)



IF-6

U.S. Energy Information Administration | Annual Energy Outlook 2016

2. In addition to being important domestically, our coal supplies are essential to developing societies overseas (in Asia, in the current example of MBT). The latest analysis, International Energy Outlook, (May 2016) (Reference Case scenario) by the Energy Information Agency (EIA) projects that coal will remain the second large global energy source through 2030 (behind petroleum and petroleum products) and that from 2030 through 2040, it is the third-largest energy source, behind both liquid fuels and natural gas. The largest consumers are China, the U.S. and India, amounting to 70% of world coal use. The Pacific Northwest is thus ideally situated as an export point for coal to this long-term market, where impoverished people with urgent needs for water and electricity (and water requires electricity) can benefit uniquely from coal, with its ease of transport and non-intermittent characteristics, in addition

to cost-effectiveness in comparison to other sources. It is essential that our coal industry be able to transfer its badly needed product to the people who need it in China and elsewhere. U.S. coal producers, who produce coal under the most environmentally beneficial regulations in the world, are in competition with other international coal sources, such as Australia and Indonesia, as well as China and Indian domestic supplies

3. It can only help all of us not to help our coal industry's competitors. It behooves us to assist our own coal industry to achieve a competitive delivered cost in the marketplace, by working with coal developers on a sustainable and environmentally friendly bulk export terminal. In Australia and Indonesia, those coal industries are doing all they can to win out over U.S. producers. We have an interest in promoting our own national industry because it is a significant employer in the 25 states that produce coal. We want to help our coal industry in this regard not only for humanitarian reasons (not wanting to see our fellow citizens suffering under unemployment) but also for economic reasons. The societal cost of large-scale unemployment and potential retraining within such a widespread and consequential industry is very large.

3. The MBT got a favorable review from the U.S. Army Corp of Engineers in late September, with some concerns mentioned such as train noise and rail traffic in some neighborhoods. The study stated the effects on Native American fishing areas and the proliferation of coal dust were less significant. Therefore, it appears that concerns outlined in the USACE study can be mitigated. The terminal can be developed and operated sustainably and safely with acceptable environmental impacts that can be managed.

4. If not exported from Longview, this coal can and will be exported from British Columbia, as discussed in the Columbian on October 14 ("Coal Company Shifts to Canadian Port to Ship to Asia."). Therefore, if opponents of the coal industry and of coal production generally believe opposing this terminal will shut down coal production, it will not. British Columbia labor unions and economic development experts will be pleased to see the business shifted to them.

5. We need these long-term, family-wage jobs. As editorialized in The Daily News on October 12, "almost eight years after the recession, the state of Washington continues to suffer

economically. According to the U.S. Bureau of Labor and Statistics, Washington is currently ranked 42<sup>nd</sup> among states in unemployment... Locally, the Cowlitz County unemployment rate is 7.6 percent, which ranks us 31st out of the state's 39 counties — ouch...In 1990, the average hourly private sector wage (adjusted for inflation) in Cowlitz County was \$22.27, while the state average stood at \$22.36. Twenty five years later, Cowlitz County has been left behind. According to the state, from 1990 to 2015, the average hourly wage rate in Cowlitz County grew 17 percent to \$26.08, while the state average increased 47.5 percent to \$32.98. Clearly, the state experienced decent hourly wage growth while Cowlitz County did not.”

6. Our state's ports, a vital component of our state's economic health, are facing increased competition. The challenges are summarized in the Washington Maritime Federation's October 2016 study “Unleashing Washington's Maritime Potential: Identifying Challenges to Port Competitiveness and Recommending Solutions.” Building MBT will help our state's port to maintain competitiveness vis a vis British Columbia. I recommend that everyone commenting upon MBT read this new study to understand the challenges our ports face.

7. In summary, our nation's essential coal industry needs this export terminal to serve a very large market in Asia, where it is competing with other countries' coal industries. Defeating this project will not achieve any good purpose. The coal industry has a long-standing right to use the railroads. If not in Longview, export will just take place from British Columbia. The terminal can be built and operated safely and issues identified by the Corps of Engineers can be mitigated. The State of Washington, Cowlitz County, and Longview need the good jobs this project will provide. Our state's ports, such as Longview, must compete well or face increasing challenges, and possibly losses to British Columbia.



Vancouver WA 98661



Postnet  
Portland PNDIC 05 97389  
FRI 21 OCT 2016 PM



Millennium Buck Terminals - Logview NEPA  
EIS

% ICF International  
710 Second Avenue Suite 550  
Seattle WA 98104