

## Natural Gas and Resource Development

*The Denali Borough is rich in natural beauty and natural resources. It is a vast borough, where we can have both the best places in the world to live and visit and thriving resource-based industries. However, we cannot have them in the same place.*



Natural resource development has been an important part of the Denali area since European-Americans first explored. Gold and silver mining brought settlers to the Kantishna Hills, Dunkle Hills, and Cache Creek areas among others. Coal mining has been the dominant industry in the Healy area for decades. The Denali Citizens Council recognizes the importance of the resource extraction industries to the State of Alaska and to our local area. However, resource extraction is an industry, with noise, toxins, and landscape disruptions that are incompatible with residences, habitat protection, and the natural beauty that tourists come to Alaska to see. The burning of fossil fuels produces environmental toxins and greenhouse gases. Separating resource extraction from lands that are ideal for other uses is essential for long-term environmental and economic health.

### Natural Gas Exploration

DCC disagrees with the unreasonable conclusions of the state's [Best Interest Finding for the Healy Basin Gas-Only Exploration License](#), which allows the Usibelli Coal Mine to explore for natural gas on 208,000 acres in the northern Denali Borough including the areas around Healy and Ferry and the eastern Wolf Townships adjacent to Denali National Park. DCC strongly believes that gas exploration and development are inappropriate in settled areas and areas important for tourism, and would like to see development restricted to the east side of the Nenana River. Stringent mitigation measures are needed to protect fish and wildlife habitat and the quality of life of residents wherever development takes place. DCC has challenged the Best Interest Finding in court and is preparing to assist landowners and others in dealing with the impacts of any eventual gas development.

### Healy Clean Coal Project (Healy 2)

DCC believes that utilizing coal to produce electricity should be at best a short-term solution to the Railbelt's energy needs. Coal is one of the worst fossil fuels for the production of air pollutants hazardous to human and environmental health, as well as the greenhouse gas carbon dioxide. Healy 2 poses a significant risk to Denali National Park's Class I airshed. We would prefer that the plant have a finite life expectancy if it goes into operation. If it does operate, we believe it should be required to install state-of-the-art pollution control

equipment. We support the 2012 consent decree reached between the U.S. Environmental Protection Agency and Golden Valley Electric Association which mandates appropriate pollution control technology, although the decree is lacking in that it does not include a designated shut-down date.

### **Coal Mining**

The Usibelli Coal Mine has operated for decades on state leases east of the Nenana River. Mining coal, even if done to the highest standards, irreparably changes the landscape, creates hazards at the site of the mine, and produces water and air quality damage not only at the mine site, but during transportation, storage and shipping. The burning of cheap coal locally for home heating compromises local air quality. DCC believes that for whatever time coal is mined in the Denali Borough, the most stringent standards for environmental quality and health must be practiced, with an eye to the eventual transition to cleaner resources. DCC accepts coal mining as an appropriate means of developing lands designated for that use in the *Yukon Tanana Area Plan*.

### **Underground Coal Gasification**

The Australian company Linc Energy has acquired exploration rights for underground coal gasification (UCG) project on Alaska Mental Health Trust Authority lands in the Denali Borough. DCC is observing implementation of this new technology, noting that it has not been proven safe, environmentally sound or economically practical. During any UCG exploration in the Denali Borough, all activities must be conducted with the most stringent environmental protections.

### **Alaska Stand-Alone Pipeline**

The Alaska Natural Gas Development Authority (ANGDA) is pursuing a project to build a small-diameter pipeline from the North Slope oil fields to Southcentral Alaska, to provide gas to Fairbanks, Anchorage, the Kenai, and the Matanuska-Susitna valley, for use both in electric generation and heating. DCC opposes construction of ASAP, which offers no obvious benefit to local residents but introduces new hazards and disruptions to private property and recreational areas along the route. A gasline should more appropriately follow the existing Trans-Alaskan Pipeline Corridor to Valdez to maximize benefits and minimize costs. If ASAP is constructed, DCC is concerned about the proposed routing for the project, which mostly follows the Parks Highway but deviates to cross Montana Creek and the Yanert and follows the Inner Tie to rejoin the highway near Carlo Creek. This routing would potentially disrupt classic views of the railroad trestle and Montana Creek from Government Hill, on the park road inside Denali National Park. It would also potentially open access to the undeveloped Montana Creek area. DCC supports Senator Lisa Murkowski's legislation authorizing the alternative routing through the park alongside the Parks Highway.

### **Susitna-Watana Dam**

This proposed dam is outside of DCC's immediate area of concern, although its impacts do extend into the broader Denali ecosystem and Denali Borough community. The Denali Citizens Council is concerned that any energy project in the greater Denali ecosystem does not impact wildlife. DCC also believes that any project must be planned so that development within the Denali Borough proceeds thoughtfully so that the qualities making the Borough a great place to live, work, and visit are retained. Finally, DCC is interested in ensuring that the most sustainable, least polluting, and least land-intensive solutions are deployed to meet the energy needs of the Denali Borough and the Railbelt. We are concerned that the tremendous environmental and economic costs of the project are likely not justified by the amount of power to be produced.