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The troubles with Thompson River

by Alex Sakariassen

Back in 2009, the Thompson River Power Plant in northwestern Montana landed a \$6.5 million grant from the federal government, part of a renewable energy component to the American Recovery and Reinvestment Act. Talk had circulated for years about turning the coal-fired plant into a wood-fired operation, and the promise of jobs hung in the air.

Three years later, the plant sits idle. Thompson River Power LLC has declared bankruptcy. There's no green energy coming out of Thompson River, and no jobs in sight. And, as the Wall Street Journal wrote last week, the U.S. Treasury Department is now trying to recoup \$5 million of its stimulus contribution.

The plant has been mired in hard times almost from the beginning. The Thompson River Power Plant operated for a brief nine and a half months back in 2004, before the second-hand boiler from North Carolina was idled by then-owners Thompson River Power Co-Gen LLC. The company's partners, assailed by various financial troubles, lost ownership of the plant in 2007 and it passed into the hands of the Minnesota-based private equity firm Wayzata Investment Partners.

Three conservation groups, including the Missoula-based Clark Fork Coalition, unsuccessfully challenged modifications to Thompson River's air quality permits in late 2006. Air quality violations eventually led the state Department of Environmental Quality to fine Thompson River \$1.9 million, but the fine was eventually reduced to \$200,000.

According to the DEQ's Karen Wilson, the plant was last operational between March and December 2009. No air quality violations have been reported since Wayzata took ownership.

Last year, news broke in the business world that the Seattle-based ecoTECH Energy Group had entered into negotiations with Wayzata about purchasing the Thompson River plant. This February—less than a year after those negotiations began—Thompson River filed for Chapter 7 bankruptcy protection, listing at least \$1.4 million in unsecured creditor claims, including \$152,536 owed to Sanders County for unpaid property taxes. EcoTECH never acquired the facility.

The U.S. Treasury hopes to use the bankruptcy proceedings to retrieve \$5 million—money that was meant to make Thompson River a source of renewable energy, but didn't.