

Clearing a path to utilizing renewable energy from water on a small scale

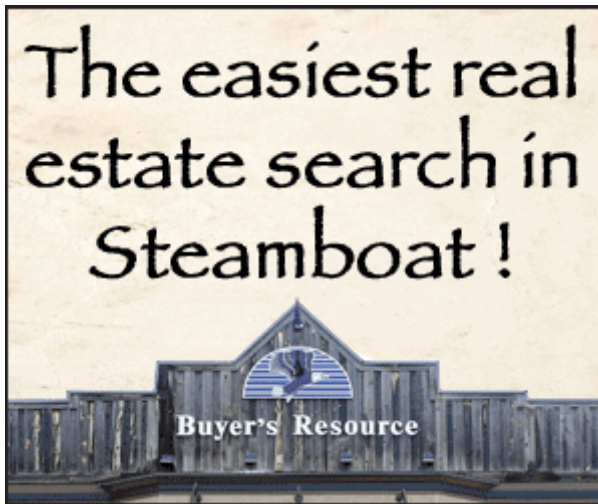
By **Tom Ross**

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Next report date for proposed Trout Creek Reservoir is June 24.

Peabody Energy, owner of the Twentymile Coal Mine in Routt County, is in the middle of the federal planning process to build a new reservoir on Routt Creek south of Milner that would include a small hydroelectric power

Steamboat Springs — Mention hydroelectric power projects in the American West, and what typically comes to mind are large concrete dams on major rivers. But existing dams, streams and even springs, in the case of the town of Basalt, can offer the opportunity of generating electricity without further disrupting rivers

In 2011, Basalt tapped into a grant from the Colorado Energy Office and an innovative energy pre-purchase agreement with Holy Cross Energy, the local electric utility, to

build a 40-kilowatt system that relies on water from two springs — Basalt and Luchsinger. The combined springs generate 2 cubic feet per second of water, and the use of the water does not impact any stream.

And in the Yampa Valley, the board of the Lake Catamount Metropolitan District has investigated the potential of adding a hydropower plant to the Lake Catamount Dam at the same time it undergoes routine maintenance at a cost of about \$4 million (with a \$1 million tax credit deducted from the total). The district already has engineering drawings that include building the hydro-power plant and had secured a difficult-to-obtain Federal Energy Regulation Commission permit.

plant. The decision to build the hydro plant means that Peabody is going through the approval process with the Federal Energy Regulatory Commission.

Peabody is slated to submit an Initial Study Report to FERC on June 11, and a meeting regarding the report has been scheduled for June 24 in the 4 Main Conference Room at URS Corp., 8181 E. Tufts Ave., in Denver. The time of the meeting was not immediately available.

The proposed 392-acre reservoir would be located about 15 miles southwest of Steamboat and capture water from both Trout Creek and Middle Creek.

The reservoir, estimated in early 2013 to cost \$16 million, is expected to

However, after Monday night's meeting of the metro board, the future of the project is in doubt. The effort likely will not gain the necessary support of the fellow board members, Catamount resident Bruce Allbright said Tuesday.

But board chairman John Holloway, who has been working on the hydroelectric project since 2009 with project manager Gates Gooding, said he isn't ready to give up.

"I don't think it's dead in the water," Holloway said. "After yesterday's meeting, I talked to FERC, and they told us we had until June 16 to complete our next agreements, and to hang in there."

Holloway added that his metro district already has a \$194,000 grant in the bank, waiting to be put to work on the project.

As the Catamount Metro Board deliberates, officials are trying to remove barriers to creating small hydroelectric plants.

State Rep. Diane Mitsch Bush, D-Steamboat Springs, and State Rep. Don Coram, R-Montrose, set out during the legislative session that recently ended to pass legislation facilitating development of small hydro-power projects in Colorado by streamlining the approval process.

Their bill drew bipartisan support, passing the House by a vote of 62-3 and the Senate by a vote of 26-7, and is due to be signed by Gov. John Hickenlooper later this month. The Colorado Energy Office is required to coordinate the required reviews of new hydro projects by multiple state agencies and establish deadlines to respond to the projects' proponents.

store about 12,000 acre-feet of water, with rights to store 15,000 acre-feet. In comparison, Fish Creek Reservoir, which stores most of Steamboat's drinking water, holds 4,167 acre-feet, and Stagecoach Reservoir stores 36,460 acre-feet.

Steamboat Today has reported recently that Peabody Energy has been [exercising "capital discipline"](#) this year.

The hydro plant would be about one-third the size of the one at Stagecoach Reservoir and produce enough electricity to power 125 homes, according to a Peabody official working on the project. He told the Routt County Board of Commissioners in October that Peabody added the hydro-power component to the dam to

"This bill streamlines and coordinates the complex permitting process for small hydroelectric facilities that produce 10 megawatts of energy or less," Mitsch Bush said. "It cuts red tape and will stimulate small, rural hydroelectric businesses and help create rural jobs."

One megawatt equals 1,000 kilowatts. A kilowatt-hour is one kilowatt of power delivered in one hour. So, a megawatt-hour is 1 million watts of power delivered in one hour.

The turbine-generator at the John R. Fetcher Hydroelectric Plant at Stagecoach Reservoir is rated at 800 kilowatts and generates 5 million kilowatt-hours of electricity annually, according to the Upper Yampa Water Conservancy District.

Basalt's new 40 kilowatt hydro-power plant has the capacity at full power to generate 300,000 kilowatt-hours annually, according to the Energy Office. That's estimated to be enough to power 40 homes. The \$394,000 project was facilitated by a special financing arrangement with Holy Cross.

The electric utility promised to finance as much as \$300,000, which is to be repaid with the electricity generated by the plant. So, the plant's output is being used to pay down a no-interest loan. That's expected, now, to take 20 years instead of 11, but after the debt is erased, the town will enjoy the revenues.

Closer to home, Allbright said, fruitful negotiations also were underway with the owners of a luxury fishing compound on the Yampa River, just downstream from the dam.

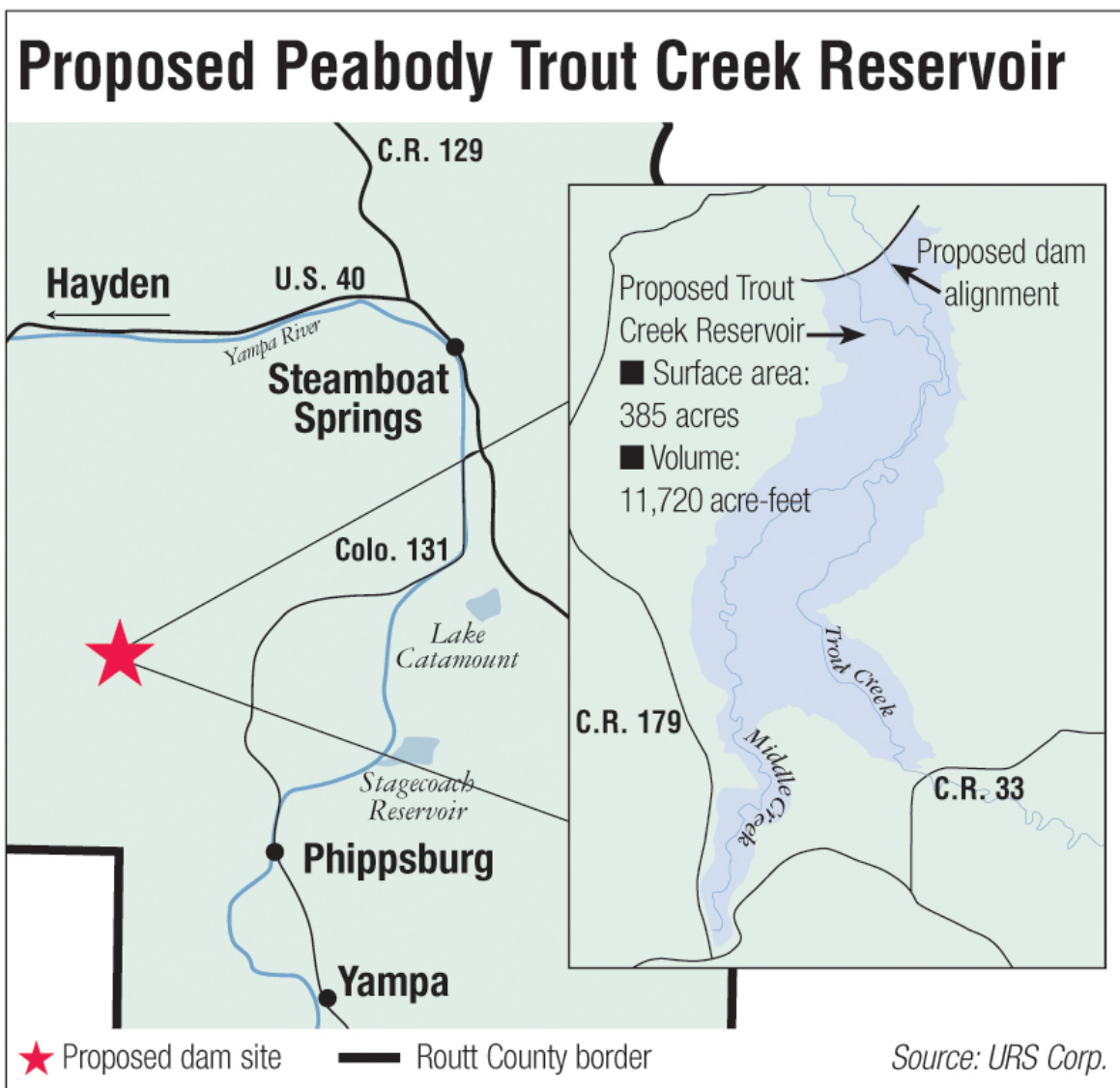
However, Allbright said, some members of the Catamount Metro Board are fearful that the FERC permit would allow the federal government to exert

acknowledge Colorado's alternative energy initiative.

unwanted control over the way the dam and the lake are managed by the homeowners at Catamount. He's reached the conclusion that they cannot be swayed.

"It's too bad, because it's a resource that's being wasted," Allbright said of the water that issues from the dam annually. "It was a good opportunity for the community."

Proposed Peabody Trout Creek Reservoir



Laura Mazade/Staff

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