Federal Regulators Accept Pipeline Application

BEN NEARY - Associated Press - Associated Press

Federal regulators this week decided to review a Colorado businessman's plans to build a 500-mile water pipeline from Wyoming to Colorado.

The Federal Energy Regulatory Commission on Tuesday notified Fort Collins businessman Aaron Million that it had accepted his preliminary permit application — a decision that opens a 60-day public comment period.

Million wants to pipe water from Flaming Gorge Reservoir in western Wyoming to Colorado's Front Range. The project has sparked opposition from many in western Wyoming, where concern runs high that pumping would draw down the reservoir.

If FERC issues Million a preliminary permit, it would allow him to apply to build the hydroelectric facilities for his project. FERC specified in its notice to Million that it only has jurisdiction over the proposed hydroelectric development elements of the pipeline project. It said construction of other substantial portions of the pipeline would require permits from other federal agencies.

Million originally had asked the U.S. Army Corps of Engineers to review his plan. After working on the project for two years, the Corps stopped its review this summer after Million began saying the project could generate hydropower.

Million filed an application with FERC this summer spelling out plans to construct a system of turbines and reservoirs along the course of the pipeline that could generate electricity.

One proposed "pump storage" project associated with the pipeline calls for building a new reservoir on the side of Sheep Mountain, west of Laramie. Million said Thursday that water could drain from the proposed reservoir on Sheep Mountain down to nearby Lake Hattie to generate power while possibly using wind power to pump the water back uphill.

The pipeline would have to move water over the Continental Divide on its way to Colorado. Although Million said the project couldn't produce more energy than it uses, he said the hydropower could provide a valuable offset to its operating costs.

"The hydropower has the potential to be a net benefit of the project. Not zeroing out the energy, that's not realistic in any scenario," Million said. But he said the hydropower would be consistent, and could provide a valuable addition to wind energy that's increasingly under development in southeastern Wyoming.

Million has filed applications for the water with state and federal officials. He proposes to take a portion of the water that's due to Colorado under agreements that divide water on the Colorado River system.

"The real issue is if Wyoming and Colorado want to develop some of their remaining water resources and alleviate pressures in other areas, or do they want to let California, Nevada and Arizona benefit," Million said. "It's one or the other — that's really the question."

Although some entities in eastern Wyoming have expressed interest in getting water from pipeline, the western Wyoming cities of Green River and Rock Springs as well as the Sweetwater County Commission worked together to fight Million's project while the Corps of Engineers was considering it. Green River Mayor Hank Castillon said Thursday the coalition will continue to oppose it under FERC's review.

"He's certainly not giving up on his attempt to divert water, so yes we are still very actively pursuing his attempts to continue on with the project," Castillon said.

Several environmental groups have come out against Million's project. Wyoming Gov. Matt Mead also recently said he opposes it.

"It makes perfect sense to me that so many people in Wyoming oppose this project," Mead said in a written statement released by his office. "Water is the state's most valuable natural resource and everyone wants to ensure it is used wisely. I generally oppose trans-basin diversion projects and in particular I believe Aaron Million's project is not well thought out."

Million said the pipeline would draw about 200,000 acre feet of water a year while inflow into the reservoir was close to 3 million acre feet this year.

Million's project is intriguing in Colorado, where water managers face the challenge of supplying water to sprawling development on the Front Range. Colorado water officials recently agreed to spend $72,000 to explore the pipeline proposal and another $100,000 after that if the initial study proves promising.

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