OPINION

By Travis Brown and Michele Gangnes

One year ago, a group of Blue residents organized the "Move the Gas Plant" (MTGP) effort.

In response, some in Lee County skeptically shook their heads, doubting the group's ability to stop a huge natural gas power plant from being built in their community.

One year later, some still are shaking their heads in doubt, even derision.

So this might be a good time to take a look at the past year's efforts by MTGP. Has the group's hard work been worth the effort?

Well, consider the following.

If MTGP had not organized last July and taken action, it's likely Sandow Lakes Energy (SLE) would have obtained its state air emissions permit months ago.

With permit in hand, it's also likely SLE would already be building its proposed 1,200-megawatt gas plant in Blue, at the intersection of CR 309 and CR 312. (Some bulldozing of trees at the site has occurred, but SLE cannot begin construction until it has its air permit.)

SLE likely expected to have its air permit by the end of 2024, or in early 2025 at the latest. It definitely had planned to begin major construction this summer. (When SLE submitted its air permit application last August to the Texas Commission on Environmental Quality (TCEQ), it paid an extra $20,000 in filing fees to have its application "expedited.")

But because of actions taken by MTGP, those fast-track plans by SLE have been derailed. It likely will be many months before SLE can obtain its air permit, maybe well into next year, if ever.

During the past year, actions by MTGP have included:

- Forming a 20-member steering committee and raising funds for a legal challenge to SLE's plans.
- Hiring Texas 'premier public interest environmental law firm to prosecute that legal challenge.
- Hiring a noted air quality expert, whose analysis of SLE's air permit application found many flaws and deficiencies.
- Asking our state senator, Lois Kolkhorst, and our state representative, Stan Gerdes, to request the TCEQ hold a public meeting on SLE's application in Lexington. (They did so and that meeting was held April 24.)
- Requesting that TCEQ require a contested case hearing be held over SLE's application, on behalf of impacted Lee County landowners. (That hearing may begin before the end of this year but likely will extend into 2026.)
- Succeeding in getting the Lee County Commissioner's Court to pass a resolution that detailed damage the proposed power plant would inflict on the Blue community and requested SLE move its plant to a less damaging site.
- Obtaining a grant from the national Sierra Club to help fund our legal and technical challenge to SLE's permit.
- Garnering local, state and national media coverage, including articles in The Texas Tribune, Houston Chronicle, and Austin American-Statesman and on KXAN.

As a result of these actions, one could make a sound case that MTGP has set up a serious roadblock to SLE's ambitious plans.

But there are other factors that could hinder or stop SLE's plans. And the effect of those factors may be augmented by the permitting delays inflicted by MTGP.

For example, a surge in demand for natural gas power plants has created a tremendous shortage of natural gas-fired turbines and supply chain bottlenecks. Turbine manufacturers such as Siemens have said there is a wait time up to eight years for companies to get new turbines.

In Texas, more than 130 new gas power plant projects recently have been launched. But some of those projects already have been scrapped or delayed for many years because of the inability to get turbines. Other factors, such as rising costs of these projects and the unexpected impacts of new tariffs also may kill off some of these projects.

(SL Energy claims to have "reserved" its turbines, but additional financial commitment may be required to maintain those reservations if delivery is delayed.)

Another limiting factor may be the SLE project's financial backing. Established power plant builders operate with fundamentally different priorities than outfits such as SLE, which are privately funded, often by Wall Street investors and lenders.

Established entities prioritize long-term planning and investment decisions. But private equity firms tend to focus on high financial returns within a relatively short-term investment horizon, as short as five to seven years. Such investors often have exit strategies within their investment timeframe, and unexpected delays may trigger their early withdrawal.

All this means that long delays due to various factors could affect SLE's ability to carry out its plan to build one of the largest natural gas power plants in Texas.

Back in Lee County, some supporters of SLE's project maintain it will provide much needed power for the state grid and also provide new property taxes.

But SLE admitted in its permit application that only 80 of the 1,200 megawatts of electricity would ever be made available to the public, if even that much is ever delivered to the state grid. Instead, the vast majority, or all, of SLE's power likely will go to cryptocurrency miners at Sandow Lakes Ranch in Milam County and other industrial facilities expected to locate there. But some of those facilities may now have uncertain futures due to recent legislation.

For example, T1 Energy, which recently announced a huge solar cell manufacturing plant at Sandow Lakes Ranch, may have an uncertain future due to reduced or eliminated federal tax credits for solar projects.

As far as new revenues for Lee County go, even our county judge and other county officials have publicly expressed skepticism that the county would ever reap generous new tax benefits from the $1.4 billion SLE plant.

That's because the state might exempt these gas plants from property taxes and also because they expect SLE will seek a tax abatement and/or drastically reduced valuation when tax time comes around.

MTGP is under no illusions about the difficulty of stopping SLE from getting its state air permit. But local past experience shows that persistence by concerned citizens can pay off.

For example, the MTGP steering committee includes Blue residents who spent more than a decade fighting Alcoa's strip-mining and coal-fired power plants. It also includes members who are on the board of the Simsboro Aquifer Water Defense Fund (SAWDF).

Alcoa wasn't stopped from getting its Three Oaks Mine in the early 2000's. But in fighting the mine, local citizens uncovered evidence that Alcoa had violated the federal Clean Air Act. They sued Alcoa, forcing a settlement that resulted in shutting down Alcoa's ancient Rockdale coal plants that

had spewed massive air pollution over the area for six decades, along with substantial monetary penalties.

In 2018, SAWDF began assisting Bastrop and Lee County landowners fighting plans by the Lower Colorado River Authority to export groundwater from Bastrop County to the Austin area. Seven years later, LCRA only has permits to pump less than a third of the amount of groundwater it wanted. It has yet to start that project and currently is engaged in a fight with landowners and others over the permits at the Texas Supreme Court.

Our position at MTGP has always been this: It's wrong to put a huge power plant in Blue when there is a very feasible and much less damaging location nearby. That location is the site of the old Alcoa smelter and coal plants on Sandow Lakes Ranch.

So, you can keep shaking your head in doubt about the efforts by MTGP. Or, you can join your neighbors and support that effort. Find out how by going to www.movethegasplant.org.

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