P U B L I C M E E T I N G

on the

DRAFT ENVIRONMENTAL IMPACT STATEMENT

for the

MESABA ENERGY PROJECT

PUC Docket: E6472/GS-06-688

hosted by

Minnesota Department of Commerce

and

Department of Energy

held at

Taconite Community Center

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P R O C E E D I N G S

BILL STROM: Good evening, folks. My name is Bill Storm. I'm the project manager with the Department of Commerce, Energy Facility Permitting Unit. We are hosting this meeting tonight jointly with the Department of Energy. The meeting tonight is on the draft Environmental Impact Statement that was released jointly by the Department of Commerce and the Department of Energy.

Before I begin, there's a few things I'd like to go over with you concerning items on the front desk. First of all, there's a sign-in sheet there that I ask you to fill out if you wouldn't mind. If allows me to track the participation at these meetings. It also has a spot that you can check if you want to be put on the mailing list if you're not already on the mailing list. So that's on the front desk. If you haven't filled it out, it will be there through the presentation.

There is also a comment sheet. As I said, tonight's meeting is to solicit comments on the draft Environmental Impact Statement. The deadline for comments is January 11. From the Department of Commerce's end, if you want to submit a comment on the draft Environmental Impact Statement, you're going to have an opportunity to speak tonight, but officially if

you want to submit a written comment, I've provided a comment sheet. It's a fold and staple type sheet with a stamp on it and it will get mailed right to me.

You can also e-mail me or write on your own personal stationery. These are just for your convenience. Again, these are on the front table.

Also on the front table are the blue cards. Again, the reason we're here tonight is to solicit comments and questions on the draft Environmental Impact Statement. We ask that you preregister if you would like to speak. I will give my presentation. The Department of Energy will give their presentation. Then we will turn it over to the audience, and I will be calling on people from the cards. Once I go through all the cards, I will then call on the audience if there's somebody who wants to speak who hasn't filled out a card or if someone who spoke and wants to speak again.

Also on the table out front is a copy of my slides for tonight's presentation. I will also put these slides on my website. So you can get them there or at the table.

As I said, tonight's meeting is on the Mesaba Energy Project, IGCC power station proposal. And we are here tonight to solicit comments on the draft

Environmental Impact Statement that the DOC, Department of Commerce and the Department of Energy has jointly released.

If you send me correspondence, I ask that you put the Docket Number on for this particular project. There are two dockets that are associated with the Mesaba Energy Project. There's a PPA docket, and then there's the siting/routing docket. This draft Environmental Impact Statement is part of the siting docket, which is listed up there. We're holding two meetings, one tonight and one tomorrow night.

Tonight's agenda, my portion and the DOE's portion will be relatively short tonight. I'm going to run you quickly through the process, where we started from, where we're at and what we're likely to see in the future as far as the state process.

The DOE, Richard Hargis and Jason Lewis will speak on the DOE's role in this project, and then we will turn it over for your comments.

Just as a reminder of the state's role in this project, the Minnesota Public Utilities Commission is the authority in this project. They are the ones who will be issuing a site permit for the facility, a route permit for the transmission line and a route permit for the pipeline. And this slide shows the

regulations that that falls under, that authority comes from.

As a reminder, if anybody is here from the scoping meeting, you've seen this slide. This slide is just to show the relationship between the Department of Commerce, Energy Facility Permitting, and the Minnesota Public Utility Commission. Minnesota Public Utility Commission is the ultimate final decision-maker. The Department of Commerce, Energy Facility Permitting, we serve as administrative capacity to that agency. We administer the public forums, we develop the record, we develop the environmental review documents, and we present the case to the PUC for a final decision. The PUC regulates wind projects, large energy projects, which this plant falls under, power lines and transmission lines.

I just want to do a short overview of the process to show where we're at. Excelsior Energy on June 19th, 2006, Excelsior Energy submitted an application to the PUC for a power plant, a transmission line and a pipeline. On July 28, 2006, the PUC accepted the application as complete. On August 1st, 2006 the Department of Commerce at the behest of the Public Utility Commission formed a Citizen Advisory Task Force. On August 22nd and 23rd

the Department of Commerce, Energy Facility Permitting staff held public information meetings and Environmental Impact Statement scoping meetings.

September 7th, 2006 the Citizen Advisory Task Force submitted their recommendations to the Department of Commerce. On September 13th, 2006 the Environmental Impact Statement scoping decision was released by the Department of Commerce. That scoping decision was developed based on the input that we received at the initial public information scoping meeting that we had back in August. Then November 5th, 2007 the DOC and the DOE released the draft Environmental Impact Statement, which brings us to this meeting here, which is to solicit -- again, I'm going to repeat this like 20 times -- to solicit comments from the public on the draft Environmental Impact Statement.

This just goes through the milestones that we completed so far in that process. Normally the process is a year-long process, but with a site this complex, you can see that we're going to be past that year timeline.

What's coming up in the future? If you remember the schematic, if you look at the diagram here, the handout, the schematic, the next major milestone that we have coming up is the close of the

comment period on the draft EIS. As I said, we're going to ask you to come up to the mike and make comments tonight on the draft Environmental Impact Statement.

Additionally, there are comment sheets that I mentioned where you can send your comments or you can send your comments e-mail or on your personal stationery to me. The one thing I want you to keep in mind is that January 11th, 2008 is the deadline to have your comments into either the DOC or the DOE.

As I look into the future and we look through that schematic of the milestones, we do have some tentative dates, target dates of when we think things are going to happen.

The next major public forum will be the contested case hearing. We'll be back up here at Taconite and Hoyt Lakes with an ALJ, administrative law judge, presiding over the contested case hearings. These hearings will be on the whole project. So the public will be allowed to speak on their concerns, their issues, their pros or cons of the project, to an ALJ. The ALJ will assemble a record and make a recommendation on the adequacy of the draft Environmental Impact Statement. He'll make a recommendation on which site to select, which routes to

select, and that will come back to me, Department of Commerce, Energy Facility Permitting, and then I will put together briefing papers and present them to the PUC, Public Utilities Commission, for a final decision.

Again, the PUC will be making three decisions; one, the adequacy of the Environmental Impact Statement; two, which site, route for the transmission line, and route for the pipeline should be selected; and then issuing of a permit and any permit conditions that they deem should be part of that permitting process.

If you want to track the documents for this project, if you want to see the draft Environmental Impact Statement, if you want to see other public comments that came up in the first process, if you want to review the scoping decision that was released by the Commissioner of the Department of Commerce, or if you want to see other public documents that may come up in this process, you can go to the PUC website that's been maintained by the Department of Commerce, Energy Facility Permitting staff at this address. And when you go to this website, you will see -- although this is old, there's much more documents on this website now -- but you'll see this kind of page that lists all the documents. The documents will be p-d-f so you can

click on them and open them up and review them.

I want to talk a little bit about logistics for talking tonight. I'm going to ask that each person who wants to speak please be brief, five minutes per speaker. If we have a additional time at the end after we run through the cards and run through the hands that show and you still want to speak again, I'll be more than glad to call on you again. I'm going to take preregistered speakers first, so if you know you want to see speak now, fill out a blue card, give it to Suzanne, my assistant out there at the table, and I'll call on you and and you can speak.

We are preparing a transcript. Kate is our court reporter here. She is preparing a transcript, so it's important that when you step to the mike, you state your name, spell it, speak clearly, be respectful of myself, the DOE and the other members of the audience. It's important that you speak clearly, calmly so the court reporter can see your face, as well as hear you clearly.

Additionally, the purpose of the meeting tonight is to collect comments on the draft Environmental Impact Statement. So I'm going to ask you as much as possible to focus your comments on items in the draft Environmental Impact Statement that you

would either like to see clarified in the final document, final Environmental Impact statement, or areas where you think the draft Environmental Impact Statement is lacking and you would like more information flushed out. So if we can keep our comments on topic, that would be greatly appreciated, and help us move the process along, give everybody a chance to speak.

Again, you'll be given a chance to comment tonight. You can also submit written comments for the record. I want to emphasize that the written comments have to be submitted by January 11th, 2008. You can submit your comments to me at the Department of Commerce, again, either e-mail, filling out a comment sheet and mailing it to me, or your own personal stationery. The DOE is going to speak after me, and you can also submit comments do the DOE, so there's kind of two tracks going along.

If you submit comments to either of us, it will get captured into the record. So don't feel you have to submit them to both of us. Whatever you feel is most convenient. The comments I get will be incorporated into Rich's, and the comments Rich gets will be incorporated back to me.

That's all I have to say for now. I'm going

to turn it over to the DOE and then we'll have time for your comments.

JASON LEWIS: My name is Jason Lewis. I am from the U.S. Department of Energy, and it's a pleasure to be here tonight, and I'm glad to see that there's a large turnout. If shows a lot of interest in the project, which is always a pleasure to see.

I have a couple slides just to talk about what our involvement is, what our program is about. I'm going to deviate a little from my prepared speech. The Department of Energy has interest in a wide portfolio of power generation technologies; solar, wind, hydrogen, natural gas, coal, nuclear, you name it. There are various different groups in the department that are focused on each of those. Rich and I come from the office of fossil energy and our assignment is coal.

Our purpose is to show that coal can be used in a more efficient and environmentally compliant way than it has been in the past. The program that we administer is the Clean Coal Power Initiative. It was established by Congress through public law in 2001. Its purpose is to implement national energy policy to ensure the nation's energy security and improve the environmental stewardship of power generation using

fossil energy.

The program is a cost-sharing program. The projects in it are not government projects. The government does not own the power plant at the end of it. The projects are industry projects submitted to the government for potential cost sharing, and are evaluated. So that is based on their projects' ability to meet the national energy policy goals.

We're interested in a suite of technologies that are associated with clean coal, the concept of clean coal. Those include improved combustion technology, gasification of coal to synthesis gas and then end-of-pipe type pollutant emission controls. This particular project focuses on gasification.

It's not a grant program in that we provide cost share funding and are no longer interested in the activity. We have an interest in that we hope to gain information that verifies the applicability and the readiness of the clean coal technology and make that information public, to the public at-large, and to others in industry in the hope that it will accelerate the commercialization of that more efficient, more enviromentally compliant technology. And, as I said, it's not an acquisition program in that the government doesn't own the facility at the end.

This is just to show you that the existing portfolio of our projects and the type of projects that we have involved include three gasification projects, two more in addition to this, projects to better use the coal by-product or the ash so it is no longer considered waste, but is used in commercial applications; projects to improve the heat rate of low range coals like lignite; and then some combustion projects, et cetera.

From the DOE's perspective, the project we're here to discuss tonight, Mesaba Energy Project, the tasks ongoing are those that are necessary to provide the data back to the federal government and the State of Minnesota, so that we can complete the National Environmental Policy Act process and the state permitting process, both of which are integrally related.

I want to point out that in the draft document you will see a section for mitigation options, which are currently not in the plant design basis. It's typical in these types of projects, as the regulatory process goes forward, that some of those mitigation options may move forward, become part of the plant design basis, and so what is reflected here will not necessarily be what the final plant type proposed

to the Commission takes place. But in the interim, if there are mitigation options that carry forward and become part of the plant design basis, that will be reflected in the final EIS.

We will turn it over to Rich now, and he'll describe the DOE NEPA process. Thank you for coming. We're very much interested in your comments relative to the contents of the EIS and whether or not you feel that we have addressed all the points of interest.

RICHARD HARGIS: Thanks, Jason. Before we get to your comments, I'd just like to say a few words about the Federal National Environmental Policy Act, or NEPA process. Before I get started, I want to introduce two other members of the DOE team who are here. George Pokanic -- stand up, George. George is a project engineer on the project, but he's also taken the responsibility of coordinating the state historic preservation office consultation, as well as the Native American tribe treaty consultations. Bernadette Ward is also here with us. Bernadette is public affairs representative with the National Energy Technology Laboratory.

Why have a public meeting? Well, obviously the main purpose tonight is to get oral comments from you on the draft EIS that we prepared. We're looking

for comments from you on the impacts that were addressed in the draft EIS, as well as the emphasis that was given to the critical issues. Your comments are very important to us in ensuring that we have properly considered all the environmental issues before making a final decision on DOE's continued support for the project under the Clean Coal Power Initiative.

Your comments will be recorded and a transcript will be prepared. You can also provide written comments, as Bill said, to either Bill at the Minnesota Department of Commerce or to me at the Department of Energy during the comment period, which ends on January 11, 2008.

Please note that part of the federal process is that your name and address will be included in the final EIS unless you specifically request that this information be withheld.

The driving force of the federal environmental review process is the National Environmental Policy Act, or NEPA, and it does apply to all federal actions by federal agencies. The mandate is to make environmental information available to both the public, as well as the federal officials before final decisions are made in any major federal action that could significantly affect the quality of the

human environment.

The emphasis here is on making well-informed decisions and take proper consideration of the environmental consequences. We want to focus on truly significant issues, and that's what we've tried to do in preparing this draft EIS, taking into consideration the comments you provided and others provided in the scoping process that we had.

This is just a flow chart of where we are in the process, in the federal EIS process. The federal scoping began with the notice of intent to prepare an EIS that was published in the Federal Register back in October, on October 5th, 2005.

We then held two scoping meetings, here and at Hoyt Lakes, in October of that year. We knew at the time this would be a joint process with the State of Minnesota, but the state process couldn't start until they actually got the site permit application, which wasn't submitted until later in 2006.

We also invited other federal agencies to participate in this process as cooperating agencies. And as a result, the Army Corps of Engineers and the U.S. Forest Service agreed to be cooperating agencies, and they participated in the preparation of the draft EIS you have now.

The federal notice of availability was actually published in the Federal Register on November 9th of this year. Copies of that notice are available as handouts on the table when you came in. Federal regulations require a 15-day advance notice from the notice of availability to the meetings, public hearings that we have on the draft EIS here and Hoyt Lakes tomorrow.

Normally the federal comment period is 45 days, but given the time of year, the holidays and the size of the documentation, we extended that comment period to something like 63 days, to January 11 of 2008. Then after the comment period closes, we'll start preparing the final EIS, and that final EIS will have a separate section in it that lists every comment that we receive on this document, as well as the specific response to each and every comment that's provided.

After the final EIS is prepared, we issue a notice of availability. That also gets put in the Federal Register. And there's a 30-day minimum waiting period between the notice of availability and the final record of decision can be issued

Now, this is the same slide that Bill had up, logistics. We'll start the public comment portion of

the hearing, and my guess is we're going to have a large number of people commenting tonight. We'd appreciate it, if you would, limit your initial comments to five minutes, as Bill said. Once everybody has a chance to speak, we'll stick around until all the comments are heard.

If you preregistered, Bill will have a comment card here. We'll call you to the microphone. State your name and spell it for the court reporter. And please, as Bill said, please try to focus on the contents of the draft EIS, be as specific as possible, because what we want to do is be able to provide a specific response to the specific comments you have.

Bill, do you want to start the public comments?

BILL STROM: I'm going to call, using the preregistration cards. When I call your name, please step to the mike, state your name, spell it; and as we said numerous times, speak clearly as much as possible. Try to limit your comments to specific items in the draft Environment Impact Statement. Be respectful of the people around you and the court reporter. She has a tough job.

First person, Ross Hammond.

ROSS HAMMOND: Hi, my name is Ross Hammond,

R-o-s-s H-a-m-m-o-n-d. I'm an engineer, and I have 30 years of experience in the power industry. I was a member of the Citizens Advisory Task Force last year with the Department of Commerce. I'm also here representing Fresh Energy, which is a group in St. Paul. We're working on global warming solutions.

So to get to the point about the EIS. As I start reading through it, I call attention to Table 2.1-1, which is in Chapter 2; and there were a number of numbers that caught my attention. One is mercury, .027 tons of mercury per year emissions. I want everybody to think about that, because this is supposed to be clean coal technology.

The other one, which is a big issue now with what's coming in from China, but lead is 0.03 tons of lead per year that will be emitted from this facility, and a lot of that is going to go into the nearby area.

Then the number that really surprised me, it says carbon dioxide, 10.6 tons per year for sub-bituminous coal. And I kind of thought, umm, that's interesting; and 9.4 tons if they burn bituminous coal. But if you go to Page 2-33 in Section 2.2.3-1 it says 10.6 million tons of carbon dioxide on sub-bituminous coal and 9.4 million tons on the bituminous coal. So I guess I'd like Excelsior to

clarify which is correct.

And I would ask further, the purpose of the project, which is stated throughout, is talking about developing technology to burn coal that can capture carbon dioxide. And why do we want to capture the carbon dioxide? Because we want to be able to put it into the ground, not into the air. The project does mention possibly being ready to do this, pipelines going to North Dakota, 265 to 400 miles or longer.

And I guess my point is that the Environmental Impact Statement is not complete unless all of the equipment and all of these pipelines are shown. Where are these pipelines going to go, whose property are these pipelines going to cross? All of that should be in the Environmental Impact Statement, otherwise the Environmental Impact Statement is not complete. So I believe that should be in there.

And if the project does not store the carbon dioxide -- as I was thinking about this, I sort of thought about walking into a car dealership and there's a brand new shiny car, but it's sitting up on blocks. And the salesman says, but the car is ready for wheels but you're not going to get any wheels yet. I kind of thought, that's sort of like this project. It's ready to capture carbon dioxide, but we're not going to

capture the carbon dioxide. So if they do not capture carbon dioxide, it is going to be the second biggest polluter of carbon dioxide in the state and it's going to be just an expensive power plant. Thank you very much. (Applause.)

BILL STROM: Thank you, Ross. Next we have LeRoy Flug. Please step to the mike. Remember to state your name and spell it for the court reporter.

LEROY FLUG: My name is LeRoy Flug. L-e-R-o-y F-l-u-g. I'm looking at these books, and they're about six inches thick and filled with how much pollution is going to go here and how much is already polluted. And what I don't understand is why the state environmental people aren't there. They tell us here people taking the same sample, same spot. I see nothing in there about frogs, fish, anything else. How are we going to ever set a guideline? We know nothing of what's already there. And to me it means nothing until the state puts their stamp on it. Is this supposed to be from the feds, is it from the state? Where do all these figures come from? I'd like an answer to that. Thank you. (Applause).

BILL STROM: Thank you, LeRoy. Linda Castagneri.

LINDA CASTAGNERI: My name is Linda

Castagneri. L-i-n-d-a C-a-s-t-a-g-n-e-r-i.

I'm going to start with referring to my initial comments that I submitted on November 7th, 2005, to the Department of Energy, regarding safety and health. And I am here tonight not just about my lungs, but about the lungs of everyone who lives here.

I have lost a portion of my lung due to an unknown tumor, and as I talked about in 2005, for those of us who were born and raised in this part of the state, we were exposed to many chemicals. And I asked and requested that very specific items be considered. And in reviewing the draft EIS, I, too, agree that the most important things need to be addressed, and I do not feel or agree that they have been addressed in this draft Environmental Impact Statement, particularly regarding respiratory health, which I referenced many times in my comments, nor are they taken into any sort of really in-depth study.

When I look at Table S-6, it talks about the electric magnetic field, and it says, "The electric magnetic field exposure from utility lines would fall below the 2 kilowatt, monthly kilowatt volt minimum limit at the edge of the right-of-way. There would be no permanent residence located in areas exceeding that," period.

Well, when I look at that chart over there for the proposed high voltage transmission lines, I happen to own property, I happen to be one of those receptors. And again, I'm going to go back to my initial comments in 2005. I do not believe that the respiratory issues have been addressed by the Environmental Impact Statement. There are some comments, just very global comments, talking about the Henshaw effect, and it delves into -- really, it's sort of like what you would pull off a website or really that sort of type of, I would call it, encyclopedia information, but really does not address those items that I brought up.

But there is a very interesting comment on Page 4.17-12. "Since the research regarding the Henshaw effect and its potential health implications in real-world conditions is inconclusive at this time, any potential health effects from charged particles resulting from high voltage transmission lines introduced by the proposed action cannot be quantitatively ascertained in this EIS." And I disagree, and I am requesting that both agencies go back to the drawing board. It is reasonable to expect studies to be conducted. If we have adequate funding to fund a high risk demonstration plant, there exists

in this country adequate funding to study properly and make appropriate comments regarding these health issues.

The second issue I would like to address is visibility. Section 5.2.9 of the draft EIS states, "Minnesota Power reductions would potentially offset visibility impacts related to the Mesaba Energy Project."

And I have been a senior manager in project management for more than 15 years; and when I read these type of comments, I again would like to have addressed by the draft EIS document, because I do not think it's been addressed, whose responsibility is it for visibility? We continue to work with a company that has never produced a kilowatt of energy, and yet expect the branded utilities in the State of Minnesota to purchase their product and now solve -- provide the solution for negative impacts.

And I request the core values of Excelsior Energy be reviewed. What corporation would expect the branded marketplace utilities to purchase their product and solve their problems? Thank you. (Applause)

BILL STROM: Thank you, Linda. Next, Ron Gustafson.

RON GUSTAFSON: Ron Gustafson. R-o-n

G-u-s-t-a-f-s-o-n. I'd like to talk about carbon capture as listed in the draft EIS and also emergency response and also on the carbon CO2 pipeline. And many of these documents are from Appendix 2 of the DOE.

"Carbon dioxide emissions will be 214 million tons over the commercial life of the generating station. Excelsior may, may install carbon dioxide capture transport or sequestration at some point during the 20 year life of the plant."

Where is the accountability for this? Are they going to sequester carbon or are they not? What is the cost of that to the customers? I've asked them that the DEIS include the cost for generation, transmission and distribution, the cost per kilowatt to residents, residential use, small commercial businesses, large commercial businesses and others.

Without a detailed plan and design for carbon capture, how can the true cost of this project ever be determined? Two administrative law judges came to the same finding. The Public Utilities Commission stated that the Mesaba Project is not in the best interest of the citizens of Minnesota. And the DOE, in Appendix A2, it says, "Carbon capture and sequestration is not feasible for the Mesaba Energy Project." And that's in the documents in the DEIS. Yet they may do it at

sometime.

Appendix 2A also states that "Carbon capture, advanced turbines will not be available by the Mesaba in-service date. Even if turbines were available, it would result in substantial capital cost, reduce plant efficiently and increase cost of electricity by as much as 40 percent." Again, that was Department of Energy, Appendix 2A.

There are no geological reserviors capable of sequestering CO2 in the State of Minnesota. The cost to move CO2 via pipeline will significantly increase the cost of electricity. And Excelsior seems to hang their hat on the CO2 sequestration to pipe into oil fields to improve their production of oil. And as stated by the Department of Energy, carbon dioxide injection for enhanced oil recovery, or EOR, are economically-driven operations to increase oil production, not necessarily scientifically-driven to prove the technical feasibility of sequestering carbon.

"Excelsior has not established a detailed design for carbon capture or sequestration." A direct quote from the Department of Energy, Appendix 2A. And interestingly enough, two ALJs, administrative law judges, found the same thing, as did the Public Utilities Commission.

I'm requesting my comments be reviewed and evaluated in the draft EIS as stated.

The carbon capture sequestration plant submitted by Excelsior Energy is merely a paper desktop theoretical exercise lacking specific detailed design for carbon capture transport or sequesstration. Excelsior's carbon capture/sequestration plan is merely a conceptual scenario with no established time line, cost estimate or cost impact analysis to rate payers. It's a pipe dream. They may do it at some point during the 20 year life, but we don't know how much it's going to cost and how much it's going to affect major industries of our state due to the increased cost of electricity. That's a big question that needs to be answered.

I'd also like to talk about the CO2 pipelines as proposed or as submitted. CO2 compression and transport is a pipe dream. CO2 pipelines are considered hazardous liquids. The proposed Route 1 will travel through 41 towns and communities and Indian Reservations. What are the potential dangers to all receptors along the route of the 400 miles plus of this line? How many property owners will be affected by eminent domain easements?

Who specifically are the customers? Are there

any purchase agreements in place for this piped CO2, or is it they may be available, they may not? You hear that word "may" a lot in these documents. A separate and detailed EIS should be developed along the entire proposed pipeline routes.

I would also like to talk about emergency response. During the scoping period in October of '05, I submitted some requests on emergency response. And I thank the DOE and the Department of commercial for listing those statements in the draft EIS. I did the anthrax response for the postal service, the State of Minnesota, working in the main processing plants in Duluth, Minneapolis, St. Cloud, Minnesota, in the event that if we had another terrorist attack, that we now detect anthrax. And I worked with the public health and I worked with the first responders, who I have a tremendous respect for, and we put together a viable plan response for the public health to protect the public and our employees in the event of another terrorist anthrax attack.

So I kind equated that to what would happen if there was a major disaster in this plant, or explosion, how would we handle that with basically small fire departments and first responders in this geographic area? And the response in the meeting I asked listing

the emergency is quite disappointing, and is, quite frankly, is unacceptable.

The response was that the City of Taconite should increase their volunteer firefighters from 12 to 20. That was their response. The draft EIS did not address the issues of emergency response. It merely stated that the City of Taconite may need to increase the complement from 12 to 20. It basically states the City of Cohasset never had a problem, therefore we never will either. That is unacceptable to me.

A complete study should be conducted to determine the levels of needed emergency response and of the equipment and what training these firefighters need, our fine men and women who first respond, before they enter the facility and risk their lives to respond to an emergency situation. It's insulting to them. (Applause)

Further I'd like to ask, how will additional equipment and staffing be funded? Will local taxpayers have to bear the burden? And this is a particular point; Excelsior Energy successfully lobbied the Minnesota legislature for an exclusive exemption to the energy plant personal property tax. This exemption will shift the costs of any additional staffing, equipment and training of first responders to local

communities and taxpayers who have already voted against an increase of tax levy for schools because the tax burden is so tremendous in this county already.

So I end my comments, if I went over five minutes, I'm sorry. But that's what I had to say. Thank you. (Applause)

BILL STROM: Thank you, Ron. Bob Norgord.

BOB NORGORD: My name is Bob Norgord. B-o-b N-o-r-g-o-r-d. In the EIS they talk about the Nashwauk PUC suppling gas to the Excelsior project. As per Minnesota Session Laws 1997, Chapter 21.SF504, I'll read it to you here. "An act relating to local government permitting the City of Nashwauk to own and operate a gas utility. Be it enacted by the legislature of the State of Minnesota: The City of Nashwauk may construct and use one gas distribution line connecting an area recently acquired by the city and not currently served by a natural gas utility, with a natural gas pipeline serving the region, solely for the purpose of operating this gas line and distributing gas to customers located in the recently acquired area," which means that Nashwauk can't supply the gas for the Excelsior project, which in turn means that Excelsior will have to put in their own line. Their preferred route parellels the preferred route of the

Nashwauk line. So they'll have to clear -- if they take the same easement as what the Nashwauk line would take, we'd be looking at clearing 200 feet of land 12 miles, which amounts to 290 acres of land being cleared, 145.5 of this attributed to the Mesaba Project.

In some instances this natural gas pipeline would deprive landowners of the right to build or put their septic systems on their open spaces. The EIS did not take into consideration the fact that additional land would have to be cleared to allow for homes and septic systems to take the place of the open land utilized by the pipeline.

The EIS also does not mention that the blast area for a 24-inch line is 500 feet. This was established at a pipeline safety meeting at the Sawmill Inn in Grand Rapids this summer. They only mention homes within 300 feet of the proposed line. So with this knowledge each future home builders will have to clear an area well beyond the 500 feet.

And when they come to the west side of Twin Lakes, as these lines are planned, the preferred routes, they are trying to squeeze between Swan River and Twin Lakes, which would pretty well take up all the land between those two bodies of water. People with

land in that area wouldn't be able to build on that land.

No one can say that these natural gaslines won't explode. The Panhandle Eastern pipeline explosion near Springfield, Illinois on April 29th, 2007 is but one example. There was another one a few years ago in Deer River. A 36-inch line, I think it was, exploded in front of a lady's house, in the Burbee residence in rural Deer River. Mrs. Burbee had a heart attack and passed away at that time.

There are other possible routes that could be taken that have less of an impact on wildlife and humans. One route is a route submitted by Michael Karna, 21205 Bluebird Drive, Grand Rapids, Minnesota. This route follows mostly tax forfeited land, nine sections of it, and an existing high voltage right-of-way. There are wetlands involved, but the pipelines have traditionally been able to overcome the difficulty of wetlands. I'm submitting here a letter by Mr. Karna describing that route. I also have here a copy of Minnesota Statute Session Law 1997, which I'll submit.

Another route would connect the Great Lakes gas line just north of Highway 2 in Cohasset, and it would follow the high voltage lines that go right

through the Butler Tac site, so there's already a right-of-way there.

I have a copy of the Citizen Advisory Committee report for the proposed Nashwauk Blackberry natural gas pipeline, which I will also submit for your review. It discusses five possible alternative routes, and the sixth route has since been identified and added to the list.

It should be noted that in an Excelsior Energy press release dated 8-29-05 it says under "Advantages of the preferred site, the site is located in close proximity to existing infrastructures, including adequately sized natural gas pipelines." This statement is just another example of spin that Excelsior is willing to put on things to make the facts fit the project.

At a recent meeting of the Itasca County Planning and Zoning, a subcommittee was formed that included John Engesser of the Minnesota DNR Mines and Minerals Division and several mining engineers. Their mission was to identify the exact location of the iron ore body and to devise a map to be implemented in a mine overlay district. The object of the mine overlay district is to prevent development over the ore body and to preserve the land for future mining.

Through test borings and other data it was shown that the next and only logical place for mining in the near future would be in the area starting at the old Arturas Mine just east of Scenic 7 and traversing west to the Canisteo Mine pit. And I have a map here showing that. This means that the Mesaba Project's infrastructure, railroad spur, process water lines, potable water lines, wastewater lines, high voltage transmission lines all would interfere with the mining in the area.

I've included in Exhibit D a report that was done by members of the Natural Resources Research Institute and Richard Ojakangas of the Department of Geological Sciences, University of Minnesota-Duluth. It states that "Even though the access to the mineral resource itself is crucial, attention must also be paid for keeping land available for things like ancillary facilities, tailings basins and stockpiles, including land north of the iron formation where the bedrock is Archean granite."

Since the Mesaba Project was planned in close proximity to and north of the iron ore body, it would jeopardize the ability to mine that area, depriving the state, county and schools of badly needed funds.

Putting this information along with the fact

that they can't sequester CO2 in this area, it reinforces a statement made by MPUC Chair LeRoy Koppendrayer; he says, "You're in the wrong place." Thank you. (Applause)

BILL STROM: Thank you, Bob. LeeAnn Norgord.

LEEANN NORGORD: LeeAnn Norgord, L-e-e-A-n-n N-o-r-g-o-r-d. Excelsior stated that the Mesaba plant will not contribute additional mercury discharge to the water discharge. Although they have repeatedly made this misleading statement, the reality is that the discharge water will carry highly concentrated levels of mercury, sulfates and dissolved solids into Canisteo Mine Pit and/or Holman Lake and the Mississippi River.

Given the complex relationship of mercury in an aquatic environment, shouldn't the EIS give accurate details related to mercury discharge and subsequent impact? Why would the EIS continue to repeat some of the same misleading statements given by Excelsior regarding mercury discharge? Why would the EIS use an impact area of three kilometers when the mercury deposition will affect over 400,000 lakes? Thank you. (Applause)

BILL STROM: Thank you, LeeAnn. Ed Anderson.

ED ANDERSON: Ed Anderson, E-d A-n-d-e-r-s-o-n. I'm a physician in Itasca County,

Trout Lake Township, and I'm the co-chair of Citizens Against the Mesaba Project. I was part of the Citizens Advisory Task Force as well in August of 2006.

For the past two weeks CAMP has been reviewing the Environmental Impact Statement draft, and our overall reaction thus far is that of disappointment, disappointment not only in the document, but in the agencies that produced the document. And we're very disappointed in the process by which we were lead to believe that public input and public comment is valued.

The draft EIS is far from complete. The purpose of the scoping, by my recollection and I think by the presentation tonight, was to have been to ensure that the final Environmental Impact Statement is complete and to identify areas of local concern.

Instead, it appears that the objective of that document is really to minimize the adverse environmental impacts of this project, to push the federal initiative for clean coal, and to facilitate a project that really has no hope of ever realizing the DOE's objectives as outlined in their Clean Coal Power Initiative.

There are a lot of people in this room that have spent inordinate amounts of time reading the joint permit applications, researching the issues and

submitting comments. Other agencies, such as the Army Corps of Engineers, the MPCA and the Minnesota DNR also submitted numerous comments over a wide variety of issues. Those issues included Excelsior's unverified claims of need for base load power. Concerns about the site selection, concerns about water discharge, concerns about mercury deposition, air emissions, and the plant's impact on the Canisteo Mine Pit waters, lake trout fishery and recreational use, most of those comments have not been addressed at all, and those that have have been addressed inadequatly.

I'd like to give a couple of examples. Most of our examples are specific comments that will be turned into written form prior to the January 11th deadline.

But as one, the joint permit application describes how the Canisteo Mine Pit will be closed to recreational use and how that water and the trout fishery will be ruined by concentrated discharge water from cooling the plant. The draft EIS doesn't acknowledge the Canisteo Mine Pit as a lake trout fishery. I don't believe it even acknowledges its use for recreation. As the Canisteo Mine Pit water will become polluted, there will be a risk to the private wells and to the aquifers, the municipal aquifers of

Coleraine and Bovey.

This is pretty clearly outlined in the Minnesota Department of Health Wellhead Protection study that establishes a hydrologic connection between those aquifers and the Canisteo Mine Pit; and there's no mention of that Wellhead Protection study in this draft EIS.

There were also numerous comments that were submitted regarding human health. Most of those comments came directly from a study that was commissioned by Excelsior in 2005. In 2007 the New England Journal of Medicine published an excellent study of over 12,000 women, looking at the effects of particulate matter on health. What that study showed was that for every 10 microgram per cubic meter increase in PM 2.5 there was a 70 percent increase in the risk of heart attack and stroke, and that's starting from a baseline of zero and below the air quality standards.

A large majority of the physicians and nurse practitioners in Itasca County submitted a letter in opposition to this project and voiced concern about their patients' health. Excelsior's study from 2005 clearly outlines the increased risks of illness and premature death related to Mesaba's air emissions, and

those numbers are actually going to be low given recent research in this field.

In contrast, when I read through the draft EIS, there's health information about electro magnetic fields, and it gives a brief summary of the cancer and non-cancer health hazard indices. The majority of that text on health talks about the background rates of obesity, smoking, drinking, hypertension, other chronic illnesses that would be found in Itasca County and St. Louis County in Minnesota. It really has no bearing on this project right now.

The important issues, health related issues are really not discussed in the draft EIS. Excelsior actually did a better job of establishing the adverse health impacts than this draft EIS does; and in this respect it's grossly inadequate.

Although we believe that the Department of Energy's objectives related to their Clean Coal Power Initiative are misdirected, they actually do appear to be clear. I'm not as clear about the Department of Commerce's objectives. When I read their mission statement, in part it reads, "Ensuring equitable, commercial and financial transactions, reliable utility services, and advocating the public's interest before the PUC." The Mesaba Project does not appear to meet

the objectives of the DOE or DOC by any stretch of the imagination; and we certainly don't feel that through this draft EIS that the DOC is advocating in the public interest.

This is the wrong project. It's in the wrong place. The people here today and the people who have submitted comments in the past really deserve to have those comments and concerns taken seriously. And we hope that that will be reflected in the final EIS. Thank you. (Applause)

UNIDENTIFIED: Again; one, two, three.

(Applause)

BILL STROM: Thank you, Ed. Charlie Decker.

CHARLES DECKER: Good evening. I'm Charles Decker, D-e-c-k-e-r. I just have a couple comments to make. I'm a physician from Hibbing; and I talked here previously.

First of all, most of the things that I was going to mention have so eloquently been spoken to by the previous speakers, that I don't have very much to say, except I can sort of draw some conclusions from what they said, that, very briefly, as Dr. Anderson mentioned, it seems to be the wrong project in the wrong place. It would seem logical to me and to others that a project such as this should not be built in the

northwoods of Minnesota. It should be built somewhere where the coal is located, somewhere where carbon dioxide can be sequestrated, dumped into the ground, as the one speaker said; and would not cost a fortune to make the product, as another speaker mentioned, the cost prohibitive for sale, the increased cost of power to the consumer.

I think that the Environmental Impact Statement should be reviewed very carefully, from the comments of the previous speakers, mentioning the particular things that Dr. Anderson mentioned so very eloquently.

I think you'll note that there is some opposition to this project, and the opposition gives some very scientific and logical conclusions tonight, and they're not strictly emotional outbursts. Thank you very much. (Applause).

BILL STROM: Thank you, Charles. Mary Munn.

MARY MUNN: Mary Munn, M-u-n-n. I'm here representing Fond Du Lac Reservation. I'm their recently hired program coordinator so I've only had a brief time to review some of the information. I would like to thank everybody for being here, and I really appreciate the concerned citizens. You guys have really done your homework.

I, too, am curious. Appendix B covers air. I had the understanding that PM 2.5 was the standard. And I would like clarification as to why it's PM 10 is what is being tested. I also was curious about the impact area and why is it considered a circle. With geographic information systems, modeling now can account for wind direction and average that out. If you have an east-west wind in a circle, and your plant is in the middle of the circle, well, your impact is going to be divided in half immediately upon what is going to fall out of the atmosphere.

And one other comment is that if the DOE is interested in clean coal, if this community is going to put up with the impacts or expect the impact of this coal generating facility, perhaps you could shut down a facility of equal magawatts elsewhere in the country. That's all. Thank you. (Applause).

BILL STROM: Thank you, Mary. Mike Andrews.

MIKE ANDREWS: My name is Mike Andrews, M-i-k-e A-n-d-r-e-w-s; and I represent Itasca Economic Development Corporation. It's a non-profit corporation whose mission is helping create quality jobs.

We have issued statements in the past in support of the Mesaba Project and Excelsior Energy, and

we take public comments very seriously, and we will be submitting written statements after scrutinizing the draft Environmental Impact Statement. Thank you. (Applause)

BILL STROM: Thank you, Mike. David Hudek.

DAVID HUDEK: D-a-v-i-d H-u-d-e-k. I'm also one of the landowners on Diamond Lake. And also agree with some of the other comments previously speakers have pointed out.

One in particular is the EIS has not put in their scope the effects of groundwater and local wells. And since my well is going to be extremely close to the project, I want to know what the risks are with the mercury and lead possibly contaminating my personal well, as well as hundreds and even thousands of wells in this area, this county, and this state. That's it. Thanks. (Applause)

BILL STROM: Thank you, David. Sue Hutchins.

SUE HUTCHINS: I'm Sue Hutchins, H-u-t-c-h-i-n-s. I'm an instructor of biology and environmental science at Itasca Community College.

The Environmental Impact Statement talks a lot about our environment, but let's remember that the coal has to come from somewhere. And surface mining for coal has devastated communities in the Appalachian

Mountains. They have mountaintop removal. 7 percent of the area has been just cleared. They dump the waste into valleys or streams. 1200 miles of streams have already been buried or polluted.

If you mine coal underground, we've all heard of the disasters, the mine cave-ins that kill our miners. Black lung disease still kills a thousand former coal miners every year in the United States. So let's look at these environments also. Every step of the way coal is dirty. It's not funny -- (applause) -- it's not funny, but every time I hear the words "clean coal," I just have to laugh. Coal is not clean.

We have impurities. We have acids, heavy metals that have to be removed from the coal. These can leach into surface water and underground water. When you transport coal, the trains and the trucks and the barges that carry coal are run on diesel fuel. Diesel releases particulates. It's a major source of nitrogen oxide. And soot, the blowing coal dust as it goes through our towns, the increased train traffic will bring more soot to our air. There will be more mercury in our water. One of the assignments I give my students is to look up their favorite lake and see if they can eat the fish from it. And students are always surprised to find that maybe they should only be eating

one fish a month.

I'm also a parent. I have to watch how much fish I feed my 10-year-old daughter because she will have children some day, I hope, and mercury will effect her nervous system and can be passed on to her unborn children.

The true cost of coal is not being addressed. We are told that this is a very cheap, one of the lowest cost ways to met electricity demand. But this assumes that this power plant can release carbon dioxide into the air with no penalty. Many of the nation's largest power companies openly acknowledge that limits on carbon emissions are coming, they're inevitable. When even modestly priced CO2 allowances are included in the cost production, coal quickly loses it's position as the lowest cost option.

Building more coal-fired power plants does not make sense enviromentally or economically when these costs are factored in. We've been ignoring the true costs, and with climate change we cannot afford to keep making this dangerous mistake. Thank you. (Applause)

BILL STROM: Thank you, Sue. Joan Beech.

JOAN BEECH: Joan Beech, J-o-a-n B-e-e-c-h, rural Bovey. As a citizen I speak, not only for myself, but also for my children and grandchildren,

knowing that CO2 is the culprit of greenhouse gases. Many of the speakers have spoken very eloquently about carbon capture and sequestration. As we look at the Environmental Impact Statement, we realize that if it is true -- it is definitely true that CO2 is the culprit, then why has this project continued to be on the docket? It does say in the Impact Statement that Excelsior has not established a detailed design for carbon capture and sequestration. If it is really true that we, as the State of Minnesota, want to reduce our emissions by 15 percent by the year 2015 and 80 percent by 2025, why are we allowing this project to go forward, and to be the state's second largest polluter and one that has no realistic hope for carbon capture and sequestration? Thank you. (Applause)

BILL STROM: Thank you, Joan. Harry Hutchins.

HARRY HUTCHINS: My name is Harry Hutchins, H-u-t-c-h-i-n-s, I live in Grand Rapids, Minnesota. I also teach at Itasca Community College in the natural resource program there.

Now, there's a few things that come to my mind after I looked at the biological section of the EIS, in that they looked at primarily the flora and fauna and the effects on that. And there were some, I felt, some pretty major rewrites that need to be done; and whoever

wrote this needs do to go back and take a look at some of the new research. Some of it was things that they must have heard during college, and they're very generic statements. Some of the new information that's out was not put into this, and if it was, it would have been a very big rewrite of this section. So I think these people, whoever wrote this, need to take a look at this again.

A couple of things. If you look at CO2 production and we look at what's happening with global climate change, for example, Dr. Lee Fralick from the University of Minnesota, the forestry ecologist there, has stated many times over the last few years that the one tree, if any tree, if you picked one tree that's going to lose, it's going to be black spruce. And with global climate change, black spruce is the one that's fading away from Minnesota the quickest. And that is one of the key species that's part of the species mix that Blandin Paper Company uses.

We can't just throw away our forest's health for one project like this. And every time we add more CO2 and we begin to change this environment more and more, we're going to start to lose some of the flora and fauna no matter what this paper says that's currently written.

They talk about, for example, things like, oh, well, let's take a look at the fragmentation that occurs by the power line right-of-ways and the trains. And they make it sound like, well, the animals will be gone temporarily, but they'll come back. Or all of a sudden some grassland species will move into what was once a forested region. Where do they come from? It's so vague, it's hard to know. Do they fly in from 200 miles away up by Bagley and come in out of the prairie and all of a sudden start to occupy what was once a forested region and is now a new grassland that was created by this fragmentation?

we also need to realize that these birds, especially, are major predators on caterpillars that are the larvae that defoliate our trees on. The birds are so important to forest health. They come up here for three months out of the year, and they come up here from the tropics and they breed and they eat insects, primarily caterpillars. And these are the things that defoliate our trees, and if we don't have them here -- and they're not going to be here if we continue to fragment our forest, because the edge predators will increase and will move in and will start getting the ground nests and the low nests of many of these new tropical species. We've already seen a decline in many

of our ground nesting birds here. So I suggest these people go and take a look at some of the new information that's out there from the Natural Resource Research Institute. It's too much for me to go into right here.

I want to close with two things. One of them is there was a Citizen Advisory Group that the state put together in 2000, and they created a landscape plan; over 70 citizens from the north central part of Minnesota. And that landscape plan, it was okayed, and it was passed by the Forest Resource Council, which was set up by the governor and the State of Minnesota. And they got forest policy in this state, and one of the things they said was for the north central part of Minnesota, that we would not have any loss of forest land, and we'll try to maintain our contiguous forest areas. And this is a big contiguous forest area. So we have a policy not to do that. Let's follow it and not fragment it with these lines and a new power plant and things like that.

And I'll end with this: Some of you may have had a chance to go out in October, the first week in October, at Gustavus University down in St. Peter. And there they have the annual conference, Nobel Conference, and this year it was on global climate

change. And everyone of the six speakers there, including the comments from MIT, said that we should have an immediate, an immediate band on any coal-fired power plants in the United States until we learn how to sequester CO2. And we haven't seen it with this project, and we don't know how do it yet. So it should be an immediate band here, as it is everywhere else in the United States. Thank you. (Applause)

BILL STROM: Thank you, Harry. Warren Shaffer.

WARREN SHAFFER: My name is Warren Shaffer, S-h-a-f-f-e-r. On Tuesday, November 13th, 2007, using the Table of Contents, I read portions of the Environmental Impact Statement for the Mesaba Energy Project. I was particularly interested in the effects of the project on the Canisteo Mine Pit and Trout Lake, usually Canisteo Mine Pit is abbreviated CMP. Mr. James Walsh, hydrologist with the Minnesota Department of Health Wellhead Protection Program, has established that the two bodies of water, Canisteo Mine Pit and Trout Lake, are hydrologically connected. He likened the water movement between CMP and Trout Lake to a pan with water in it. He said if you tilt the pan up one way, the water will move to the other side of the pan, and vice versa. If the Canisteo Mine Pit water level

is higher than Trout Lake's water level, water will flow toward Trout Lake. If you reduce the water level of the Canisteo Mine Pit below 1288 feet below sea level, the height of Trout Lake, water will flow from the lake to the mine pit.

That means that any effect on the Canisteo Mine Pit will have an effect on Trout Lake. If you introduce contaminates into the mine pit and the pit is higher than the lake, the contaminates will reach Trout Lake. Prior to mining 65 percent of the CMP watershed supplied water to Trout Lake. As the pit fills, it has been the intention to restore that water to its original pathway by allowing pit water to again flow to Trout Lake. Under Excelsior Energy's plan CMP water will be held at or below the level necessary to permit CMP to flow to Trout Lake, thus perpetuating the diminished natural watershed.

Mr. Walsh was explicit that the Wellhead Protection Program does not offer protection for private wells. He did specify that the municipal aquifers for Coleraine and Bovey and all the private wells around Trout Lake are connected to both the Canisteo Mine Pit and Trout Lake. Some protection of the water used by Coleraine and Bovey may be offered by their water purification systems. No such protection

is available for the private wells.

According to the Environmental Impact Statement prepared for the Mesaba Energy Project, water is to be drawn from the Canisteo Mine Pit and blowdown water is returned to the pit between 810 gallons per minute, and 4190 gallons per minute is the sustainable withdrawal flow for the water balance modeling. That's Table 4.5-2.

Water returned to the pit is expected to be 350 gallons per minute during Phase 1 operations and 2650 to 3500 gallons per minute during Phase 2. That's from Table 4.5-2, footnote (e). Roughly those figures are reflected in Figure 4.5-2, the system description for the water use of the plant.

On Page 4.5-15 the Environmental Impact Statement states that the anticipated discharges are expected to be within water quality criteria standards without mixing except for hardness, total dissolved solids, sulfate and conductivity. Within the CMP levels of these four parameters would rise over time during the operation of the power station and approach or exceed water quality standards.

But on Page 4.5-3, total dissolved solids would be below 700 milligrams a liter for 26 years, perhaps the life of the plant. 700 milligrams per

liter is the standard, not for water for human consumption, but for water for irrigation.

I spent less than an hour and a half looking at Mesaba Energy Project's EIS. I'm not a trained hydrologist or an engineer. As a member of the Western Mesabi Mine Planning Board I was assured by Mr. Robert Evans that Excelsior Energy had no plans to discharge water into the Canisteo pit. But Mr. Evans' assurances are not reflected in the Environmental Impact Statement. Mr. Walsh's study of the wells, watershed and aquifers establishes the connection between these waters, the Canisteo Mine Pit and Trout Lake. The possible negative effects of the project on the waters surrounding the project are substantial, not inconsequential. Because of this I request a more thorough investigation be performed to establish the effects of the Mesaba Project on water quality in the Canisteo Mine Pit, Trout Lake and the corresponding aquifers. Thank you. (Applause)

BILL STORM: Thank you, Warren. Andrew David.

ANDREW DAVID: Good evening. Andrew David, A-n-d-r-e-w D-a-v-i-d. I would like to thank you for the opportunity to come here and speak tonight. Thank you for listening. It's my hope that my words and all of our words are heard beyond the walls of this

building.

I'd like to make some comments on Sections 4.11 and 4.12, respectively socioeconomics and environmental justice. Section 4.11 analyzes the economic impact of building Phase I and Phase II of the Mesaba Energy Project; particularly impact of construction and continued operation to have employment income, business population and housing. In order to do this the EIS used a study called the UMD BBER study, University of Minnesota-Duluth. They used IMPLAN software modeling. I'd like to point out that this plan -- and if you review the EIS, please look at this plan and review it as well, not just take it as a footnote. This plan is a benefit study only. It is not a cost benefit analysis. Okay. No cost was ever attributed. So as a benefit study -- I should point out that even the authors recognized -- if you go to the last page, even the authors will say that they recognize this is not a cost benefit analysis, and they caution against using their study as a complete view of the impacts of building Mesaba Phase I and Phase II.

The BBER Study is misleading in stating the economic value of Itasca County or the seven-county wide range of influence. That's because most of the economic values supposedly coming to the area in the

form of cost for coal, transportation, profits, rentals, interest, et cetera, will actually be accrued where those services are provided or purchased. That's not going to happen in Itasca County. Most wages will be provided in Itasca County, although roughly 20 percent are estimated to be private non-residents.

Most of the construction of plant operation positions will be filled by people outside of Itasca County. That number will rise if construction is a union job. It has direct negative impacts on housing in the area during the construction period.

If you reference Page 4.11-4, the EIS states that long-term housing requirements are not viewed as an issue, low number of jobs added to the area. However, the EIS does find that depending on the percentage of construction jobs that could be filled by existing residents, the influx of workers from outside the region could create a demand for rental housing and lodging that may exceed available capacity.

The other thing I want to point out is that when you talk about housing and rental housing availability for construction workers, this entire EIS is done without considering the potential for Minnesota Steel, which is a much larger project, will require much more in terms of housing and construction workers,

and is going to be virtually next door. Both of these go in, there will definitely be a housing shortage.

Most, if not all, the discussion in this section references dollars and employment that will be gained if Mesaba Phase I and II are built. Therefore, the economic benefits are being over-estimated given the scope of the proposed building. The permitting process is asking only for Phase I, yet the economic analysis is offering figures for Phase I and II combined. We need to see in the EIS that accurately compares all the costs and benefits just for Phase I.

Considering that the economic impact is thought to be a seven-county region, or even throughout Minnesota -- at one point that statement is made. But areas that might be adversely affected are considered to be individual blocks within the census tract or just along HVTL corridors and utility right-of-ways. This is inequitable.

The socioeconomic analysis is incomplete. Another example, the Mesaba Project has yet to get its project to market and cannot do that without an HVTL that runs from northern Minnesota, where the power is to be generated, to the Twin Cities, St. Cloud area, where the power is supposedly needed. This analysis does not cover the cost, nor the impact of creating

additional cross-state transmission lines. If we take Ross Hammond's example of the car for sale, we find that car not only is on blocks without tires, but it doesn't have a transmission. Other than that, it's ready to go.

General comments on Section 4.12, Environmental Justice. The region of influence for the environmental justice analysis is incredibly narrow and does not match the region of influence used for the socioeconomic analysis. Moreover, my guess is that neither of these would match the size of the region of influence for the environmental impact. In other words, if we took the environmental impact area, how come that's not being used for the economic analysis and the environmental justice analysis? The three should be in line.

"The regions of influence for environmental justice are determined for each resource area by the potential for minority and low-income populations to bear a disproportionate share of high and adverse environmental impacts from activities within the project area." The EIS then goes on to define the project area as census tract 9810 for the West Range and census tract 140 for the East Range site. If the economic analysis can be extended to a seven-county

area, why is the environmental justice analysis limited to a single census tract for each site?

Environmental region of influence or environmental project area for the Mesaba Project is undoubtedly larger than a single census tract. If this is true, the environmental justice analysis, which is charged with assessing the health effects, risks and rate of hazardous exposure and potential cumulative adverse exposures must take a larger geographic area into consideration.

Northern Minnesota in general and Itasca County in particular is the center for the environmental region of influence. Residents of Itasca County will bear the burden of any increased health effects, any increased health risks or rates or be affected by cumulative or multipule adverse exposures from the environmental hazards.

The electricity gererated here will be sent to the Twin Cities metro area where it's needed. Northern Minnesota does not need this electricity but is being asked -- no, if this goes forward, its being required to accept any health burden that its generation would impose. On that basis alone, the environmental justice analysis should compare the environmental region of influence, which would include all of Itasca County and

much larger, with the Twin Cities Metro area being the control room. Then the environmental justice analysis can evaluate whether the proposed action or alternative would cause disproportionately high and adverse effects on minority or low-income populations in the region of influence.

The environmental justice analysis outside of the construction sites, HVTL corridors and utility right-of-ways presented in this EIS is inadequate. The EIS looked at the potential for adverse health risks in a wider radius for the respective project sites. But the term wider radius was never defined, and the only reference made was to the effect that additional mercury deposition would have on subsistence fishing on Diamond Lake. Surely the environmental impact area is much larger and, therefore, the environmental justice area must also be larger.

There was no effort made to include any other health risks, such as particulate matter; VOCs, NOX, SOX, or other heavy metal contamination from airborne deposition, nor consider their impact here individually or as cumulative or multiple adverse exposures as required in the method of analysis. Thank you.

(Applause.)

BILL STROM: Thank you, Andrew. Charlie

Grant.

CHARLES GRANT: Good evening. My name is Charles Grant. C-h-a-r-l-e-s G-r-a-n-t.

As a former teacher of physics and mathematics, I'd like to share with you something that's happening and has been going on for the last few years in studying the size of particles and how it impacts on our health. We think of things like asbestos and other contaminates that we all know about living on the Iron Range as being no-nos. But the problem is not so much whether or not it's asbestos. It's the size of the particle that we are breathing. And if you create an environment, which we will if this plant is built, where a huge amount of particle distribution will take place in the shipping of it, in the handling of it, and in the ultimate burning of it, we will have thousands of tons of particles, some of which will be smaller than 10 microns.

Now, a micron is an extremely small division of measurement. If you took a piece of human hair and cut it in half and looked at the cross-section of it, and said, well, let's blow that up to about two and a half inches in diameter so we can get a better study of it, one micron would be so small that you couldn't see it. You would have to use magnification.

Now, the harmful particle size is between ten and one micron in size. If we allow them to build this plant, our children and grandchildren are going to have in their lungs a large increase in the amount of this particulate that they breathe. So no matter if they sequester the CO2 and we stop them from polluting the environment as far as global warming is concerned, I'm a little bit more concerned about my grandchildren and their exposure to potential cancer. So when you think of the project, think of a two and a half inch section of hair and then talk about one micron and ask how are they going to deal with that, because if they don't have filters and they have to be what they call HEPA filters, which are extremely expensive and demand a lot of attention, we are going to be polluted no matter what we want to do. Thank you. (Applause)

BILL STROM: Thank you, Charles. Kristen Anderson.

If you prepared written statements -- I see some of you are reading from written statements -- if you have prepared written statements, the court reporter would appreciate if you could submit them to us, we'll give them to her with your name and address on them, and we'll send them back to you if you so desire.

Thank you, Kristen. Go ahead.

KRISTEN ANDERSON: I'm Kristen Anderson. K-r-i-s-t-e-n A-n-d-e-r-s-o-n. I feel like what I'm going to say is going to reiterate what a lot of other people have already said about IGCC technology. As we learn about this type of technology over the years, over the months especially, we've learned that the main benefit of this type of technology is its ability to capture for sequestration. And a lot of analogies have been used for the Mesaba Project tonight. I was going to use Wal-Mart in the middle of the Mojave Desert, but I kind of like the car, accept I'd like to add that there's no roads involved, either.

We understand that Minnesota, geologically speaking, is in one of the worst places in the entire United States for known areas of sequestration. And we have to put that in our Environmental Impact Statement. That's huge. The reason we do IGCC is for the capture and sequestration. That cannot be ignored and those costs need to be involved also.

I'm quoting a recent article from the Medulla Independent, and it's Governor Schweitzer, I believe. He is somebody who is for IGCC. And he says the future of clean coal electrical generation lies in IGCC plants built near the mouths of coal mines and near geologic

structures capable of sequestering the vast amounts of CO2 the process creates. And he says, Montana, for example, is in a great position to lead the way on these fronts. I think that he says it. What he says is very clear -- and the PUC chair people have said this also.

In addition to saying this is the wrong time, they have said this is the wrong place for this type of technology. While this technology might have merit, it would appear that the technology is in the wrong place. We don't have a sequestration site near us. And for the magnitude of the project being proposed, is it responsible for us to move forward in the wrong place at this magnitude? Thank you very much (Applause)

BILL STROM: Thank you, Kristen. Amanda Nesheim.

AMANDA NESHEIM: Amanda Nesheim, A-m-a-n-d-a N-e-s-h-e-i-m. In the EIS it was mentioned zero liquid discharge for the East Range site. I would just like to say that our water resources here are just as important to us as anybody else in the East Range site or anywhere where this proposed plant might be built, and that zero liquid discharge should be mandatory.

Cumulative air quality effects are poorly outlined in the DEIS. MSI already exceeds the class

one limit for nitrous oxides and is supposed to buy nitrous oxide offsets to meet its permit requirement. It is unlikely these offsets will be able to be purchased. Since Mesaba is behind MSI in the permit line, Mesaba must have a nitrous oxide emission of zero or purchase 100 percent of their nitrous oxide offset in addition to what MSI is supposed to buy. The DEIS makes no mention of this problem.

Why does the DEIS have such gross ommissions with regard to cumulative effects? And why does the air quality modeling give no input assumptions/data.

Why does air quality information use modeling that gives low/conservative estimates?

Another thing that I would like to point out that was in the EIS, carbon capture and sequestration again. The Mesaba Energy Project's plan is for 30 percent sequestration. The EIS statement says that 33 percent is actually only sequestered. 33 percent of 30 percent amounts to 1,029,400 tons of CO2. That is less than 1 percent of the over 10 million tons that are going to be emitted by this IGCC plant. And on top of that, in the enhanced oil recovery they're talking about 8.7 million barrels of oil to be recovered. Those 8.7 million barrels of oil will emit annually 4,350,000 tons of CO2. So the enhanced oil recovery

emissions actually completely out process the amount that is actually sequestered. Thank you. (Applause)

BILL STROM: Thank you, Amanda. Carol Overland.

CAROL OVERLAND: I'm Carol Overland, C-a-r-o-l O-v-e-r-l-a-n-d, as in express. I'm here on behalf of MCGP or MnCoalGasPlant.com. I just blasted in 1200 miles, so I'm a little in la-la land. So I'll be quick and submit written comments later.

But for the record I want to really clearly state, because this was an issue in the Chisago project, I looked at the scoping decision and then looked at the EIS, and there's some things that don't exactly cross all fronts. So I'm going to do a detailed review of that and send that in. The things that are in the scoping decision need to be addressed. And so that's a simple requirement.

Also it was kind of telling that -- on Page 1-9, where it's talking about state involvement in this project. It mentions Docket Number GS-06-668, and there's no mention about 5-1993. It seems to me that's a pretty important part of the state involvement in this project.

PM 2.5, yeah, it's not here. It's not in any air permit that I've seen in the State of Minnesota.

And the State of Minnesota MPCA realizes that it's not in compliance with the Federal Rules.

Now, Federal Rules are in their own kind of a mess because of a recent circuit court decision. But the PM 2.5 hasn't been addressed, and it needs to be done more specifically. But there's a (inaudible) process about that. But this is inadequate. It doesn't address that. And 2.5 is just the tip of the iceberg. And those much smaller particles, as I've said, are the ones that are really dangerous. So those things need to be addressed.

And, you know, one of the great parts of this work is watching everybody grow up in the process and hearing all these great comments. And those of you who have made comments, I really urge you to submit them in writing, give them all the documetation you possibly can, rent a truck if you have to to get that to them, so they can't say they don't know. Get them this information, bombard them with information so it will be included and addressed. They need to address the comments we make. So make very specific written comments with a lot of documetation and have fun.

It is a bit of a farce to be going through it at this point, because as LeRoy Koppendrayer said, and as many of you have quoted him; this dog won't hunt;

you can keep it as a pet but it needs training; you know, you're out of here. And here we are, you're wasting our time doing this. I find that really offensive. (Applause) Got that, Pat, and I forgot to bring Pat's (inaudible) home for Christmas, so I'll have to send it to you. So please put everything in writing and send documentation. Thank you. (Applause)

BILL STROM: Thank you, Carol. That's all the preregistered cards I have. I will now go and call on -- if you raise your hand, I'll call on you if you want to speak. But before I do that, the court reporter asked to take a few minutes break. So let's take three minutes. And then I'll call on people. If you want to speak and haven't filled out a card, if you raise your hand, I'll call on you.

(Brief recess.)

BILL STROM: We're going to go back on the record and see if there are anymore comments. Okay. We went through all the preregistration cards of people who want to speak. Is there anybody who hasn't signed a card and would like to speak, please raise your hand. Sir, would you step to the mike, state your name, spell it.

JEFF POENIX: Good evening. My name is Jeff Poenix, P-o-e-n-i-x. I have no prepared comments, but

plan to submit them in writing. Whether it's fortunate or not, I seem to represent kind of the younger generation of the area, and I'm not sure why that is, but it is what it is.

Basically I just want to reiterate a couple points and ask for clarification on a couple others. One of them is in -- I don't have it with me 4.17 regarding transportation. And that one is -- it was stated that there would be four train loads per day through the area. And my question is, for clarification, would that be four round trips or four total? And if it is only four total, kind of rough math, that would be 4800 miles one way to where the coal actually is and then double that for the return trip. And if this is an Environmental Impact Statement, then I feel that carbon dioxide as a regulated greenhouse gas that should be taken into consideration when we mine and transport the coal from 1200 miles away.

A couple other things, I believe in 4.16, and that would be the hazardous and non-hazardous materials. Not much has been discussed about this as far as the transportation and handling of the hazardous and non-hazardous materials. I guess, very basically, it's been stated that these materials would be recycled

and re-used when feasible; and my question is who would determine feasibility of the recycling and re-use of these materials? Is it an on-site employee? Is it CEO of the project? Who would it be?

Then in regards to the transportation of these hazardous and non-hazardous materials, would the transportation be via the train or by truck transport? And there's a lot of vagueness in regards to where these things would go. There are statements that say if possible X would go to X location, but it doesn't provide alternatives if these locations aren't possible. There's a lot of things to the extent of plans are in the works to provide storage of these hazardous and non-hazardous materials, whether it's landfill or otherwise.

I guess those are very briefly my comments. And as I said, I'll be more thorough when I write them and submit them. Thank you. (Applause)

BILL STROM: Thank you. Anyone else? Raise your hands. Yes, ma'am.

KARLA IGO: Hello, my name is Karla Igo, K-a-r-l-a I-g-o. And I'm a mom, and that's why I'm here. And I can probably say why there's not many young people here, because we're all chasing our kids and trying to keep all the balls in the air with them.

And it's very hard for me to be here at seven minutes after 9:00 on a week night, but I felt this is an important thing for our future generation, and that's why I'm here.

I would just like to ask a question or have this comment for the record. On May 25th of 2007 our governor signed the Next Generation Energy Act. The goal of that act and that law is that by the year 2015 we will reduce greenhouse gas emissions in our state by 15 percent. That's eight years away. I would like to see addressed what will happen building another 600 megawatt power plant in our state without closing another one? There has to be some kind of study that can be done to determine, are we even going to have a chance at dropping our emissions by 15 percent? It says 30 percent 10 years later. I just can't see how adding more CO2 in the air is going to help us. So I would like to see something in the Environmental Impact Statement that looks at how can we make sure that we're not going to break a law that has been signed. Thank you. (Applause)

BILL STROM: Thank you for your comment. This gentleman here.

GARY BURT: Hi, Gary Burt, G-a-r-y B-u-r-t. I'm going to try to draw a slight analogy here. I

volunteer for the animal shelter in this area and this past week weekend I was out live-trapping cats at a local trailer court. Apparently none of the cats were feral. They were all, I believe, pets that were abandoned. So in essence what I am doing in the live-trapping of cats, is I am cleaning up someone else's mess.

And I have yet to hear any information as to what's going to happen with the results or what the price tag is going to be in terms of particulates and how that affects the health of people down the road, the water quality, all of the environmental consequences. I have yet to hear anybody address the possible consequences of the decision we're going to make in the near future about this coal plant. And I can't see how you can make that kind of a decision without providing for what's going to happen, you know, if we have some negative consequences.

The Three Mile Island plant that what was so-called a minor disaster, ended up costing over 390 million dollars to clean up. And who paid for that? I doubt very much that it was the corporate executives of the plant. My guess is they passed all of the price of the cleanup on to their customers. And I'm very concerned that this is what's going to happen here if

we don't start working or start trying to figure out what's going to happen regarding the consequences of these decisions. Thanks. (Applause)

BILL STROM: Thank you. This gentleman over here, please.

BOB IGO: Hi, my name is Bob Igo, B-o-b I-g-o. I guess I'd like to start out saying, everybody that spoke tonight, great job. A lot of eloquent speakers. We heard from natural resource teachers, biologists, physicists. So far the only people that I've heard of -- and I've been following this, I don't know, a couple years now at least, however long it's been going on. The only people I know for sure that are really wanting this, I think it's kind of the IGCC, I'm not sure anymore now, and Excelsior. And what I'm wondering here is -- I haven't had a chance to read this entire Environmental Impact Statement. I've been a little caught up in that whole living and raising kids thing.

I think any time you're going to wreck a lake, it's probably a bad idea. If it's going to wreck one lake, it's probably not a good idea. Why this keeps getting milled around and around and around -- I don't know if I heard anybody just say, you know -- it seems to be less than 20 people that want this and an entire

community that don't. But for some reason there's still all kinds of money and resources and man-hours going into this thing. I don't know. Just an idea. I'm not an physicist or a chemist or an attorney, but maybe a better place for this would be, I don't know, over next to Boswell where there's already power transmission lines and they're already hauling in coal. I don't know. Just an idea.

In any event, I guess, to keep this more directive towards the Department of Energy and the Public Utilities Commission and Department of Commerce, who's involved now, too, I challenge you guys to just throw the whole thousand page EIS Statement out the door because it's intuitively obvious, even to a casual observer like me from listening to everything that's been said here tonight, that it sounds like a bunch of rhetoric and vagueness. Maybe challenge you guys to come up with maybe a two-page document that, yes, this is a good idea; or no, it's not. That's kind of where I'm at with it. I think -- I don't know.

I guess another question would be, has anybody that had anything to do with the drafting of this statement, have they been at Canisteo in a boat? Has anybody been back to any of this land or seen what it looks like or what kind of shape it's in? Is it a

brown zone? (Applause) Is it a place where you might want to go fishing? I've been back where they want to put up this power plant, I've been back there. (Inaudible) some old mining site, a brown zone. Well, I don't know, there's maple back there I can't get my arms around, and I'm a pretty good sized guy. If it was brown, it was brown in like 1900; it's not anymore. Canisteo is drop dead gorgeous.

It just kind of makes you wonder. It seems that -- I don't know. I don't see the spoils going to a victor here. I don't see anybody wanting it, but, like I say, maybe kind of IGCC and Excelsior Energy. It just doesn't seem like a good idea.

And if we're really going to use a tool like an Environmental Impact Statement to make some kind of a knowledgeable decision, I think it can be condensed down considerably and put in terms that I can read to my 6th grader and he'd go, yeah, dad that doesn't sound like a very good idea. I just thought somebody needed to kind of get rid of the eloquence and all the big numbers and sequestration and blah, blah, blah, blah. And like I say, being a dad, I try to keep things simple because my oldest son is only 11. I try to use very smiple analogies, like, you know, bud, if you don't take mom's vase down off the mantle, the chances

of breaking it are zero.

If we don't build this plant here, the chances of us getting lung cancer, I'm sure, are going to be much less. That's the way I look at it, and I wanted to go on record and say that and challenge the departments that be to come up with something I can read to my 6th grader and he's going to be able to follow it and everybody else in the community will, too, without spending the next six months trying to muddle through a thousand pages of stuff that just still seems kind of vague and out there; if we do this and if we kind of do that, maybe this will happen. I don't know.

Last time I got a building permit and I had a septic plan, they didn't let me do that. I had to tell them exactly how many bedrooms and how many bathrooms and how many square feet; and if I didn't, they'd just say, well, go ahead, come back when you've got all of that stuff. And I guess that's what I'm kind of saying; come back and talk to me when you got all the numbers. Thanks a lot. (Applause)

BILL STORM: Thank you.

JUDY GUNELIUS: Judy Gunelius, J-u-d-y G-u-n-e-l-i-u-s, Bigfork.

Short and sweet. A picture is worth a

thousand years. Everything has been addressed beautifully. I just have a picture to show you. And this fish, this lake trout came out of beautiful pristine Canisteo Pit, which should be here for a long time. I'm 68. I hope my grandchildren see it.

(Applause)

BILL STROM: Would anyone else like to speak? This gentleman right here.

DAVID HOLMSTROM: I'm David Holmstrom, H-o-l-m-s-t-r-o-m. And both my wife and I have reviewed different parts of the draft Environmental Impact Study, and I would be subject to cold dinners for the rest of the winter if I didn't bring to your attention the deficiency that she found. In one of the segments that she read, and I believe it's Figure 4.3.5.6 it references some numbers from the Intergovermental Panel on Climate Change. For those of you who might not recognize that name, that's the organization that was the co-winner of the Nobel Peace prize this past year.

The report from the IPCC that was referenced in the document was their report from 2001. There's a new report out in 2007 by that panel. And I think if the Environment Impact Study is going to represent accurate data, they need to use the more current report

from the IPCC in their references in this report.

Secondly, the portions of the report that I read dealt with the handling of wastewater, not cooling down or blowdown water, not production water, but actual human wastewater generated by the plant. And the report went into some detail about the fact that the sewage pumping station here in Taconite is not sufficiently large to handle the volume of wastewater that will be produced. No discussion, however, was available, at least in the portions that I read, about whether the sewage treatment plant, the Coleraine/Bovey/Taconite sewage treatment plant, which is on the other side of the pumping station in Taconite, has the capacity to deal with the volume of wastewater that the plant will generate.

Again, I think that if the Environmental Impact Study is going to accurately reflect some of the problems attendant to the location of this plant, some discussion of whether the sewage treatment plant just outside of Coleraine and Bovey, essentially on the shores of Trout Lake, has sufficient capacity to handle the wastewater that will be generated by the plant.

The third issue that was in one of the sections that I read had to do with proposed routing of high voltage transmission lines. And I saw in the

portions that I read no description of the number of property owners that would be affected by any of the proposed alternatives for the routing of those transmission lines. I think that's a major deficit in the accuracy of this report.

I thank you for your attention. (Applause)

BILL STROM: Thank you. Anyone else care to speak? This gentleman here.

DARRELL WHITE: My name is Darrell White, D-a-r-r-e-l-l W-h-i-t-e. Everything has been said, so I can't say nothing about it. There's only one section I'm concerned about. Last July I went down to Minnesota PUC, and Julie Jorgensen, CEO of Excelsior, was giving a little talk in front of them, and she said this plant will create 70 jobs. Are we giving up everything for 70 jobs? Put this down to rest and quite wasting my tax dollars. (Applause)

BILL STROM: Anyone else like to speak?

RON GUSTAFSON: Just a brief comment; and it's the amazing elephant in the room, and the elephant in the room is Excelsior Energy is proposing this plant for one reason and one reason only, to make money, to make a profit. And we have to ask ourselves, is this where we take a stance and correct the mistakes our generation has made in relationship to the environment,

or do we want to keep pouring public money to a group of lobbyists and lawyers who have never produced a kilowatt of energy and sacrifice our environment and the health of us and of future generations to come? (Applause)

BILL STROM: Anyone else who would like to speak? Going once, twice -- okay. I want to thank you all for coming here. I want to remind you that the comment period, end of the comment period is January 11, 2008. You can send your comments either to me or to Richard. We're going to share -- we're in this together. We're going to share comments.

I want to encourage you, if you submit comments, make them specific on issues and concerns you have about the draft Environmental Impact Statement. And keep in mind, if you reflect back to that flow chart that I showed you, a milestone that we have coming up is the contested case hearing, and in that hearing process comments, generic comments about the technology or the government spending money, they're more appropriate for that forum. When you submit your written comments to either me or Richard, to the extent possible, try to focus on deficiencies, areas that need clarification of the draft Environmental Impact Statement.

UNIDENTIFIED: Where is that contested case hearing likely to be held?

BILL STROM: We will hold one here and one in Hoyt Lakes; and that will be with an ALJ presiding. Yes, sir, in the back.

UNIDENTIFIED: I understand this is a meeting with the Department of Commerce, which is a state organization, and the Department of Energy, which is a federal organization. How does this EIS get reviewed? Who accepts it or doesn't accept it? Do they accept the whole thing as is or do they accept parts of it? How does this work? What happens?

BILL STROM: I can speak to the state process, and I'll let Richard speak to the federal process. When I went through the schematic, the final decision point in that schematic was the PUC making a final decision. As I said, they will make a decision on three things; the first one being the adequacy of the Environmental Impact Statement. So that is a decision point for the PUC at the state level. Richard, do you have anything to add for the feds?

RICHARD HARGIS: Well, the whole idea here was to have a joint process, a joint document that would satisfy both purposes. Our purposes is to get environmental information out to the public and to the

federal officials that have to make a decision on whether we go forward with funding under the Clean Coal Power Initiative. Bill has his purpose in terms of providing recommendation to the Public Utilities Commission. The Corps of Engineers is also a cooperating agency. They have their own goals and their purposes. The Forest Service is involved. So we're all trying to make this one document that satisfies a lot of purposes.

BILL STROM: Yes, Linda.

LINDA CASTAGNERI: The question I have is regarding when you're asking us to address our comments. I guess the question I would like to ask, if you can explain to me, is who is like the bridge between all these different groups of people? And is there like a critical think group that then looks at these comments and decides how they're going to address the responses to them, because I guess that's really the concern that I have; is that I think that we put in a tremendous amount of personal effort and energy into this, very sincere effort to have these questions and comments addressed. And I know you're telling us to do this again. But what I'm asking is I want to know on the accountability side between all these various groups of people, who is monitoring and providing

oversight to see that these comments are actually being addressed so that when this final document appears, right, that it just isn't a punishment exercise that we've all gone through and you all hand over this piece of paper.

So I think it's really fair that someone has to tell us in a public forum who is providing oversight on our comments and looking at them, because I just don't get a warm and fuzzy feeling that the people in Washington, D.C., right, have a heartbeat on what happens in Itasca County. And I just think that there's a link. Everything links in life, and I don't see this link occurring here. Sorry. But I want to know who's looking at my comments. (Applause)

BILL STROM: Okay, Linda. I can speak from the state's standpoint. The PUC on this docket, the siting and routing docket, as I said, has to make three decisions; the adequacy of the Environmental Impact Statement, whether to issue a site permit to Excelsior and what conditions should be in that permit; and the selection of which site and which routes get selected. The environmental information, the public comments come in, they come into me at the state level. I evaluate them. I use my expertise and my background to carry those that I think have merit forward, and they get

carried forward, and I make recommendations. For example, on the scoping documents, I reviewed the public comments. I carried those that I thought had merit forward, made a recommendation to the Commissioner of the Department of Commerce. The Commissioner of the Department of Commerce is the decision-making authority for the scoping decision.

Now, as we move through the process, we produced a scope, we produced a draft of our Environmental Impact Statement. We will go into a contested case hearing where people who still have remaining issues with the process, with the environmental documents, get to speak that to an ALJ, another impartial view person. That ALJ will then write a report with findings of fact of the whole record, and this will be a big one, findings of fact, recommendations and conclusions.

His recommendations and conclusions will be the adequacy of the Environmental Impact Statement, whether a permit should be issued for the site and the two routes, pipeline and transmission line, and any conditions that he thinks came out of the record that should be incorporated in that permit; and that will come back to me. I will review that, and then I will put together briefing papers with my recommendations to

the PUC.

The forum that takes, when I present the case to the PUC, I provide all the findings of fact, with the judge's report. I then provide my analysis of it, and then I give the PUC options. You know, one option may be what I believe, but another option coming out of record, and I present it to the PUC and then they select. Those things that fall within the three decision points they have to make, they select them. They may concur with my recommendation that Hoyt Lakes is the preferred site. They may not. They may determine that neither site is appropriate, okay? They may determine that the Environmental Impact Statement is not accurate and send me back through the process to address a deficiency there. And they may decide they're going to issue a permit, they're going to issue it for this site here in Taconite, and these are the conditions we want; and one of the conditions could be we want zero discharge on the west site. They can say that they want that as a condition.

You as public in the contested case forum, not this one -- this forum deals with the draft EIS -- you can tell the ALJ, I don't want the project or you can say, as a condition of the permit, if it gets that far, I want zero discharge for the West Range site. So you

can suggest things that you think have merit for permit conditions.

Does that sort of cover it for you, Linda, a little bit?

LINDA CASTAGNEIR: Well, we're just confused because we put these comments in and we just did not see them addressed in the draft, and I just don't want this all of a sudden to be just done and then --

BILL STROM: It may be that you've submitted -- I'm not going to get into details of it because I want to go home sometime tonight -- it may be that you submitted comments that I didn't believe had merit, and I didn't carry them forward. The contested case hearing is that forum for you to bring that up, and say, well, I don't think Bill did what I asked Bill to do or didn't deep enough. You might say, well, I brought up the Henshaw effect. Bill incorporated a little bit of that in the draft EIS. I don't think he want far enough. Your Honor, I'm asking that we have more information on this.

I think I just created a monster here. I don't want to get too far afield on issues that don't have to do with the draft Environmental Impact Statement because you people have families and you want to get home to, and so do we, frankly. So if you have

a comment or question that's on the draft Environmental Impact Statement, bring it up. If you have a comment on the process, when we close, talk to me informally about it, and I can go over the process.

UNIDENTIFIED: Just one sentence; so you're the guy? Everything is going right to you? There's not a committee? You're it? You're the straw that stirs the drink?

BILL STROM: Well, we did have a task force on this process, but I am the guy.

UNIDENTIFIED: You're it.

UNIDENTIFIED: So there's no checks and balances; it's you?

BILL STROM: Well, remember there are other permitting agencies after me. I'm sure we have people from the DNR, water appropriation group here. The PCA will have to issue an air permit. These are other people who have permitting authority after my permit, but they're running consecutively. The air permit is already in. The groundwater permits are in. So I'm getting feedback from these agencies already.

LOREE MILTICH: I'm Loree Miltich, L-o-r-e-e M-i-l-t-i-c-h. I'm wondering, who did the modeling processes, the CALPUFFS and all the -- do you do that? Does the DOE, or does Excelsior?

BILL STROM: That data was generated from Excelsior and their consultants and reviewed through us and the DOE consultant.

LOREE MILTICH: But the state hasn't reviewed the actual modeling figures? Because when I was looking at it, I was concerned, as an elementary schoolteacher, well, here's the results but I want to see the work, because there's a lot of assumptions built in. When I looked at Minnesota Steel's, they're just adjacent, and the background ambient air, the number for the threshold and stuff, there were discrepencies, they weren't the same and yet they're the same air. So I'm wondering who's got oversight over the modeling. Or is Excelsior just feeding you guys their numbers? I feel concerned.

So do you take responsibility for -- even the DOE says that CALPUFF should be looked at with really understanding its limitations. And there was no verbiage, there was no words talking about the limitations of these various modeling programs, where you were coming up with the numbers. So who has accountability for the modeling and the number -- well, no, put it this way; garage in, garage out.

RICHARD HARGIS: If you're asking for us to put an explanation in there as to where we got the

numbers, what we did in terms of doing an independent verification of those numbers, we can explain that in the EIS. I understand your concern. You need to know that DOE stands by the numbers in the EIS, and so does the Department of Commerce. It's not just Excelsior's numbers being handed to you. And we'll make sure we'll make that clear in the EIS.

ANDREW DAVID: Andrew David. Sorry if I opened up a can of worms, but I was curious. Some of the comments that Linda made and some that Ed made about the draft scoping for the EIS and efforts that went in; and if I understood you correctly, you said that you took those and you brought things that you thought had merit to the, I guess I want to get this right, is it the head of the Commerce Department?

BILL STROM: Commissioner of the Department of Commerce.

ANDREW DAVID: Commissioner of the Department of Commerce, and then a decision was going to be made as to what was going to be in and what was going to be out in this EIS. Can you tell me without getting into specifics if things you brought to that Commissioner were not included? In other words, did you bring to the Commissioner a report that said, there are items in here that I think have merit, and the Commissioner

said, I don't believe that and left them out?

BILL STROM: That did not happen.

ANDREW DAVID: That did not happen. So everything that came foward you reviewed and you decided what had merit and what didn't. And all that that had merit came into this draft EIS proposal, is that correct?

BILL STROM: Correct.

ANDREW DAVID: Thank you.

BILL STROM: Yes, sir.

GARY BURT: Gary Burt. Is there going to be a revised EIS before the court hearings, what did you call that, the --

BILL STROM: Contested case hearing.

GARY BURT: Yes, contested case hearing; is there going to be a revised EIS; and if not, when is a revised EIS going to be issued?

BILL STROM: There is not a revised EIS. There is a final EIS, and the final EIS is, we take the comments we received tonight, the comments we received during the comment period, and we address them. We explain our position, we answer the questions to the best of our ability. And that section gets put onto the draft EIS, and that becomes the final EIS.

GARY BURT: And that will happen when?

BILL STROM: We're hoping to get the final EIS out March 7th.

GARY BURT: And if we disagree with that, what do we do then?

BILL STROM: In the state process there's no second bit of the apple in the final EIS, but what you can do is, when I present the case to the PUC, which I'm hoping to do May 22 -- again, these are tentative dates -- that's a public meeting. You can come to that meeting and you can address the question of adequacy of the Environmental Impact Statement at that point.

GARY BURT: Thank you.

BILL STROM: Yes, sir. Please step to the mike.

ALMER PEDERSON: My name is Almer Pederson, P-e-d-e-r-s-o-n. Assuming on this EIS now, this committee that's reviewing this sits down and looks at everything that's been said and everything's been reviewed, put in place and say, hey, let's try it. What happens? Who overrides him?

BILL STROM: The point of the EIS is not a conclusionary document. The EIS purpose is not to say aye or nay to this project. That on the state side, for the state's role is done at the PUC final decision hearing. So what you're envisioning is not part of the

process.

ALMER PEDERSON: So it'll be part of the -- the part that goes into the mix and gets down to whether everything is approved or disapproved?

BILL STROM: I guess I'll have to say yes. Well, what happens is we have a contested case hearing that's sort of on a parallel track. We take all the comments received during the comment period for the draft EIS, we address them and issue a final EIS.

The contested case hearing takes testimony, evidence from the public, from other agencies, and out of that comes a report from the ALJ, administrative law judge. That comes back to me. I take the whole record, which includes everything from the beginning through this, through the ALJ, through the contested case hearing, through the ALJ report, I assemble it, I assemble briefing papers. I present that to the PUC, and they make the final decision on those three decision points. That's the state's process.

RICHARD HARGIS: I just want to clarify one thing. And Linda, you were concerned about comments that everybody is putting together on this draft EIS, that they're somehow not going to be addressed or they're not going to be considered carefully. I tried to make a point in my presentation -- I guess I didn't

do a very good job -- but every comment that we get, whether it's tonight, whether it's a written comment, e-mail, fax, whatever, it will be reproduced in its entirety, and that's why we have a court reporter here for the oral comments so that we have them in writing. There will be a separate section in the final EIS that has every comment, word-for-word what you said we should do and why, and then we will give you a specific response. Yeah, we agree with you. We should have done that. And then we will point to the specific portion of the final EIS and say, here's what we changed. And it will be bold and in italics so it will stand out. You can go to that section, and you can see how we addressed your comments.

So I hope that that will convince people. If you'd like, I can send you a recent final EIS that we did to show you how we did that. I can send you a copy so you can see what to expect for this project as well.

As far as the state process and decision-making, all of the -- deciding how to respond to these comments, it gets reviewed at various levels within the DOE, and it goes to the highest levels within DOE, within fossil energy within DOE, to ensure that we've done our job in terms of answering your questions and addressing your comments.

ALMER PEDERSON: Thank you.

ANDREW DAVID: I appreciate that explanation. That's wonderful. We see in the final EIS how you will have addressed concerns that we bring up here. The concerns of the people who are here, at least the ones that are still left, is that we did a scoping EIS, and theoretically it was under a similar situation, and many of the things that were brought up then are not in this document now. It's a fear. Somehow you have to overcome that fear. There's got to be a little bit of trust. Thank you.

BILL STROM: Anyone else? Again, I appreciate you guys being here. I do this all the time. I have many projects. I think I'm from the Range, I come up here so often. I do appreciate your participation. I know it's a burden to come out here. But the one thing I love about my job is this process. I'm the neutral one. I have six, seven different projects. I'm neutral pretty much on the projects all the way through the process. What I'm strong about is getting you people to voice your opinion and bring it foward so the final decision-makers can have a complete record.

(Applause)

(Hearing concluded at 9:45 p.m.)

COURT REPORTER'S CERTIFICATE

Be it known that I have reported and transcribed the foregoing hearing;

That I am a notary public in and for the County of St. Louis, State of Minnesota;

That I am not related to any of the parties hereto or interested in the outcome of this matter;

That the foregoing is a true and accurate transcription of my stenographic notes to the best of my ability.

Witness my hand and seal this 7th day of December, 2007.

Kathleen M. Undeland
Registered Professional Reporter

My commission expires
January 31, 2010