

Mesaba Energy Project, PUC Docket No. E6472/GS-06-668

**DOE Draft EIS for the Mesaba Energy Project (DOE/EIS-0382D)
Comments on Draft EIS**

Submitted by: Citizens Against the Mesaba Project

Chapter 5 Summary of Environmental Consequences

5.1.2 Impacts of Commercial Operation

“If fuel needs of the combined-cycle unit need to be met or supplemented by natural gas for continual operation then the demonstration of synthesis gas production by coal gasification would be considered unsuccessful.”

How is this measured and by whom?

What process is used to monitor and determine whether the volume of natural gas used is to be considered successful or unsuccessful?

I am requesting clarification of the Cooperative Agreement and the Draft EIS and how the two documents are interrelated and how all items regarding use of natural gas will be measured as appropriate under said agreements.

2.9 of the Cooperative Agreement – Cost Sharing – (Mar 2002)

Unallowable costs – DOE will not share in the acquisition costs of any fuel other than coal, under this Clean Coal Power Initiative, unless prior written approval is obtained from the DOE Contracting Officer

The Minnesota Public Utilities Commission has determined the Mesaba Energy Project is not in the best interest of the public due to its high cost of electricity.

What is the impact to rate payers if the demonstration is unsuccessful?

If the project is determined to be unsuccessful how does it impact the Federal Government Loan Guarantees?

Solid Waste Disposal

What is the specific location of the “appropriate commercial landfill” to dispose of unmarketable sulfur and or slag?

Will a public landfill be used? If so, what is the long range impact to the life of the landfill? Who will bear the cost?

5.1.2.1 Carbon Dioxide Capture and Geological Storage

“CO2 emissions would be 214 million tons over the 20 year commercial life of the generating station. The plant would be adaptable for retrofit of Carbon Capture Technology”.

I am requesting specific component costs by customer category for the following items as related to carbon capture/sequestration costs be provided for the Mesaba Energy Project.

| | Residential | Small Commercial/ Business | Larger Commercial/Business | Other |
|--------------|-------------|-------------------------------|----------------------------|-------------|
| Generation | Cost per KW | Cost per KW | Cost per KW | Cost per KW |
| Transmission | Cost per KW | Cost per KW | Cost per KW | Cost per KW |
| Distribution | Cost per KW | Cost per KW | Cost per KW | Cost per KW |
| Total | | | | |

“Excelsior may install CO2 capture transport or sequestration at some point during the commercial life of the project”

Without a detailed plan and design for carbon capture how can the true cost of this project be determined?

A viable detailed plan for carbon capture/sequestration must be in place prior to approval of the EIS.

Appendix A2 DOE Analysis if Feasibility of Carbon Capture and Sequestration for the Mesaba Energy Project

“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 efficiency and the cost of electricity.”

A 90% removal could increase electricity costs up to 40%.

There are no geological reservoirs capable of sequestering CO2 within the state of Minnesota

The cost to move CO2 via pipeline would significantly increase the cost of electricity.

CO2 injection for enhanced oil recovery (EOR) are economically-driven operations to increase oil production not necessarily scientifically-driven to prove the technical feasibility of permanently sequestering carbon.

“Excelsior has not established a detailed design for carbon capture or sequestration.”

The DOE analysis concluded:

“Carbon Capture and sequestration is not considered feasible for the Mesaba Energy Project.”

“Without an order from the PUC that incorporates the costs associated with CCS with the PPA, the Mesaba Energy Project would not be economically viable.”

I am requesting my comments be reviewed and evaluated for the draft EIS as per the following:

The Environmental Impact Statement process should be halted based on the DOE analysis and the stated fact that Excelsior Energy has not established a detailed design for carbon capture or sequestration nor determined the cost of CCS and its impact to rate payers.

The Carbon Capture Sequestration Plan submitted by Excelsior Energy is merely a paper desktop theoretical exercise lacking specific detailed design for carbon capture transport or sequestration. Excelsior’s carbon capture/sequestration plan is merely a conceptual scenario with no established timeline, cost estimate, or cost impact analysis to rate payers.

Table 5.1-2 in the Socio-economics and Environmental Justice impacts states under Capture:

Addition of capture technologies could increase electricity rates and have long-term adverse impact.

Table 5.1-2 under Possible Mitigation Measures states:

Consider distributing potential increases in utility costs to support the proposed project to mitigate the potential for adverse and disproportionate impacts on low-income populations.

I am requesting my comments be reviewed and evaluated for the draft EIS as per the following:

This clearly indicates Excelsior Energy has no indication as to the cost of carbon capture/sequestration and the financial impact to rate payers. Several times in the Summary Document it is stated that carbon capture/ sequestration MAY be feasible at some point during the life of the generating plant. One must question whether the submitted plan to capture or sequester carbon is authentic or merely an exercise to placate the proponents of reducing greenhouse gases.

Tables 5.1-2, has nine instances in the Summary of Impacts and Possible Mitigation Measures columns, where Best Management Practices (BMP) will be utilized. However, there is no statement or reference towards specific BMPs or whether they actually exist.

I request a detailed analysis of all Best Management Practices listed in Table 5.1-2.

Do these Best Management Practices exist?

Where are Best Management Practices utilized and by whom?

What is the performance history of these Best Management Practices?

CO2 Pipelines

I am requesting my comments be reviewed and evaluated for the draft EIS as per the following:

CO2 compression and transport is a pipe dream.

CO2 pipelines are considered hazardous liquids.

The proposed Route 1 will travel through 41 towns, communities and Indian Reservations. What are the potential dangers to all receptors along the entire route of the 400 plus miles of proposed pipeline?

How many property owners along the 400 mile plus pipeline route will be affected by eminent domain? Easements?

Who specifically are the customers to receive the piped CO2?

Are there commitments in place to purchase the piped CO2?

What guarantee is there that this will be a viable option at “some point” in the commercial life of the plant?

Route 2 is 525 miles passing through Superior National Forest and will thus require Federal approval.

What is the approval process?

A detailed and separate EIS should be developed along the entire proposed pipeline routes.

Water Issues

What is the flow of discharged water? Excelsior only stated that the discharge will flow to Holman Lake. Which lakes, creeks and/or wetlands will it travel through to Holman Lake?

What is the impact to these wetlands?

What is the exact content of Mercury that will be discharged into Holman Lake?

I am requesting my comments be reviewed and evaluated for the draft EIS as per the following:

Excelsior stated that the Mesaba Plant will not contribute to additional mercury discharge into Holman Lake. **However, the water will contain highly concentrated levels of**

mercury from the use of water from the Canisteo Mine Pit (CMP) and Hill Annex Mine Pit (HAMP). Holman Lake flows into the Swan River joining the Mississippi River approximately 20 miles SE in the township of Jacobson, Minnesota.

How will the warmer temperature of the discharged water affect the ecological balance of these natural wetlands, especially during winter months when these wetlands freeze?

Will these bodies of water no longer freeze in the winter?

Will the water levels of Holman Lake and the Swan River increase due to the high volume discharge of water from the Demonstration Plant?

What materials will be discharged into the already impaired waters of the Swan and Mississippi Rivers?

What is the impact of this discharged water to the local communities along the 20 mile stretch of the Swan River from Holman Lake to Jacobson Minnesota?

Did these communities receive any communication as to the increased flow and impacts on water quality?

The Mississippi River is a public water source for approximately 18 million Americans including the City of Minneapolis. What actions will be taken to notify all communities of the proposed dumping of the discharged water from the Demonstration Plant into public water supplies?

Will the water discharge from the Demonstration Plant negatively impact local residential wells which are a main source of water in this rural community?

What plan will be in place by the operations managers of the Mesaba Plant to mitigate any negative impacts to the local watershed, individual and community wells and wetlands in the event clean water standards are violated?

Who will monitor the levels of materials in the discharged water?

Who is responsible for clean up costs if water standards are violated?

Loss of Habitat & Wetlands

Wetlands—the bogs, marshes and swamps scattered across Minnesota—provide homes to many plant and animal species; filter and improve the water quality of our lakes, streams and drinking water; provide economic opportunities through recreation such as hunting, fishing or bird watching.

Wetlands provide critical habitat for a variety of fish and wildlife species including amphibians, songbirds, reptiles, fish and ducks. Many species depend on wetlands as

breeding and rearing locations, especially small seasonal wetlands that are wet for only a short period of time each spring. According to the Minnesota Department of Natural Resources (DNR), 43 percent of endangered or threatened plants or animals in the U.S. depend on a wetland for survival.

Wetlands also filter pollutants, trap sediments from water and can recharge our precious groundwater resources—resources used by many Minnesotans for drinking, industry and agriculture. In Minnesota, over 52 percent original wetlands have been lost due to development.

Is there a displaced wetlands replacement plan? What areas have been identified as potential wetland replacement sites?

The loss of these wetlands will negatively impact hunting, fishing and other recreational activities that are a vital component to the economy of Itasca County.

What is the economic impact to the loss of 759 acres of wildlife habitat and 122 acres of wetland?

Visibility

Page 5-2-9 of the draft EIS states “Minnesota Power (MP) reductions would potentially offset visibility impacts related to the Mesaba Energy Project. Additionally, it is expected that many other actions, both voluntary and in response to regulatory requirements would be taken in the near future to reduce the potential for visibility degradation.

Minnesota Power is the former employer of Tom Micheletti and an elite company celebrating their 100th anniversary in business. Newspaper articles were submitted as testimony at the PUC hearings in St. Paul, Minnesota. In the Herald Review dated December 13, 2006, Tom Micheletti is quoted as saying “They’re lying.” in reference to comments made by Minnesota Power Executive Vice President David McMillan.

I am requesting my comments be reviewed and evaluated for the draft EIS as per the following:

The purpose of the actions to be taken by Minnesota Power is to reduce pollutant emissions and improve air quality and visibility, not to offset the Mesaba Energy Project. Based on the above statement, emissions from the Mesaba Energy Project will negate the actions taken by Minnesota Power to improve air quality and visibility. Any reasonable citizen would be outraged by these types of unacceptable solutions to environmental concerns. As has been the history of Excelsior Energy, they continue to assume and expect other market place utility companies to solve their problems. The State of Minnesota finds this a serious issue.

Why would the DOE even entertain these types of comments by a private developer in 2007?

What are the many actions that will be taken in the future? I am requesting a specific list.

How will these actions improve air quality and visibility?

I request that Excelsior Energy provide specific information as to the expected actions to be taken to improve air quality and visibility.

Rail

Option 1A of the proposed additional rail loop to serve the Mesaba Energy Project will pass within 400 ft of one residence and within 1000 ft. of 3 residences.

What precautions will be in place to reduce train noise and vibration?

What precautions will be taken to protect residents from the effects of escaping coal dust from the coal cars? Will this be monitored? What are the health risks to residents exposed to the escaping coal dust?

The Excelsior Energy study identifies traffic delays of up to nine minutes at rail crossings. This will negatively effect local traffic patterns and cause significant backups along major roads.

A nine minute delay to the response time of emergency equipment and first responders is unacceptable. This delay may result in deaths that could have been otherwise avoided if emergency personnel were not delayed.

The rail plan submitted by Excelsior Energy is unacceptable and should not be approved. A comprehensive study by an independent agency or firm should be conducted to identify the impact of the increased response time of emergency equipment and first responders and the depth of traffic delays caused by the nine minute wait time.

Henshaw Effect

I disagree with the comments in the draft EIS that state since studies of the health risks are inconclusive it is concluded that they are comparable to risks imposed by HVTLS already in use. As noted in my initial comments, those of us raised in the area in the 1950's were exposed to many dangerous chemicals due to the mining industry. When you consider the cumulative effects that result from the incremental impacts of the plant it is reasonable to expect you will consider that not only is our water already impaired from exposure to mercury and other contaminants, but so are we. The diseases attributed to the mining industry continue and Mesothelioma, a lung based disease warrants additional review of any potential for air pollutants of any kind to attach to the charged molecules when inhaled. I request this matter be reviewed in light of the newly released medical information relevant to the local area.

Emergency Response

The City of Taconite is a rural community of 315 residents with limited emergency services. I request an in-depth analysis be included in the scoping process regarding the capability of local community First Responders to properly mitigate any emergencies during the construction, demonstration and operating phases of the proposed plant. I also ask that an in-depth needs assessment be conducted to determine additional equipment needs and assess the level of training needed by First Responders to mitigate emergency situations throughout the phases of construction, demonstration and operation.

The draft EIS does not properly address the issues of Emergency Response. It merely states that the City of Taconite may need to increase the complement level of volunteer firefighters from 12 to approximately 20. It basically states the City of Cohasset never had a problem therefore we should not as well. This is unacceptable. A complete study should be conducted to determine the levels of needed emergency response, equipment and training needed. The men and woman of the local fire departments who risk their lives deserve to receive the proper training and equipment.

How will additional equipment and staffing be funded?

Will local taxpayers be required to fund additional equipment and training?

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 additional staffing, equipment and training of First Responders to local communities and ultimately the taxpayers.