

>>> <gchester@charter.net> 1/10/2008 4:57 PM >>>

Dear Mr. Hargis,

Enclosed is a letter regarding the proposed coal gasification plant in Taconite, MN to add to the citizens comments. The plant will have a big impact in my area if built. Please let me know if you can open it.

Greg Chester

6312 164th St. NW
Cass Lake, MN 56633

January 8, 2007

Mr. Richard Hargis

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

Dear Sir,

Coal vs. Wind Generated Electricity - Taconite Plant

Regarding the coal fired power plant proposed for Taconite, MN, there are many questions about its viability: economic, environmental, social, and political. Let us focus on the economic issues, more specifically opportunity costs. The simple question is, is coal gasification the best way to spend our limited money resources to produce electricity? The project, if completed, would cost at least \$2.1 billion. However, when one factors in other costs such as increased labor, material, and interest costs over the ten years projected before the first watt is produced and the additional costs railroad extensions and other related projects as well as the cost of coal to fuel the plant it will likely be much more expensive. Can we spend this money more effectively?

We can use the large wind generator built several years ago at the University of Minnesota at Morris for a comparison. It is designed to produce enough electricity for 550 homes. The Morris wind generator cost \$1.6 million. If we spend that \$2 billion on wind generators we could build 1,250 wind turbines, which could serve 684,500 homes.

The proposed coal burning plant, on the other hand, is designed to produce 600 megawatts or enough electricity for 600,000 homes. Wind would provide electricity for an additional 84,500 homes for the same money and the wind is free! Coal costs. Furthermore, it will be necessary to use a significant amount of that electricity to reduce the toxic pollution and later to sequester the CO2.

The coal cost will be significant as the plant would require a coal train each day to keep operating. This would cost a lot of money and it will come out of the electric customers' pockets. Also this money would go out of state, as we have no coal in Minnesota and lost to our economy. The wind is free so that no money will be spent on energy, thus that money for will stay in our communities and our pockets. We can use that saved money to buy what we need and to create local jobs. The wind generators can also be dispersed and provide well-paying jobs for many communities in our region for skilled people.

Another example is the Flat Rock Wind Power, FRWP (LLC) in Northern New York. They have built 195 wind generators in West Lowville, NY in the past 2 ½ years. They cost about \$500 million and can produce 320 mw of electricity. \$2 billion could build four times this number of wind generators that could produce 1280 mw of electricity. That is more than double what this proposed coal fired plant would produce. Flat Rock built them in less than 2 ½ years and they are now producing electricity and both paying off the debt and paying fees to local farmers and the local communities and school districts. On the other hand, the Taconite plant would require at least 10 years to build before it produces its first watt.

The opportunity costs of this project need to be factored in up front. Do we want to spend \$2 billion on a dinosaur system that will produce less than half of the electricity of wind generators for the same cost? Furthermore, the wind fuel is free? The coal plant would cost more to build and operate and will produce less.

Two additional advantages of wind generators are that they are quick to build and will create more jobs for people already living in our region. Wind generators can be erected in only a few days and will begin producing electricity and income shortly thereafter. It will take at least ten years to complete the coal fired plant and it may take a while after that before it begins producing electricity and income. In the meantime the borrowed money will be generating interest debt that must be paid.

During the ten years it would take to construct the proposed plant many of the wind generators could have been producing electricity and making money for their investors and the local communities! The wind generators will create many more jobs locally for local people for the skills needed to maintain them are not as complex and specialized as those required to operate and maintain a large coal fired plant. Lastly, because the construction, operation, and maintenance of the coal fired plant will require specialized skills the plant owners will most likely bring in the skilled construction crews and technicians from other states.

When one views the opportunity costs, wind wins hands down. Why are we even thinking of coal fired plants, which are dinosaur technologies in our modern age? In 10 or 20 years they may be forced to shut down because of environmental factors and their basic costs to operate. They will not have had time to pay off their debt and we the public may have to absorb it. Wind makes sense; dollars and cents!

Thank you for your attention to these facts and observations.

Sincerely,

Dr. Gregory Chester