

EXCELSIOR ENERGY INC.

From the Office of
Robert S. Evans II
V P, Environmental Affairs

January 10, 2008

Mr. Richard A. Hargis, Jr.,
NEPA Document Manager, M/S 922-178C
U.S. Department of Energy
National Energy Technology Laboratory
P.O. Box 10940
Pittsburgh, PA 15236-0940

Subject: Draft EIS Comments
Mesaba Energy Project
DOE/EIS - 0382D

Dear Mr. Hargis:

I am writing to provide a comment on the Mesaba Energy Project's DEIS and ask that the U.S. Department of Energy ("DOE") incorporate a response to this comment in the Final EIS. Section 4.3 of the DEIS presents an analysis of the Project's impacts on air quality and climate (including greenhouse gases). On page 4.3-27, in Section 4.3.6, the DEIS identifies the impacts of the No Action Alternative "would probably not involve introducing new emission sources" and therefore, "the No Action Alternative is projected to have *no* impact on the air quality either regionally or locally." We respectfully disagree with this statement.

The No Action Alternative could delay the commercialization and market penetration of IGCC technology in general and the E-Gas technology for IGCC applications in particular. Such a delay would likely result in greater cumulative emissions of criteria pollutants, mercury and carbon dioxide from both national and global perspectives. Although Excelsior has not attempted to quantify such potential increases attending a delay in the Project, we believe the U.S. DOE may have insight into such implications or know of such attempts that have been based on credible data. To the extent that such information is readily available, we would request that it be included in the Final EIS in the discussion of impacts of the No Action Alternative.

Thank you again for considering this request. Please contact me at (952) 250-2253 if you have any questions.

Respectfully,

Robert S. Evans II

cc William C. Storm, Minnesota Department of Commerce

11100 WAYZATA BOULEVARD
SUITE 305
MINNETONKA, MN 55305
PHONE: 952.847.2360
FAX: 952.847.2373



WWW.EXCELSIORENERGY.COM

424 ROOSEVELT AVENUE
P.O. BOX 227
COLERAINE, MN 55722
PHONE: 218.245.1205
FAX: 218.245.1604