



Minnesota Pollution Control Agency

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August 12, 2008



Mr. William Cole Storm
Minnesota Department of Commerce
Energy Facility Permitting
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

RE: Proposed Mesaba Energy Project (MN PUC Docket No. E6472/GS-06-668; DOE/EIS-0382D)

Dear Mr. Storm:

This letter is being sent as a follow up to our written comments, submitted January 11, 2008, to the proposed Mesaba Energy project. I am aware that the comment period is closed, but I wanted to clarify our position on a couple of issues and hope you will consider this as you work on finalizing the Environmental Impact Statement (EIS).

Questions have been raised about our comment regarding the appropriate Best Available Control Technology (BACT) determination for this facility. We have since learned that the U.S. Environmental Protection Agency may disagree with our BACT analysis. However, the BACT determination is a permit action, and since this is an EIS, the focus should be on determining the impact of the proposed project.

I understand the Federal Land Managers (FLM) have not conducted a detailed review of the Class I modeling that was done for the Draft EIS. Because the modeling has been updated since the Draft EIS, the proposer should ensure that the FLM have an opportunity to conduct a detailed review of the updated modeling and that the Final EIS reflects that modeling. I understand that the proposer has initiated contact with the FLM to facilitate the review of this updated modeling. The determination of the significance of the impacts should be based on the current FLM guidance, not the proposed FLM guidance. If the proposed project continues to demonstrate significant modeled impacts on Class I areas, the EIS must also clearly identify mitigation options for eliminating the modeled impacts. The mitigation options must include a range of possible actions, including addition of controls, such as Selexol and selective catalytic reduction, as well as the use of offsets. Modeling should also be conducted to demonstrate the impacts after installation of controls and/or other mitigation options.

The Draft EIS contains a section on cumulative Class I impacts. It is my understanding that the FLM have not reviewed the protocol for that analysis, nor have they reviewed the details behind the summary provided in the Draft EIS. The proposer should work with the FLM on that protocol and analysis.

Permitting will follow environmental review and a final BACT determination will be made at that time. In addition, the permit will ensure protection of the Class I areas as required by 40 CFR 52.21(p).

Because of the unique location of this proposed facility, essentially adjacent to the Boundary Waters Canoe Area Wilderness and Voyageurs National Park, we must be very mindful of emissions from facilities in the region. These areas already exceed federal visibility guidelines and dramatic improvements in visibility impairment are required. Reductions in emissions of visibility impairing pollutants from all facilities affecting the region, particularly those in the immediate vicinity of these

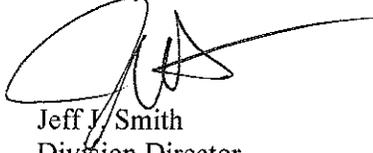
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federally managed areas, are needed. In addition, we must provide an opportunity for existing facilities to expand and new facilities, dependent on the resources located in the region, to have an opportunity to be permitted.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff J. Smith", with a long horizontal flourish extending to the right.

Jeff J. Smith
Division Director
Industrial Division

JJS:rrh

cc: Marshall Cole, MPCA, Rochester office