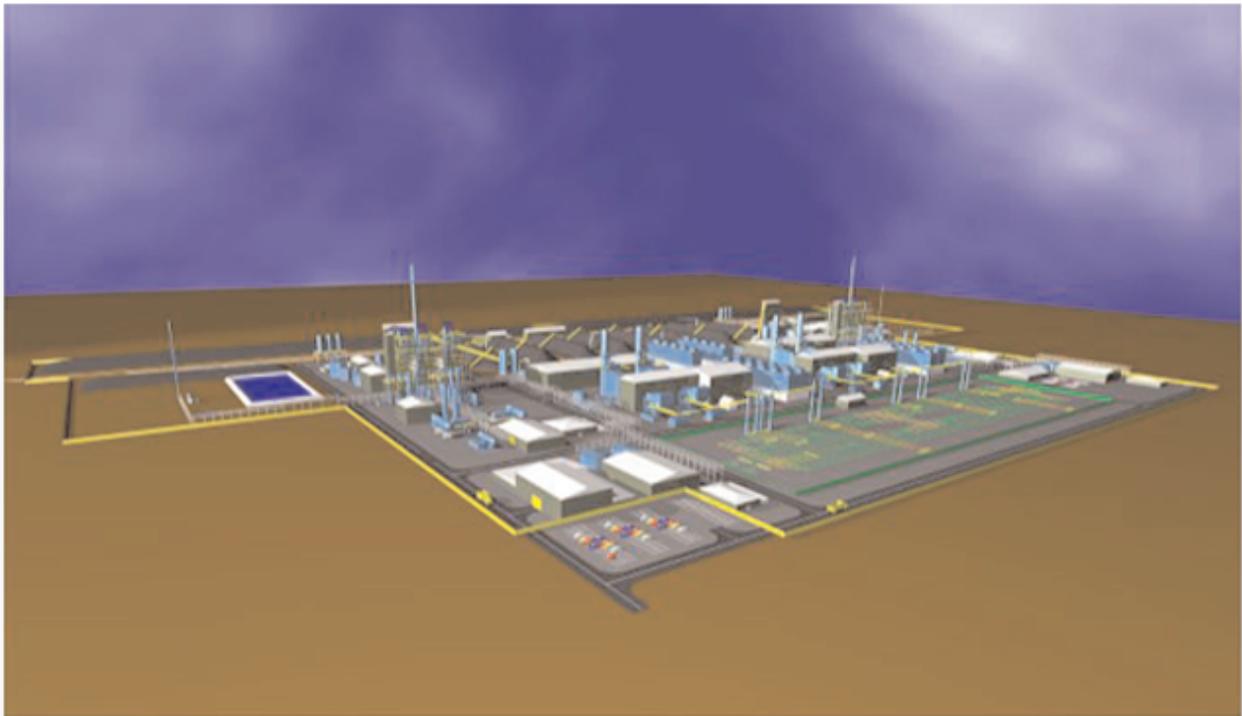


**U.S. Department of Energy
in cooperation with
Minnesota Department of Commerce**

MESABA ENERGY PROJECT

FINAL ENVIRONMENTAL IMPACT STATEMENT VOLUME 3: COMMENT RESPONSE DOCUMENT

**DOE/EIS-0382
MN PUC DOCKET # E6472/GS-06-668**



NOVEMBER 2009



**Office of Fossil Energy
National Energy Technology Laboratory**



VOLUME 3
COMMENTS AND RESPONSES ON THE
DRAFT ENVIRONMENTAL IMPACT STATEMENT

TABLE OF CONTENTS

1. INTRODUCTION.....	1
2. METHODOLOGY	1
3. DESCRIPTION OF COMMENTS RECEIVED.....	2
4. COMMENT LETTERS AND INDIVIDUAL RESPONSES.....	6

LIST OF TABLES

Table Vol. 3-1. Comment Categories	2
Table Vol. 3-2. Index of Commenters and Comment Categories.....	3

INTENTIONALLY LEFT BLANK

1. INTRODUCTION

The Draft EIS for the Mesaba Energy Project was published in November 2007. DOE and MDOC distributed copies of the Draft EIS to officials, agencies, Native American tribes, organizations, libraries and members of the public identified in the distribution list (Chapter 8 of Draft EIS Volume 1). MDOC announced the availability of the Draft EIS in the *EQB Monitor* on November 5, 2007 (Volume 31, Number 23, Page 9); DOE announced the Notice of Availability of the Draft EIS in the *Federal Register* (FR) on November 8, 2007 (72 FR 63169); and EPA published the Notice of Availability in the *Federal Register* on November 9, 2007 (72 FR 63579). This volume provides a summary of the public hearings, explains the methodology for receiving and coding comment documents, and provides responses to comments received.

DOE and MDOC jointly held two public hearings for the Draft EIS at the same locations as the scoping meetings. The hearings were held at the Taconite Community Center in Taconite, Minnesota on November 27, 2007 and the Hoyt Lakes Arena in Hoyt Lakes, Minnesota on November 28, 2007. DOE and MDOC advertised the hearings in the *Hibbing Daily Tribune*, *Grand Rapids Herald-Review*, and *Mesabi Daily News* on November 14 and 18, 2007, and in the *Duluth News Tribune* on November 18, 2007. Informal information sessions were held at the same locations prior to both hearings from 4:00 to 7:00 pm, during which time attendees were given information about the project and were able to view project-related posters.

Based on sign-in sheets, the Taconite hearing was attended by 107 individuals, and the Hoyt Lakes hearing was attended by 34 individuals. MDOC and DOE led the presentations and presided over the public hearings. The public was encouraged to provide oral comments at the hearings and to submit written comments to DOE or MDOC by January 11, 2008. A court reporter was present at each hearing to ensure that all oral comments were recorded and legally transcribed.

2. METHODOLOGY

In preparing the Final EIS, DOE and MDOC considered all comments to the extent practicable. An identification number was assigned to each originator of a comment (i.e., each commenter), including those expressed orally at the public hearings. Individuals who submitted comments in multiple separate submissions were assigned a separate commenter number for each submission. Each specific comment by the same commenter was assigned a sequential comment number; for example, Comment 82-20 refers to the 20th comment by the commenter assigned as number 82.

Based on the comments received on the Draft EIS, DOE and MDOC prepared responses and modified the EIS (Volume 1) and Appendices (Volume 2) where appropriate. The EIS was also revised based on DOE's internal technical and editorial review of the Draft EIS (i.e., changes made to the EIS that were not in response to a comment received). Section 3 provides a summary of the principal comments received on the Draft EIS.

Transcripts of both public hearings, as well as scanned images of the original comment documents in order by assigned commenter number, are included in their entirety in Section 4 of this volume. The commenters and their comments are identified and labeled on each comment document image beginning with the public hearing transcripts. All comment documents on the Draft EIS, as included in this comment-response volume, as well as any supporting attachments, have been entered into the administrative record for this EIS. Individual responses for each comment are provided on the right-side of each page in close proximity to the corresponding comment. In cases where subsequent comments address the same issue, references are made to the earlier comment number for appropriate responses. In some cases where a commenter addressed an issue that was the subject of a related comment by an agency having jurisdiction over the subject area, the response refers to the response given for the respective agency's comment even if it occurs later in the document.

3. DESCRIPTION OF COMMENTS RECEIVED

Oral comments were given by 28 individuals at the Taconite hearing and by 6 individuals at the Hoyt Lakes hearing. In addition, DOE and MDOC received 88 written comments, including 5 from Federal agencies, 4 from state agencies, 5 from Native American tribal organizations, and several from national and regional non-governmental organizations and other affiliations. After reviewing and analyzing the comments received, a list of issues was developed and each was assigned a category in Table Vol. 3-1.

Table Vol. 3-1. Comment Categories

Comment Category	Abbreviation
Aesthetics	AES
Air Quality – General	AQ
Air Quality – Climate Change	AQ-C
Air Quality – Visibility	AQ-V
Biological Resources	BIO
Community Services	COM
Cost	COST
Cultural Resources	CUL
Cumulative Impacts	CUM
Environmental Justice	EJ
Floodplains	FP
General	GEN
Geology & Soils	GEO
Land Use	LU
Materials & Waste Management	MWM
Noise	NOISE
Proposed Action & Alternatives	PAA
Purpose & Need	PN
Sequestration	SEQ
Safety & Health	SH
Socioeconomics	SOC
Support	SUP
Traffic & Transportation	TT
Utility Systems	UT
Wetlands	WETL
Water Resources	WR

Table Vol. 3-2 provides a listing of the commenters, their assigned identification numbers, their affiliations, and the issues raised by each. Comments made in general support for the project are also identified in the table.

Table Vol. 3-2. Index of Commenters and Comment Categories

ID #	Name	Affiliation/Organization	Comment Categories
1	Ross Hammond	Fresh Energy	AQ, SEQ, AQ-C
2	LeRoy Flug	Citizen	AQ, BIO, WR
3	Linda Castagneri	Citizen	SH, UT, AQ-V
4	Ron Gustafson	Citizen	COST, AQ,-C, SEQ, UT, SH, PN, COM
5	Bob Norgord	Citizen	UT, LU, SH, GEN, GEO, PN
6	Lee Ann Norgord	Citizen	WR
7	Ed Anderson	Citizens Against the Mesaba Project (CAMP)	GEN, WR, BIO, SH, PN
8	Charles Decker	Citizen	PN
9	Mary Munn	Fond du Lac Reservation	AQ, GEN
10	Mike Andrews	Itasca Economic Development Corporation	GEN, SUP
11	David Hudek	Citizen	WR
12	Sue Hutchins	Citizen	WR, SH, TT, AQ, BIO, AQ-C
13	Joan Beech	Citizen	AQ-C, SEQ
14	Harry Hutchins	Citizen	BIO, SEQ
15	Warren Shaffer	Citizen	WR
16	Andrew David	Citizen	SOC, EJ, PN, SH
17	Charles Grant	Citizen	SH
18	Kristen Anderson	Citizen	SEQ, PN
19	Amanda Nesheim	Citizen	WR, AQ, CUM, SEQ, GEN
20	Carol Overland	MNCoalGasPlant.com	GEN, AQ
21	Jeff Poenix	Citizen	TT, MWM
22	Karla Igo	Citizen	PAA, AQ-C
23	Gary Burt	Citizen	SH
24	Bob Igo	Citizen	GEN, WR, PN, SH
25	Judy Gunelius	Citizen	BIO
26	David Holmstrom	Citizen	AQ, UT
27	Darrell White	Citizen	SOC
28	Ron Gustafson	Citizen	GEN
29	Norm Voorhees	Ironworkers Local 512	SUP, GEN, SOC
30	Bob Tammen	Citizen	SOC
31	Jean Dallas	Citizen	GEN
32	Gordon Smith	Painters Local	SUP, SOC
33	Bill Whiteside	Citizen	PN, SOC, SH
34	Warren Koskiniemi	Citizen	SUP, SOC
35	Neil Ahlstrom	Metalcasters of Minnesota	PN
36	David Hudek	Citizen	BIO, AQ-C
37	Gail Matthews	Citizen	AQ-C, PAA, CUM, GEN
38	Lee Ann Norgord	Citizen	WR, BIO, SH, AQ-C, TT, NOISE

Table Vol. 3-2. Index of Commenters and Comment Categories

ID #	Name	Affiliation/Organization	Comment Categories
39	Mark Roalson	Citizen	PN, SOC, AES
40	Gail Matthews	Citizen	PAA
41	Steve Clark	Citizen	SOC, WR, COST, PAA, PN, AQ-C, GEN
42	Alvar Hupila	Citizen	AQ-C, WR, UT, GEN
43	Mark Mandich	Itasca County Commissioner	SUP, GEN
44	Bob Norgord	Citizen	UT, BIO, SH, GEN, GEO
45	Gail Matthews	Citizen	AQ-C, PAA
46	Randy Zupan	Citizen	PAA, GEN, SEQ
47	Frank Kirby	Citizen	PAA
48	Dennis A. Gimmestad	Minnesota Historical Society – State Historic Preservation Office	CUL
49	James W. Sanders and Jeff J. Smith	U.S. Forest Service	AQ-C, AQ-V, AQ, SOC, CUM
50	Cody Ekholm	Citizen	SUP, SOC, WR
51	Joseph Troumbly	Citizen	PN, GEO
52	Mary Anderson	Citizen	SUP, SOC
53	Ron Gustafson and Linda Castagneri	Citizen	GEN, COST, MWM, SEQ, UT, SH, WR, WETL, BIO, COST, AQ-V, AQ-C, TT, NOISE, AQ, COM
54	Jim and Tracy Weseloh	Citizen	PAA
55	Christopher W. Harm	NOAA's National Geodetic Survey	GEO
56	Mike Ives and Peter McDermott	Itasca Economic Development Corporation	GEN, SOC, PN
57	Michael T. Chezik	U.S. Department of the Interior	AQ, WETL, BIO
58	Timothy and Patricia Zoerb	Citizen	WR, AQ, GEN, SH
59	Harry Hutchins	Citizen	BIO, NOISE, AQ, SOC, AQ-C
60	Ryan Neururer	Citizen	GEN, SOC, BIO
61	Christian Charity Warrington	Citizen	PAA
62	Jennifer Biscardi	Citizen	PN, SOC, GEN
63	Sarah Copeland	Citizen	PAA
64	Miranda Hemsworth	Citizen	SOC, GEN
65	Dana L. Saville	Citizen	BIO, SOC
66	Kari Engen	Citizen	WETL, PAA
67	Darryl Sobey	Citizen	SEQ
68	Diana L. Storrs	Citizen	PAA
69	Meagan Wichterman	Citizen	BIO, WR, SOC, SH

Table Vol. 3-2. Index of Commenters and Comment Categories

ID #	Name	Affiliation/Organization	Comment Categories
70	Bridgitte Ross	Citizen	PN, GEN
71	Betty Dodson	Citizen	COST
72	Alvin Donnell	Iron Range Council of Native Americans	GEN
73	Dorothy Stish	Citizen	GEN
74	Nancy LaPlaca	Citizen	PAA, GEN
75	Amanda Nesheim	Citizen	Nearly All
76	Matt Langan	Minnesota Department of Natural Resources	WR, BIO, GEN, LU, WETL, CUM
77	Jean and Herb Halverson	Citizen	BIO, PAA, SEQ, COST, WR, AES, AQ, GEN
78	Mary Erickson	Citizen	SOC, AQ, SH, COST, SEQ
79	Richard Twaddle	Citizen	SEQ
80	Andrew David	Citizen	SOC, EJ
81	Jim and Steph Shields	Citizen	SEQ, BIO, AQ, PN
82	Ed Anderson	CAMP	Nearly All
83	Robert Evans	Excelsior Energy	AQ
84	John Linc Stine	Minnesota Department of Health	WR
85	Colleen Blade	Citizen	GEN
86	David Dahl	Citizen	BIO, WR
87	Nathaniel Hart	Citizen	AQ-C, SEQ, PAA
88	Chad Karjala	Citizen	WR, BIO
89	Willard Karjala	Citizen	AQ-V
90	Glenn Perry	Citizen	SEQ
91	Darrell White	Citizen	WR
92	Delores White	Citizen	WR, BIO
93	Dr. Gregory Chester	Citizen	PAA, COST
94	William A. Hanson	Citizen	SOC
95	Frank R. Weber	Citizen	Nearly All
96	Edward and Susan Stish	Citizen	SOC, LU, WR, BIO, SEQ, WETL, TT, COM, GEN
97	Darren Vogt and Dave Woodward	1854 Treaty Authority	GEN, BIO, SEQ, AQ-V, AQ, WR, CUM, CUL, PN
98	Brandy Toft	Leech Lake Band of Ojibwe	PN, AQ-V, AQ, BIO, WR, SH, GEN
99	Wayne Dupuis	Fond du Lac Band of Lake Superior Chippewa	AQ, GEN, PN, AQ-C, SEQ, TT, PAA, AQ-V, WR, CUM
100	Darin Steen	Bois Forte Tribal Government	PN, SOC, COST, AQ, WR, CUM, GEN
101	Harry E. Gallaher	Lockridge Grindal Nauen P.L.L.P.	WR
102	Kristin Henry	Sierra Club, North Star Chapter	Nearly All
103	Carol Overland	MNCoalGasPlant.com	Nearly All
104	Margaret Haapoja	Citizen	GEN

Table Vol. 3-2. Index of Commenters and Comment Categories

ID #	Name	Affiliation/Organization	Comment Categories
105	Jeff J. Smith	Minnesota Pollution Control Agency	AQ, AQ-V, SH, AQ-C, CUM, WR, WETL, MWM
106	Cynthia Driscoll	Citizen	SEQ
107	Paul J. Milinovich	Swan Lake Association	WR, AQ
108	Kevin Reuther	Minnesota Center for Environmental Advocacy	GEN, AQ-C, PN, SOC
109	Dave Hudek	Citizen	WR, GEN, NOISE, AQ, AQ-C
110	William E. Berg	Citizen	AQ, SH, GEO, WR, BIO, WETL, SOC, MWM, PAA, SEQ, GEN
111	Alan Walts	EPA Region V	GEN, PN, PAA, WETL, AQ, WR
112	Paul Minerich	Citizen	PN
113	Helene (Perry) Berg	Citizen	GEN, SEQ, AQ, SH, PAA
114	Darlene J. Swanson	Quan-Tec-Air, Inc.	PAA
115	Norman W. Deschampe	Grand Portage Reservation Tribal Council	SEQ, AQ-V, AQ, SH, WR, CUM, GEN, PN, CUL
116	Robert J. Whiting	Army Corps of Engineers, St. Paul District	PAA, WETL, GEN, PN, AQ, BIO, UT, TT, CUM, WR, AQ-V, AES, SH
117	Janet L. Brandon	Citizen	SOC, SEQ
118	Concerned Individual	Citizen	AQ, SEQ, PAA
119	Ly Her	Citizen	BIO, SH
120	Larry Johnson	Citizen	WR
121	MEHHED	Citizen	PAA
122	Bob Tammen	Citizen	SOC

4. COMMENT LETTERS AND INDIVIDUAL RESPONSES

The remainder of this volume provides scanned images of the comment documents and DOE's individual responses to the comments. This section begins with the transcripts of the public hearings for the Draft EIS (November 27, 2007 in Taconite, Minnesota and November 28, 2007 in Hoyt Lakes, Minnesota) and continues with the comment documents received by DOE.

PUBLIC MEETING
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
Taconite, Minnesota
November 27, 2007; 7:00 p.m.

REPORTED BY:
KATE UNDELAND, RPR
P.O. Box 131
Virginia, MN 55792
e-mail: undeland@accessmn.com

INDEX

Presenters:

Bill Storm, PUC	3
Jason Lewis, DOE	12
Richard Hargis, DOE	15

Public Comments:

Ross Hammond	19
ReRoy Flug	22
Linda Castagneri	22
Ron Gustafson	25
Bob Norgord	31
LeeAnn Norgord	36
Ed Anderson, M.D.	36
Charles Decker, M.D.	41
Mary Munn	42
Mike Andrews	43
David Hudek	44
Sue Hutchins	44
Joan Beech	46
Harry Hutchins	47
Warren Shaffer	51
Andrew David	54
Charles Grant	61
Kristen Anderson	63
Amanda Nesheim	64
Carol Overland	66
Jeff Poenix	68
Karla Igo	70
Gary Burt	71
Bob Igo	73
Judy Genelius	76
David Holmstrom	77
Darrell White	79
Ron Gustafson	79

1 P R O C E E D I N G S

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

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

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

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

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

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

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

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

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

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

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

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

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

1 regulations that that falls under, that authority comes
2 from.

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

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

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

4 September 7th, 2006 the Citizen Advisory Task
5 Force submitted their recommendations to the Department
6 of Commerce. On September 13th, 2006 the Environmental
7 Impact Statement scoping decision was released by the
8 Department of Commerce. That scoping decision was
9 developed based on the input that we received at the
10 initial public information scoping meeting that we had
11 back in August. Then November 5th, 2007 the DOC and
12 the DOE released the draft Environmental Impact
13 Statement, which brings us to this meeting here, which
14 is to solicit -- again, I'm going to repeat this like
15 20 times -- to solicit comments from the public on the
16 draft Environmental Impact Statement.

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

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

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

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

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

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

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

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

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

1 click on them and open them up and review them.

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

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

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

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

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

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

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

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

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

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

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

1 fossil energy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 human environment.

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

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

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

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

1 The federal notice of availability was
2 actually published in the Federal Register on November
3 9th of this year. Copies of that notice are available
4 as handouts on the table when you came in. Federal
5 regulations require a 15-day advance notice from the
6 notice of availability to the meetings, public hearings
7 that we have on the draft EIS here and Hoyt Lakes
8 tomorrow.

9 Normally the federal comment period is 45
10 days, but given the time of year, the holidays and the
11 size of the documentation, we extended that comment
12 period to something like 63 days, to January 11 of
13 2008. Then after the comment period closes, we'll
14 start preparing the final EIS, and that final EIS will
15 have a separate section in it that lists every comment
16 that we receive on this document, as well as the
17 specific response to each and every comment that's
18 provided.

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

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

Commenter 1 – Ross Hammond

19

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

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

14 Bill, do you want to start the public
15 comments?

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

24 First person, Ross Hammond.

25 ROSS HAMMOND: Hi, my name is Ross Hammond,

Responses

Commenter 1 – Ross Hammond

20

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

7 So to get to the point about the EIS. As I
8 start reading through it, I call attention to Table
9 2.1-1, which is in Chapter 2; and there were a number
10 of numbers that caught my attention. One is mercury,
11 .027 tons of mercury per year emissions. I want
12 everybody to think about that, because this is supposed
13 to be clean coal technology.

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

18 Then the number that really surprised me, it
19 says carbon dioxide, 10.6 tons per year for
20 sub-bituminous coal. And I kind of thought, umm,
21 that's interesting; and 9.4 tons if they burn
22 bituminous coal. But if you go to Page 2-33 in Section
23 2.2.3-1 it says 10.6 million tons of carbon dioxide on
24 sub-bituminous coal and 9.4 million tons on the
25 bituminous coal. So I guess I'd like Excelsior to

Responses

Comment 1-01

"Clean coal technologies" refer to advanced coal utilization technologies that are environmentally cleaner, and in many cases, more efficient and less costly than conventional coal-utilization processes. The integrated gasification combined cycle (IGCC) technology that would be used in the IGCC Power Station is considered a clean coal technology because it would have a substantial overall emissions reduction advantage (less sulfur dioxide [SO₂], oxides of nitrogen [NO_x] and mercury [Hg] emissions) when compared to existing conventional coal-fired power plants. Additionally, the combined total lead (Pb) emissions from Phase I and Phase II (0.03 tons per year) of the Mesaba Energy Project are well below the U.S. Environmental Protection Agency's Prevention of Significant Deterioration (PSD) significance threshold of 0.6 tons per year. Therefore, the IGCC Power Station would not be considered a major source of Pb emissions (see 40 CFR 52.21[b][21][i]). Total Hg emissions from the power plant would be minimized through pre-combustion clean up of the power plant's gaseous fuel – a pollution prevention concept characterizing IGCC technology – by use of demonstrated, state-of-the-art Hg control technology capable of achieving the highest Hg removal rates in the coal-fueled power generation industry.

The combined total carbon dioxide (CO₂) emissions expected from Phase I and Phase II of the Mesaba Energy Project are 10.6 million tons per year for sub-bituminous coal and 9.4 million tons per year for bituminous coal. The label for the correct unit of measure was inadvertently omitted from Tables S-2 and 2.1-1 (Volume 1) of the Draft EIS; however, the quantity was stated correctly in Sections 2.2.3.1, 4.3.5.6, and 5.1.2 (Volume 1) of the Draft EIS. Tables S-2 and 2.1-1 (Volume 1) of the Final EIS has been revised for clarification.

1-01

Commenter 1 – Ross Hammond

21

**1-01
(cont'd)**

1 clarify which is correct.

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

1-02

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

1-03

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

Responses

Comment 1-02

As outlined in Section 5.1.2.1 (Volume 1), the carbon capture and sequestration (CCS) plan presented by Excelsior in Appendix A1 (Volume 2) does not constitute a detailed design for transport and geologic storage of CO₂. The Mesaba Energy Project, as proposed in the Joint Application to Minnesota Public Utilities Commission (PUC) and in the cooperative agreement with DOE, did not include the implementation of a CCS plan during startup and demonstration. CCS was not a requirement for projects solicited in Round 2 of the Clean Coal Power Initiative (CCPI) Program. In the absence of specific regulatory requirements (i.e., CAA permit limitations) or economic incentives (i.e., carbon trading) for CO₂ emissions, utilities and industries cannot reasonably be expected to implement processes that have no economic justification. Rate-payers cannot be expected to bear the increased costs without a legal basis; hence, utility regulators would not approve them. As stated in Section 1.2.2 (Volume 1), Minnesota Statute 216B.1694 (the "innovative energy project" statute) requires the project to make a "good faith effort" to secure funding from the DOE or U.S. Department of Agriculture (USDA) to conduct a demonstration project at the facility for either geologic or terrestrial carbon sequestration. As described in Section 2.2.1.3 (Volume 1) and Appendix A1 (Volume 2), Excelsior has contracted with the Plains CO₂ Reduction Partnership (one of seven regional partnerships funded by DOE) to investigate a CCS project involving Mesaba. If and when CCS is implemented at some future time during the commercial operation of the Mesaba Generating Station, a detailed design, including engineering, geotechnical, and environmental studies, and permitting to comply with applicable laws and regulations would be completed. Pipeline routing for CO₂ transport would be subject to an EIS prepared for the PUC under Minnesota Rules Chapter 7852 (entitled "Pipeline Routing"). It is also likely that this action would require a Federal EIS with potential Federal involvement by DOE, U.S. Army Corps of Engineers (USACE), and/or other Federal agencies.

Comment 1-03

As stated in the EIS, the Mesaba Generating Station, Phase I and II without CCS, would emit approximately 9.4 to 10.6 million tons per year of CO₂ and would be the second largest producer of CO₂ emissions in Minnesota. However, as stated in response to Comment 1-02, although the Mesaba Energy Project would be designed to be CO₂ capture-ready, CCS is not part of the scope for this project. DOE is actively pursuing methods of addressing CO₂ emissions, including development of carbon sequestration technology through its Carbon Sequestration Program (http://www.netl.doe.gov/technologies/carbon_seq/index.html).

Commenter 1 – Ross Hammond; Commenter 2 – LeRoy Flug

22

**1-03
(cont'd)**

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

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

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

23 BILL STROM: Thank you, LeRoy. Linda
24 Castagneri.

25 LINDA CASTAGNERI: My name is Linda

Responses

Comment 2-01

As described in Chapter 1 (Volume 1), the Mesaba Energy Project EIS has been prepared jointly by DOE and MDOC to meet the requirements of the National Environmental Policy Act (NEPA) and the Minnesota Power Plant Siting Act. The document has been distributed to all Federal and state regulatory agencies responsible for protecting natural resources and issuing required permits. Chapter 6 (Volume 1) outlines the various regulatory and permit requirements applicable to the project. Chapter 3 (Volume 1) describes the existing conditions of environmental resources in the respective planning areas for the West Range Site and East Range Site. Chapter 4 describes the anticipated impacts of the project on the same environmental resources. On the basis of this EIS, the MDOC will recommend to the PUC whether to issue permits for the Mesaba Energy Project at the West Range Site or the East Range Site or recommend that permits not be issued. The EIS will support DOE's decision whether to provide additional funding for the demonstration of the project under the CCPI Program. Other Federal and state agencies will consider the impacts outlined in this EIS when making respective permitting decisions under regulations subject to their jurisdiction.

Commenter 3 – Linda Castagneri

23

1 Castagneri. L-i-n-d-a C-a-s-t-a-g-n-e-r-i.
 2 I'm going to start with referring to my
 3 initial comments that I submitted on November 7th,
 4 2005, to the Department of Energy, regarding safety and
 5 health. And I am here tonight not just about my lungs,
 6 but about the lungs of everyone who lives here.
 7 I have lost a portion of my lung due to an
 8 unknown tumor, and as I talked about in 2005, for those
 9 of us who were born and raised in this part of the
 10 state, we were exposed to many chemicals. And I asked
 11 and requested that very specific items be considered.
 12 And in reviewing the draft EIS, I, too, agree that the
 13 most important things need to be addressed, and I do
 14 not feel or agree that they have been addressed in this
 15 draft Environmental Impact Statement, particularly
 16 regarding respiratory health, which I referenced many
 17 times in my comments, nor are they taken into any sort
 18 of really in-depth study.
 19 When I look at Table S-6, it talks about the
 20 electric magnetic field, and it says, "The electric
 21 magnetic field exposure from utility lines would fall
 22 below the 2 kilowatt, monthly kilowatt volt minimum
 23 limit at the edge of the right-of-way. There would be
 24 no permanent residence located in areas exceeding
 25 that," period.

3-01

Responses

Comment 3-01

Based on input from the public scoping meetings, the EIS considered the potential health impacts associated with EMF exposure, including the Henshaw Effect, in Sections 3.17.5.3 and 4.17.3 (Volume 1). The "Henshaw Effect," associated with Professor Denis L. Henshaw of England, relates to the potential for aerosol pollutants or airborne particulates to become charged by HVTLs and other EMF sources causing them to adhere to surfaces more readily, including human skin and respiratory tissue. Professor Henshaw and colleagues at the University of Bristol and other institutions have been researching this potential health risk from EMF for over 10 years. Although results obtained by these researchers suggest the potential for increased deposition of particles charged by HVTLs on human skin, a causative effect of this exposure on human health risks has not been demonstrated. Moreover, a recent study (Jeffers, 2007) could not support the hypothesis that ion exposure from HVTL charges increases lung deposition of airborne particles.

After reviewing more than two decades of research on the health effects of EMF, the National Institute of Environmental Health Sciences (NIEHS, 1999) concluded: "...there is weak evidence for possible health effects from extremely low frequency EMF exposures, and until stronger evidence changes this opinion, inexpensive and safe reductions in exposure should be encouraged." More recently, the same Federal agency (NIEHS, 2002) also concluded: "Over the past 25 years, research has addressed the question of whether exposure to power frequency EMF might adversely affect human health. For most health outcomes, there is no evidence that EMF exposures have adverse effects. There is some evidence from epidemiology studies that exposure to power-frequency EMF is associated with an increased risk for childhood leukemia. This association is difficult to interpret in the absence of reproducible laboratory evidence or a scientific explanation that links magnetic fields with childhood leukemia. EMF exposures are complex and come from multiple sources in the home and workplace in addition to power lines. Although scientists are still debating whether EMF is a hazard to health, the NIEHS recommends continued education on ways of reducing exposures." Also, in a very recent publication, the New Zealand National Radiation Laboratory (NZNRL, 2008) concluded: "In spite of all the studies that have been carried out over the past thirty years there is still no persuasive evidence that the [EMF] fields pose any health risks. The results obtained show that if there are any risks, they must be very small."

Commenter 3 – Linda Castagneri

24

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

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

**3-01
(cont'd)**

Responses

Comment 3-01 (cont'd)

Scientific literature clearly evidences that substantial research has been, and continues to be, conducted by academic laboratories, as well as the most qualified health research organizations in the world, including the National Institute of Environmental Health Sciences (within the National Institutes of Health) and the World Health Organization, into the potential health risks from EMF exposure. In spite of these efforts, there are no established health criteria or quantifiable impact assessment methods currently accepted for determining adverse effects to human health with respect to EMF exposure or the Henshaw Effect. Therefore, the EIS evaluated the magnetic and electric fields that would be generated within and at the edge of the right-of-way in comparison to existing standards and guidelines established by Minnesota and other states as described in Section 4.17.3.

Commenter 3 – Linda Castagneri

25

**3-01
(cont'd)**

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

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

3-02

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

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

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

25 RON GUSTAFSON: Ron Gustafson. R-o-n

Responses

Comment 3-02

DOE understands that the Federal Land Managers (FLMs) do not consider reductions by other sources to be "offsets" for visibility impacts of the Mesaba Energy Project. The discussion in Section 5.2.2.3 (Volume 1) relating to 'offsets' has been revised. Ultimately, the MPCA must address cumulative visibility impacts as part of its responsibilities under the Regional Haze Regulation. Section 5.2.2.2 in the Final EIS identifies such responsibilities and how the project would be designed to be an integral component in supporting them.

Note that since publication of the Draft EIS, revised air modeling analysis was conducted in light of comments on the Draft EIS to accurately evaluate Mesaba Energy Project impacts on air quality and Air Quality Related Values (AQRVs) in Class I areas near the West Range and East Range sites, including the BWCAW, VNP, and IRNP. In correspondence with the FLMs, Excelsior received concurrence on an updated modeling protocol (see Section 4.3.1.1) and, subsequently, additional air quality modeling was performed, which is discussed in Section 4.3 (Volume 1) and Appendix B (Volume 2) of the Final EIS. Additional cumulative air quality modeling was also performed and is discussed in Section 5.2.2 (Volume 1) and Appendix D1 (Volume 2) of the Final EIS.

Commenter 4 – Ron Gustafson

26

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

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

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

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

4-01

Responses

Comment 4-01

The power purchase agreement for the Mesaba Energy Project has been assigned a separate PUC Docket Number E6472/M-05-1993. The PUC has not approved any power purchase agreement or agreements relating to the Mesaba Energy Project, and the specific final revenues and costs for the project cannot be determined until an agreement has been settled.

As stated in response to Comment 1-02, Excelsior submitted to the PUC a "Plan for Carbon Capture and Sequestration" for the Mesaba Energy Project, which is included in Appendix A1 (Volume 2) of the Final EIS. The plan provides information about the potential costs and economic effects of CCS scenarios that could be implemented for the project to the extent that these costs can be determined in the absence of regulations or incentives aimed at controlling CO₂ emissions. In Appendix A2 (Volume 2), DOE states that, in the absence of such regulations or incentives, the "...imposition of CCS on the project will effectively make the cost of electricity non-competitive" and, therefore, CCS "... is not considered feasible for the Mesaba Energy Project at this time" (i.e., for the CCPI demonstration). However, Appendix A2 also states that "CCS was not a requirement of the [CCPI] Round 2 announcement, was not proposed in Excelsior's application submitted in response to the announcement, nor is it included within the project as negotiated and awarded in the DOE Cooperative Agreement." With respect to the potential economic effects of CCS on the Mesaba Energy Project, DOE also concludes in Appendix A2: "Without an order from the PUC that incorporates the costs associated with CCS within the power purchase agreement, the Mesaba Energy Project would not be economically viable."

Responses

Commenter 4 – Ron Gustafson

**4-01
(cont'd)**

1 sometime.

2 Appendix 2A also states that "Carbon capture,

3 advanced turbines will not be available by the Mesaba

4 in-service date. Even if turbines were available, it

5 would result in substantial capital cost, reduce plant

6 efficiently and increase cost of electricity by as much

7 as 40 percent." Again, that was Department of Energy,

8 Appendix 2A.

9 There are no geological reservoirs capable of

10 sequestering CO2 in the State of Minnesota. The cost

11 to move CO2 via pipeline will significantly increase

12 the cost of electricity. And Excelsior seems to hang

13 their hat on the CO2 sequestration to pipe into oil

14 fields to improve their production of oil. And as

15 stated by the Department of Energy, carbon dioxide

16 injection for enhanced oil recovery, or EOR, are

17 economically-driven operations to increase oil

18 production, not necessarily scientifically-driven to

19 prove the technical feasibility of sequestering carbon.

20 "Excelsior has not established a detailed

21 design for carbon capture or sequestration." A direct

22 quote from the Department of Energy, Appendix 2A. And

23 interestingly enough, two ALJs, administrative law

24 judges, found the same thing, as did the Public

25 Utilities Commission.

Commenter 4 – Ron Gustafson

28

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

3 The carbon capture sequestration plant
4 submitted by Excelsior Energy is merely a paper desktop
5 theoretical exercise lacking specific detailed design
6 for carbon capture transport or sequestration.

7 Excelsior's carbon capture/sequestration plan is merely
8 a conceptual scenario with no established time line,
9 cost estimate or cost impact analysis to rate payers.

10 It's a pipe dream. They may do it at some point during
11 the 20 year life, but we don't know how much it's going
12 to cost and how much it's going to affect major
13 industries of our state due to the increased cost of
14 electricity. That's a big question that needs to be
15 answered.

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

25 Who specifically are the customers? Are there

**4-01
(cont'd)**

4-02

4-03

Responses

Comment 4-02

The Draft EIS discussed the potential future CCS plan for the Mesaba Energy Project commercial operation in Section 5.1.2, including information about the regulation of CO₂ pipelines. If and when CCS is implemented at some future time during the commercial operation of the Mesaba Generating Station, a detailed design, including engineering, geotechnical, and environmental studies, and permitting to comply with applicable laws and regulations would be completed. As noted in response to Comment 1-02, it is anticipated that pipeline routing for CO₂ transport would be subject to an EIS prepared for the Minnesota PUC with possible Federal involvement by DOE, USACE, and/or other Federal agencies, and potential involvement by the Canadian government. As with other pipeline permitting processes, landowners potentially affected by eminent domain or other impacts would be identified and notified.

Comment 4-03

Because there are no specific regulatory requirements or economic incentives for the implementation of CCS on the Mesaba Energy Project at this time, specific customers for captured CO₂ have not been identified. However, as stated in Appendix A1 (Volume 2): "In a carbon-managed economy, large sources of CO₂ emissions that can economically achieve significant greenhouse gas (GHG) reductions will likely be the major source of CO₂ offsets for other economic sectors whose only meaningful alternative for achieving reductions may be the purchase of GHG offset credits." Furthermore, as stated in Section 5.1.2 (Volume 1): "It is expected that if CO₂ capture and storage were implemented at some time in the future [for the Mesaba Energy Project], a more detailed analysis would be conducted, including detailed design and engineering, environmental and geotechnical studies, and permitting necessary to comply with appropriate laws and regulations."

Commenter 4 – Ron Gustafson

29

**4-03
(cont'd)**

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

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

4-04

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

Responses

Comment 4-04

Section 4.13.2.2 (Volume 1) states that the "...Mesaba Generating Station would be subject to an Emergency Response Program to be developed in compliance with OSHA Standard 1910.120, which would include an Emergency Response Plan (1910.120[q])." The implementation of this plan, including the provision of onsite emergency equipment and the training of personnel at the generating station, would be the responsibility of the project sponsor. Section 4.17.4 (Volume 1) addresses the potential effects on human health and safety from potential releases of toxic and hazardous materials caused by an intentional destructive act, which represents a worst-case emergency condition at the plant. In the event of such an incident, the respective Itasca or St. Louis County Director of Emergency Management would have principal responsibility for coordinating the response as stated in Sections 4.13.3.2 and 4.13.4.2 (Volume 1). Otherwise, as also explained in those sections, potential incidents and injuries occurring during operation of the Mesaba plant are not expected to increase demand on medical services substantially beyond available capacities in the respective West Range and East Range communities.

The anticipated need for an increase in Taconite's volunteer fire department staff to 20 individuals was based on a comparison to the City of Cohasset, where the Minnesota Power Clay Boswell plant is located. The emergency response staff of that city has adequately responded to the levels of incidents experienced at the Boswell plant, which provides a reasonable basis for comparison to the Mesaba plant. The population in the City of Cohasset is approximately 2,587, while the combined population of Taconite, Bovey, and Coleraine is approximately 2,181. It is expected that the costs associated with additional personnel, training, and equipment for local and regional emergency response agencies would be the responsibilities of the respective jurisdictions and their taxpayers.

Responses

Commenter 4 – Ron Gustafson

30

**4-04
(cont'd)**

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

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

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

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

Commenter 4 – Ron Gustafson; Commenter 5 – Bob Norgord

31

**4-04
(cont'd)**

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

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

7 BILL STROM: Thank you, Ron. Bob Norgord.

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

5-01

Responses

Comment 5-01

The natural gas pipeline action in 1997 referenced in this comment is out of date. Section 2.3.1.4 (Volume 1) of the Draft EIS explained that the Nashwauk PUC submitted a permit application in 2007 to construct and operate a 24-inch natural gas pipeline that would follow essentially the same route as the natural gas pipeline proposed by Excelsior for the Alternative 1 alignments between Blackberry and Taconite. The NPUC indicated in its application that it intended to supply natural gas to the proposed Minnesota Steel facility and would be seeking other industrial customers. Excelsior has indicated that it would enter into negotiations with the NPUC to purchase natural gas from the pipeline in the event that the permit would be approved and the pipeline constructed in sufficient time to be available for use by the Mesaba Energy Project. Sections 1.6.4, 2.1.2.1, and 2.3.1.4 have been updated in the Final EIS to provide the latest information about the proposed Nashwauk pipeline. The potential impacts from constructing the natural gas pipeline required for the Mesaba Energy Project at the West Range Site are described for the various resource subjects in Chapter 4 of the Final EIS (Volume 1). In the event that Excelsior were to reach agreement with the NPUC to purchase natural gas for the Mesaba Energy Project, the natural gas pipeline proposed by Excelsior for Phase I and Phase II of the Mesaba Energy Project would not be needed. Note that after publication of the Mesaba Draft EIS, the Minnesota PUC issued a Pipeline Route Permit dated April 16, 2008 for Nashwauk Public Utilities Commission to construct the pipeline.

Commenter 5 – Bob Norgord

32

**5-01
(cont'd)**

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

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

5-02

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

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

Responses

Comment 5-02

The consideration of residences within a 300-foot radius of alternative natural gas pipelines was intended specifically for the purposes of assessing the potential impacts during construction and is not based on safety factors. As stated in Section 2.2.5.4 (Volume 1) of the EIS, the Minnesota Office of Pipeline Safety has jurisdiction over safety standards for natural gas pipelines. Pipeline facilities would be designed, operated, and maintained in accordance with DOT Minimum Federal Safety Standards in 49 CFR Part 192, which defines and specifies the minimum standards for operating and maintaining pipeline facilities. The regulations require an Emergency Plan that would provide written procedures to minimize hazards from a gas pipeline emergency. State and Federal standards for construction, inspection, and maintenance of these pipelines have reduced the potential for explosions to a very low level. These standards have enabled thousands of miles of natural gas pipelines to crisscross the U.S., many of which are in proximity to densely populated areas.

The use of the utility corridors by landowners would be subject to certain restrictions whereby landowners would agree not to build any structures in the easement (or within setback requirements, where applicable) or remove any land cover from above the pipeline without the consent of the pipeline owner. The permanent rights of way for natural gas pipelines applicable to the Mesaba Energy Project would be 70 feet in diameter.

Commenter 5 – Bob Norgord

33

**5-02
(cont'd)**

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

3 No one can say that these natural gaslines
4 won't explode. The Panhandle Eastern pipeline
5 explosion near Springfield, Illinois on April 29th,
6 2007 is but one example. There was another one a few
7 years ago in Deer River. A 36-inch line, I think it
8 was, exploded in front of a lady's house, in the Burbee
9 residence in rural Deer River. Mrs. Burbee had a heart
10 attack and passed away at that time.

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

5-03

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

Responses

Comment 5-03

Options for natural gas pipeline routes have been described in the Draft EIS and updated in the Final EIS (Volume 1, Sections 2.3.1.4 and 2.3.2.4). The pipeline route proposed by Mr. Karna was submitted as an alternative for consideration in the route permitting process for the Nashwauk-Blackberry Pipeline Project (Docket No. PL,E-280/GP-06-1481). The Minnesota PUC ultimately rejected Mr. Karna's route and issued a permit for Nashwauk PUC's preferred pipeline route, which closely follows the route of Natural Gas Pipeline Alternative 1 analyzed in Mesaba Energy Project EIS. The route proposed by Mr. Karna was never formally submitted for consideration as an alternative for the Mesaba Energy Project, and the Citizens Advisory Task Force convened by MDOC for this EIS did not identify any additional pipeline routes to be analyzed. However, even if Mr. Karna's route had been submitted and considered, there is no reason to believe the outcome would have differed from that of the Nashwauk-Blackberry Pipeline Project. Furthermore, as explained in Section 2.1.2.1 (Volume 1) of the Final EIS, Excelsior plans to enter into negotiations with the Nashwauk PUC for the purchase of natural gas for the Mesaba Energy Project in lieu of building a separate pipeline.

Responses

Comment 5-04

Excelsior explained its process for the screening of potential sites for the Mesaba Energy Project in the Taconite Tax Relief Area (TTRA) in Appendix F1 (Volume 2). "Reasonable proximity to a major natural gas pipeline" was one criterion.

Commenter 5 – Bob Norgord

34

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

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

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

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

**5-03
(cont'd)**

5-04

Commenter 5 – Bob Norgord

35

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

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

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

25 Putting this information along with the fact

Responses

Comment 5-05

DOE acknowledges that the West Range Site would be located adjacent to bedrock containing the Biwabik Iron Formation. The Biwabik formation has been the historic source of the taconite extracted from the Arcturus and Coleraine mine pits. In addition, the proposed pipeline corridors, HVTL easement, and railroad would cross sections of the Biwabik formation. However, Section 2.2.2.1 (Volume 1) states that Excelsior holds the option to purchase the West Range Site, which allows for purchase of mineral rights extending beyond the station footprint and acquisition of easements for the associated facilities under commercially reasonable terms. In addition, Figure 3.4-2 shows that the bedrock would be at depths between 50 and 200 feet below the surface of the earth. It is unlikely that the Arcturus or Coleraine mines would be extended to County Highway 7, Big and Little Diamond Lakes, and the proposed utility corridors. See also response to Comment 76-01 regarding the potential for future resumption of mining in the Canisteo Mine Pit (CMP).

5-05

Commenter 5 – Bob Norgord; Commenter 6 – LeeAnn Norgord

**5-05
(cont'd)**

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

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

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

23 BILL STROM: Thank you, LeeAnn. Ed Anderson.
 24 ED ANDERSON: Ed Anderson, E-d
 25 A-n-d-e-r-s-o-n. I'm a physician in Itasca County,

6-01

Responses

Comment 6-01

The Final EIS has been updated to reflect the project proponent's announced decision (to be included in a revised permit application to MPCA) to utilize an enhanced ZLD system at the West Range Site, comparable to the system proposed for the East Range Site, which would eliminate discharges of process water and cooling tower blowdown into any water bodies. Thus, no pollutants would be discharged into any surface waters, which would eliminate the majority of water quality concerns at the West Range Site as originally discussed in the Draft EIS. Sections 2.2.2.3, 2.2.3.2, and 2.3.1.3 (Volume 1) of the Final EIS have been updated to describe the use of the enhanced ZLD system at the West Range Site. Section 4.5 (Volume 1), *Surface Water Resources*, has been revised to reflect use of the enhanced ZLD system. Other resource sections in Chapter 4 (Volume 1) have also been updated to address the impacts of the system as implemented at the West Range Site and to indicate the impacts that would be eliminated by the use of the enhanced ZLD system. A note has been added to the beginning of Section 5.3.2.1 indicating that the use of enhanced ZLD treatment (Mitigation Alternative 3) is now the planned approach for the West Range Site.

Commenter 7 – Ed Anderson

37

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

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

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

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

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

Responses

Comment 7-01

Section 1.6 (Volume 1) of the Final EIS describes the scoping process that was undertaken by DOE and MDOC for the Mesaba Energy Project EIS. The respective Federal and state efforts complied with applicable requirements of NEPA (specifically 40 CFR 1501.7) and the Minnesota Power Plant Siting Act (specifically Minnesota Rules 7849.5300). All comments received during the Federal and state scoping periods were given thorough consideration by DOE and MDOC in establishing the scope of issues to be addressed in the EIS. MDOC's signed Scoping Decision is contained in Appendix G (Volume 2). The comments submitted during both scoping periods were posted for public access at the MDOC website for the Mesaba Energy Project Docket: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=16573>.

The Final EIS addresses siting alternatives and the site selection process in Sections 2.1.1.2 and 2.1.2.3 (Volume 1); water discharges in Sections 2.2.1.4, 2.2.2.3, 2.2.3.2, and 4.5.2.1 (Volume 1); mercury deposition in Sections 4.3.2.6 and 4.17.2.3 (Volume 1); air emissions in Section 4.3 (Volume 1); and the Canisteo Mine Pit (including the trout fishery and recreation) in Sections 3.5.1, 3.8.2.1, 3.13.3.1, 4.5, 4.8.2.2, 4.13.3.2, and 5.2.3.1 (Volume 1). As stated in Section 1.2.2 (Volume 1) of the Final EIS, the Mesaba Energy Project is exempt from requirements for a Certificate of Need as an innovative energy project.

7-01

Commenter 7 – Ed Anderson

38

**7-01
(cont'd)**

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

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

7-02

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

Responses

Comment 7-02

Though the CMP is not a natural trout lake, the Draft EIS (Volume 1) acknowledged that the CMP is stocked with trout (Section 3.8.2.1 [Volume 1]) and is used for recreational purposes (Sections 3.5.1.2 and 3.13.3.1 [Volume 1]). The impacts to trout in the CMP are discussed in Sections 4.5 and 4.8 (Volume 1). As discussed in response to Comment 6-01, use of an enhanced ZLD system at the West Range Site would eliminate discharges of process water and blowdown into any water bodies, including the CMP and, thus, would not result in any risks to hydrologically connected private wells and aquifers. See also responses to Comments 111-08 and 116-49, which discuss the impact to the CMP's recreational use and fisheries, respectively.

Commenter 7 – Ed Anderson

**7-02
(cont'd)**

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

7-03

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

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

Responses

Comment 7-03

Excelsior's 2005 study compared the health effects of the Mesaba Energy Project (IGCC technology) with those of a new, similar-sized supercritical pulverized coal (SCPC) power plant located in Central Minnesota. The study indicated that the IGCC plant would result in fewer health impacts than a SCPC. The purpose of that document was to provide a comparison of two technologies for impacts related to particulate matter and mercury and not to fulfill regulatory filings with the state. The EIS analyzed health risks under the required Minnesota Pollution Control Agency guidelines for an Air Emission Risk Assessment (AERA) that examines carcinogenic and non-carcinogenic risk levels of air pollutants and found that the plant would not exceed established risk thresholds. The human health risk assessment is contained in Section 4.17.2 (Volume 1 of the Final EIS) of Section 4.17, Safety and Health and Appendix C, Air Emissions Risk Analysis Data.

Note that based on agency comments on the Draft EIS, additional AERA modeling was conducted that, in general, increased the level of conservatism in the analysis. As discussed in Section 4.17 (Volume 1), the updated analysis determined that the chemical of potential concern emissions at the Mesaba Generating Station would be reduced by the inherently low polluting IGCC technology and many of the same process features that control criteria emissions. Also, the Final EIS has been revised to insert a missing sub-section heading (in printed Draft EIS copies), "4.17.2.3 Human Health Risks," for the text that addresses risks associated with air pollutants emitted by the project. Emissions of PM_{2.5} from coal-fired power plants are generally attributed to the transformation SO₂ and NO_x emitted from stacks into fine particulate matter downwind of those stacks. Since SO₂ and NO_x emission rates from Phase I and Phase II of the Mesaba Energy Project will be among the lowest nationwide for any power plant using coal as a feedstock, PM_{2.5} emissions and health effects would be expected to be low in comparison with such other plants. To provide further insight on potential health impacts from particulate matter, new text has been added to Section 4.17.2.3 (Volume1).

Commenter 7 – Ed Anderson

40

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

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

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

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

**7-03
(cont'd)**

7-04

Responses

Comment 7-03 (cont'd)

Section 5.2 (Volume 1) has also been revised to include new text on findings from revised cumulative air and health risk modeling efforts (see Appendix D [Volume 2] for more detailed updates to various cumulative analyses, including impacts to air quality and health risk).

Comment 7-04

Final EIS Section 1.4.1 (Volume 1) explains that DOE's purpose and need in this EIS is to demonstrate a specific, advanced coal-based technology selected competitively for co-shared funding under the CCPI Program. The CCPI legislation (Public Law No. 107-63) has a narrow focus in directing DOE to demonstrate the commercial viability of technology advancements related to coal-based power generation designed to reduce the barriers to continued and expanded use of coal (coal is required to provide at least 75 percent of the fuel for power generation). MDOC's responsibilities under the Minnesota Power Plant Siting Act are explained in Section 1.2.2 of the Final EIS, which describes the incentives established by the Minnesota Legislature for the location of innovative energy technology projects in the TTRA. Section 1.5.2 (Volume 1) explains MDOC's responsibilities under the Minnesota Power Plant Siting Act, which provides the framework for the state EIS.

Commenter 7 – Ed Anderson; Commenter 8 – Charles Decker

41

**7-04
(cont'd)**

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

5 This is the wrong project. It's in the wrong
6 place. The people here today and the people who have
7 submitted comments in the past really deserve to have
8 those comments and concerns taken seriously. And we
9 hope that that will be reflected in the final EIS.

10 Thank you. (Applause)

11 UNIDENTIFIED: Again; one, two, three.

12 (Applause)

13 BILL STROM: Thank you, Ed. Charlie Decker.

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

8-01

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

Responses

Comment 8-01

Section 1.2 (Volume 1) of the Final EIS describes the Federal and state contexts for the Mesaba Energy Project and the basis by which the project would be located in the TTRA of northeastern Minnesota rather than in an area closer to coal mines or geologic formations conducive to sequestration of CO₂.

Commenter 8 – Charles Decker; Commenter 9 – Mary Munn

42

Responses

**8-01
(cont'd)**

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

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

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

18 BILL STROM: Thank you, Charles. Mary Munn.

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

Commenter 9 – Mary Munn; Commenter 10 – Mike Andrews

43

9-01

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

9-02

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

18 BILL STROM: Thank you, Mary. Mike Andrews.

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

10-01

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

Responses

Comment 9-01

There are emission standards for both PM₁₀ and PM_{2.5}. However, the standard for PM_{2.5} was established more recently by EPA and, in the case where near-field measurements were not available for PM_{2.5}, they were derived from PM₁₀ data using a multiplier based on research conducted by EPA (USEPA, 2005). Where far-field measurements are not available, an often-used approximation assumes that PM₁₀ is made up entirely of PM_{2.5}.

The model takes meteorological data, such as wind direction, into account. The impact area that the model provided is not a circle but a series of contours representing various concentrations moving away from the power plant. However, in order to be conservative, the radius of a circle was based on the maximum distance from the power plant experiencing a particular concentration. That circle was provided as the area of potential impact in the EIS.

Comment 9-02

DOE does not have specific authority for the shutdown of individual power plants, which are privately or publicly owned, are part of the national electric generation and distribution network, and operate under existing permits. However, as advanced technologies such as IGCC become proven commercially, DOE expects that older and less-efficient coal-fueled power plants will be replaced by newer plants that are less-polluting.

Comment 10-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Commenter 10 – Mike Andrews; Commenter 11 – David Hudek; Commenter 12 – Sue Hutchins

44

**10-01
(cont'd)**

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

5 BILL STROM: Thank you, Mike. David Hudek.

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

11-01

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

18 BILL STROM: Thank you, David. Sue Hutchins.

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

12-01

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

Responses

Comment 11-01

As explained in response to Comment 6-01, the proposed use of enhanced ZLD at the West Range Site would eliminate discharges of process and blowdown waters to surface waters, thereby eliminating the potential for discharges affecting public or private wells.

Comment 12-01

The effects of commercial coal mining are generally well known and well described and are not within the scope of this project. The Mesaba Energy Project does not aim to change mining techniques and, for the proposed project, DOE has no decisions that would affect coal mining techniques. However, it should be noted that the Mesaba Energy Project is not proposing to use Appalachian coal, or any other coal that would be mined via mountaintop removal. The primary fuel for the Mesaba Energy Project would be Powder River Basin Coal. The text in the Final EIS (Section 4.3.2.2 [Volume 1]) has been updated to include the incremental increase in impacts associated with transportation of this coal (about 1.5%) due to the Mesaba Energy Project.

The response to Comment 6-01 describes the use of enhanced ZLD at the West Range Site to eliminate discharges to surface waters.

Sections 4.3.2.6 and 4.17.2.3 (Volume 1) address the impacts of the Mesaba Energy Project's mercury emissions on fishable waters and fish consumption.

Sections 2.2.3.1 and 4.3.2.2 (Volume 1) of the Final EIS have been updated to include a subsection with discussions regarding truck and train emissions associated with the Mesaba Energy Project. Train emissions (see table below) would predominantly be as a result of delivery of feedstock to operate the power station.

Emissions from trains delivering feedstock for Phase I and II of the Mesaba Energy Project:

	CO ₂ (tpy)	SO ₂ (tpy)	NO _x (tpy)	PM (tpy)	CO (tpy)
West Range	150,000	1.5	2,300	80	410
East Range	170,000	1.7	2,600	90	460

These emissions are calculated based on the worst-case scenarios of the maximum annual tonnage of feedstock delivery (i.e., partial slurry quench on 100% sub-bituminous coal) from the farthest distance source

Commenter 12 – Sue Hutchins

45

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

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

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

**12-01
(cont'd)**

Responses

Comment 12-01 (cont'd)
(i.e., Powder River Basin).

Truck emissions (see table below) would predominantly occur as a result of transporting slag and ZLD salt from the power station and the greatest distance of truck transportation. Slag production at the power station would depend on the amount of feedstock used. Total ZLD salt production would depend on the water quality of the water source, which is lower at the East Range Site.

Emissions from trucks transporting solid byproducts and waste from Phase I and II of the Mesaba Energy Project:

	CO ₂ (tpy)	SO ₂ (tpy)	NO _x (tpy)	PM (tpy)	CO (tpy)
West Range	7,700	0.1	60	0.8	7
East Range	8,100	0.1	61	0.8	7

The worst-case scenario of feedstock use and ZLD salt production were used to calculate truck emissions. Detailed discussion of worst-case situations used in the Mesaba Energy Project's NEPA analysis is provided in Table 2.1-1 of the EIS.

Except for NO_x, emissions from the trains and trucks are much smaller than those from operation of the power plant; therefore, impacts would be considered negligible. Although NO_x emission rates are comparable to those from the power plant operations, the impacts from the train and truck emissions would be far less than those of the power plant because the trains and trucks are mobile. Unlike a stationary source in which the emissions are localized, the emissions from the trains and trucks would be dispersed over a large area and distance and, depending on the speed of the train or truck, wind and other meteorological factors, localized impacts would be negligible.

Commenter 12 – Sue Hutchins; Commenter 13 – Joan Beech

46

**12-01
(cont'd)**

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

12-02

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

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

22 BILL STROM: Thank you, Sue. Joan Beech.

23 JOAN BEECH: Joan Beech, J-o-a-n B-e-e-c-h,

13-01

24 rural Bovey. As a citizen I speak, not only for
25 myself, but also for my children and grandchildren,

Responses

Comment 12-02

DOE is the Federal agency charged with responsibility to ensure that the U.S. develops sources of energy to maintain economic prosperity and national security. The department oversees numerous programs and projects that are intended to achieve these objectives, including fossil energy, nuclear energy, renewable sources, and energy conservation. According to reports by the Energy Information Administration, the cost of coal per million Btu has consistently been lower than for oil or natural gas since 1979. See also response to Comment 102-30 for additional discussions regarding the economic impacts of CO₂ emissions.

Section 1.2.1 (Volume 1) notes that more than 50 percent of the nation's electricity generation is fueled by coal and nearly half of existing plants are more than 30 years old. Replacement of coal-based power generation by other energy sources is a long-term proposition at best. Currently, IGCC technologies offer the best opportunities among coal-fueled plants to capture concentrated CO₂ emissions. The efficiencies of CO₂ capture attainable at older coal-fired plants are substantially lower. Section 5.2.8 (Volume 1) of the Final EIS discusses the potential CO₂ emissions from the Mesaba Energy Project and its potential contribution to global CO₂ emissions rates. Also included in this section of the Final EIS are discussions of the overall CO₂ impacts to the global environment.

See response to Comment 1-02 regarding the potential for future CCS implementation at the Mesaba plant. DOE is actively pursuing methods of reducing CO₂ emissions, including development of carbon sequestration technology through its Carbon Sequestration Program (see http://www.netl.doe.gov/technologies/carbon_seq/index.html). Other than enhanced oil recovery, sequestration options have not been demonstrated at the scale required for the proposed project. Sequestration options for all regions of the country are still under investigation in DOE's Carbon Sequestration Program (DOE, 2006). Through its Regional Carbon Sequestration Partnerships, which is a collaboration involving government, industry, universities, and international organizations, DOE will determine the most suitable technologies, regulations, and infrastructure needs for carbon capture and sequestration. With regard to costs of CCS, DOE's goal is to reduce the increase in cost of electricity associated with CCS such that coal will continue to be cost-competitive in the future and an important component of the nation's energy mix.

Comment 13-01

See response to Comment 12-02, which addresses the same concern.

Commenter 13 – Joan Beech; Commenter 14 – Harry Hutchins

47

**13-01
(cont'd)**

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

16 BILL STROM: Thank you, Joan. Harry Hutchins.

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

14-01

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

Responses

Comment 14-01

Sections 3.8 and 4.8 (Volume 1) of the EIS have been updated with additional information.

Commenter 14 – Harry Hutchins

48

**14-01
(cont'd)**

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

14-02

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

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

Responses

Comment 14-02

Section 5.2.8 (Volume 1) has been added in the Final EIS to discuss the effects of global climate change regionally, nationally and globally. DOE recognizes that the emissions of the Mesaba Energy Project do contribute incrementally to these effects. However, there are no reliable models currently available to accurately assess the impacts of GHG emissions from a single, discrete source on climate change.

Section 5.2.6 (Volume 1) describes the cumulative impacts on wildlife habitat of the Mesaba Energy Project combined with other reasonably foreseeable actions in the West Range and East Range areas. This discussion addresses the potential for habitat fragmentation. While construction of the Mesaba Energy Project would be expected to impact bird species adversely through habitat loss and degradation, habitat loss from the project would constitute a small fraction of the total available habitat at either the West or East Range Site and would not eliminate all suitable nesting habitat for bird species. As discussed in Section 4.8 (Volume 1), mitigation of effects could include coordination with MNDNR to avoid grading and clearing activities during the nesting/rearing season, when species would be most susceptible to impacts. Predation of ground-nesting birds would increase along the newly cleared utility corridors primarily due to the increased presence of edge species such as raccoons and opossums; however, the overall amount of forest edge created and the abundant amount of interior forest habitat would not create a noticeable decline in these bird populations. Studies have shown that nesting success rates of ground-nesting birds increase within 328 feet of the forest edge. In addition, studies have shown that predation due to edge effect is lower in forest-dominated landscapes compared to agricultural-dominated landscapes, as factors such as brood parasitism by brown-headed cowbirds is lessened (Manolis et al., 2002).

Commenter 14 – Harry Hutchins

49

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

**14-02
(cont'd)**

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

Responses

Commenter 14 – Harry Hutchins

50

**14-02
(cont'd)**

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

14-03

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

14-04

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

Responses

Comment 14-03

The landscape plan for North Central Minnesota (Recommended Desired Outcomes, Goals and Strategies – North Central Landscape Region: A Report to the Minnesota Forest Resources Council [amended January 27, 2004]) was developed to maintain long-term sustainable forest practices in North-Central Minnesota. The four main goals for desired future forest condition set forth in the plan include:

- There will be an increased component of red, white, and jack pine, cedar, tamarack, spruce, and fir.
- The forest will have a range of species, patch sizes, and age classes that more closely resemble natural patterns and functions within this landscape.
- The amount of forestland and timberland will not decrease using FIA definitions for timberland and forestland. Large blocks of contiguous forest land that have minimal inclusion of conflicting land uses will be created and/or retained for natural resource and ecological benefits and to minimize land use conflicts (hereafter referred to as “natural resource emphasis areas”).
- In large blocks of contiguous forestland, retain critical natural shoreline on lakes for scenic, wildlife, water quality, and other natural resource values.

The third point above indicates a goal for retention of large blocks of contiguous forest within “natural resource emphasis areas.” The plan defines these areas as “large blocks of contiguous forest land that have minimal inclusion of conflicting land uses. They have been created and/or retained for natural resource and ecological benefits and to minimize land use conflicts...which encompass national forests, state forests, county memorial forests, and other large, contiguous blocks of forest land through mutual agreement.” The project impact areas do not fall within these “natural resource emphasis areas.” As discussed in Section 3.8 (Volume 1), there were no old-growth or mature conifer forests observed during the field reconnaissance at the West Range Site and the eastern half of the West Range Site had been harvested for timber in 2005 and portions of the western half of the West Range Site exhibited evidence of logging activities within the past 10 to 20 years. At the East Range Site, timber harvesting is the primary land use, and has influenced the composition and dynamics of the forest cover on the site. A portion of the uplands within the East Range Site were clear-cut within the previous five years. Large areas are virtually devoid of tree cover due to recent clear-cutting.

Commenter 14 – Harry Hutchins; Commenter 15 – Warren Shaffer

51

**14-04
(cont'd)**

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

9 BILL STROM: Thank you, Harry. Warren
10 Shaffer.

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

15-01

Responses

Comment 14-04

See response to Comment 12-02, which addresses the same concern.

Comment 15-01

The Final EIS has been updated to reflect the project proponent's announced decision (to be included in a revised permit application to MPCA) to utilize an enhanced ZLD system at the West Range Site, comparable to the system proposed for the East Range Site, which would eliminate discharges of process water and cooling tower blowdown into any water bodies. Thus, no pollutants would be discharged into any surface waters, which would eliminate the majority of water quality concerns at the West Range Site as originally discussed in the Draft EIS, including risks to hydrologically connected private wells and aquifers. Sections 2.2.2.3, 2.2.3.2, and 2.3.1.3 (Volume 1) of the Final EIS have been updated to describe the use of the enhanced ZLD system at the West Range Site. Section 4.5 (Volume 1), Surface Water Resources, has been revised to reflect use of the enhanced ZLD system. Additionally, following publication of the Draft EIS, MNDNR announced its plans to construct a gravity outflow device from the CMP to the Prairie River that would allow the CMP to be maintained at an MNDNR-determined maximum water level (Scenic Range News Forum, 2009).

Commenter 15 – Warren Shaffer

52

Responses

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

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

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

**15-01
(cont'd)**

Commenter 15 – Warren Shaffer

53

Responses

1 is available for the private wells.
2 According to the Environmental Impact
3 Statement prepared for the Mesaba Energy Project, water
4 is to be drawn from the Canisteo Mine Pit and blowdown
5 water is returned to the pit between 810 gallons per
6 minute, and 4190 gallons per minute is the sustainable
7 withdrawal flow for the water balance modeling. That's
8 Table 4.5-2.
9 Water returned to the pit is expected to be
10 350 gallons per minute during Phase 1 operations and
11 2650 to 3500 gallons per minute during Phase 2. That's
12 from Table 4.5-2, footnote (e). Roughly those figures
13 are reflected in Figure 4.5-2, the system description
14 for the water use of the plant.
15 On Page 4.5-15 the Environmental Impact
16 Statement states that the anticipated discharges are
17 expected to be within water quality criteria standards
18 without mixing except for hardness, total dissolved
19 solids, sulfate and conductivity. Within the CMP
20 levels of these four parameters would rise over time
21 during the operation of the power station and approach
22 or exceed water quality standards.
23 But on Page 4.5-3, total dissolved solids
24 would be below 700 milligrams a liter for 26 years,
25 perhaps the life of the plant. 700 milligrams per

**15-01
(cont'd)**

Commenter 15 – Warren Shaffer; Commenter 16 – Andrew David

54

Responses

**15-01
(cont'd)**

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

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

20 BILL STORM: Thank you, Warren. Andrew David.

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

Commenter 16 – Andrew David

55

1 building.

2 I'd like to make some comments on Sections

3 4.11 and 4.12, respectively socioeconomics and

4 environmental justice. Section 4.11 analyzes the

5 economic impact of building Phase I and Phase II of the

6 Mesaba Energy Project; particularly impact of

7 construction and continued operation to have employment

8 income, business population and housing. In order to

9 do this the EIS used a study called the UMD BBER study,

10 University of Minnesota-Duluth. They used IMPLAN

11 software modeling. I'd like to point out that this

12 plan -- and if you review the EIS, please look at this

13 plan and review it as well, not just take it as a

14 footnote. This plan is a benefit study only. It is

15 not a cost benefit analysis. Okay. No cost was ever

16 attributed. So as a benefit study -- I should point

17 out that even the authors recognized -- if you go to

18 the last page, even the authors will say that they

19 recognize this is not a cost benefit analysis, and they

20 caution against using their study as a complete view of

21 the impacts of building Mesaba Phase I and Phase II.

22 The BBER Study is misleading in stating the

23 economic value of Itasca County or the seven-county

24 wide range of influence. That's because most of the

25 economic values supposedly coming to the area in the

16-01

Responses

Comment 16-01

IMPLAN is a widely used input-output impact model for predicting the multiplier effects of increased spending, such as for new projects, on a regional economy. The commenter is correct in stating that it is not a cost-benefit model; rather, it estimates benefits in terms of multiplier effects on the economy and employment. As stated in Section 4.11.1.2 (Volume 1) of the Final EIS, the Bureau of Business and Economics Research (BBER) at the University of Minnesota at Duluth used IMPLAN in 2005 to estimate the economic multipliers associated with the Mesaba Energy Project Phase I for the Arrowhead Region and the state. Because Excelsior's Joint Permit Application included both Phases I and II of the project, BBER updated the study in 2006 to estimate the effects of both phases.

The results are described in Section 4.11.2 (Volume 1) of the Final EIS, which points out that direct jobs both for construction and operations may be filled by individuals from within and without the local communities, the Arrowhead Region, and the state, and that the appropriate distributions could not be accurately predicted, because they would depend upon the availability of individuals with required skills. However, although direct employment for construction and operations may involve hiring from outside the region, the indirect and induced employment predicted by IMPLAN reflects jobs specifically created within the seven-county Arrowhead region. Likewise, although some portion of direct project spending would flow outside the region and state, economic benefits predicted by the IMPLAN model, both in terms of value-added benefits from direct spending for wages, rents, interest, and profits for construction and operations, and in terms of total output economic benefits from all direct project expenditures for construction and operations, would occur specifically within the Arrowhead Region.

As explained in Section 1.6.4 (Volume 1), although DOE's CCPI Program co-funding and potential loan guarantee will apply only to Phase I of the Mesaba Energy Project, Phase II, which is a duplicate of the Phase I facility, is considered a connected action. MDOC's state EIS must address the project as submitted in the joint permit application, which includes both phases of the Mesaba Energy Project. Because Phase II is inextricably linked to the successful performance of Phase I, the impacts of both phases are assessed as a whole in this EIS. However, at the request of USACE (see Comment 116-05), the Final EIS has been revised as appropriate to describe the potential impacts of Phase I separately from the impacts of the combined two-phased project.

Commenter 16 – Andrew David

56

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

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

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

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

Responses

Comment 16-01 (cont'd)

Regarding impacts on local housing attributable to an influx of construction workers, Sections 4.11.3.1 and 4.11.4.1 (Volume 1) respectively describe the potential for adverse effects on local housing in the West Range and East Range areas based on limited housing capacity to meet increased demands. Similar concerns were expressed in the Minnesota Steel Industries Final EIS, which did not anticipate that the potential impacts would be significant, even considering cumulative effects including construction of the Mesaba Energy Project.

With respect to the claimed inequities in considering impacts at regional and local levels, the consideration of these different regions of influence is reasonable. The economic and employment benefits predicted by BBER's study cannot be measured accurately at the level of a local community or neighborhood. Therefore, these beneficial effects are presented for the 7-county Arrowhead Region defined in Section 3.11, although it is anticipated that certain economic benefits to local retail establishments for goods and services would result. However, most adverse effects of plant construction and operations on local communities and residents can be predicted based on their proximities to project features (plant equipment, rail lines, access roads, and infrastructure). Therefore, efforts were made in the EIS to identify communities that would be affected most adversely by project features, while the beneficial economic impacts of the project were considered more broadly by necessity.

**16-01
(cont'd)**

Commenter 16 – Andrew David

57

Responses

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

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

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

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

**16-01
(cont'd)**

Commenter 16 – Andrew David

58

**16-01
(cont'd)**

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

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

16-02

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

Responses

Comment 16-02

As stated in Section 3.12 (Volume 1) of the Final EIS, environmental justice in DOE environmental decision making requires the fair treatment of all peoples regardless of race, ethnicity, and income or education levels. Environmental justice impacts occur when a minority or low-income population would bear disproportionate adverse impacts from a proposed action. Therefore, regions of influence for the Mesaba Energy Project were selected in closest proximity to the project features (plant equipment, rail lines, access roads, and infrastructure) most likely to affect residents adversely. The demographic compositions of these regions of influence were compared to those of the larger populations (local townships and cities, respective counties, and the state) to determine whether minority or low-income populations might be affected disproportionately by the proposed action. These demographic compositions are compared in Sections 3.12.2 and 3.12.3 (Volume 1). They indicate that the distributions of minority populations in the West Range and East Range census units closest to proposed project features are substantially lower than in the respective larger census areas, counties, and the state. They also indicate that the distributions of low-income populations in the West Range and East Range census units closest to proposed project features are comparable to, or lower than, those in the larger local census tracts, the Arrowhead Region, and the United States as a whole. It is true that the Arrowhead Region generally has a higher distribution of low-income population than the state as a whole. However, in adopting the "innovative energy project" legislation that provided incentives for an undertaking like the Mesaba Energy Project (see Section 1.2 in Volume 1), the Minnesota Legislature specifically targeted the Taconite Tax Relief Area in part because of the economic challenges experienced there.

With respect to the comment on the adequacy of consideration for potential adverse health risks from plant operations, Section 4.17 (Volume 1) describes these risks to local populations (the heading for Section 4.17.2.3 was inadvertently lost in printed copies of the Draft EIS) based on the AERA. From the perspective of environmental justice, Section 4.12.4 (Volume 1) specifically addresses the health risks to American Indian tribes in northern Minnesota, because they may consume higher amounts of locally caught fish than the general population. Diamond Lake was considered representative of the nearest fishable bodies of water to the West Range Site receiving emissions from the plant.

Commenter 16 – Andrew David

59

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

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

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

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

Responses

Comment 16-02 (cont'd)

Also, cumulative impacts on air quality, deposition, and air inhalation health risks are described in Sections 5.2.2 and 5.2.3 (Volume 1) of the Final EIS.

**16-02
(cont'd)**

Commenter 16 – Andrew David

60

Responses

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

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

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

24 (Applause.)

25 BILL STROM: Thank you, Andrew. Charlie

**16-02
(cont'd)**

Commenter 17 – Charles Grant

61

1 Grant.
2 CHARLES GRANT: Good evening. My name is
3 Charles Grant. C-h-a-r-l-e-s G-r-a-n-t.
4 As a former teacher of physics and
5 mathematics, I'd like to share with you something
6 that's happening and has been going on for the last few
7 years in studying the size of particles and how it
8 impacts on our health. We think of things like
9 asbestos and other contaminates that we all know about
10 living on the Iron Range as being no-nos. But the
11 problem is not so much whether or not it's asbestos.
12 It's the size of the particle that we are breathing.
13 And if you create an environment, which we will if this
14 plant is built, where a huge amount of particle
15 distribution will take place in the shipping of it, in
16 the handling of it, and in the ultimate burning of it,
17 we will have thousands of tons of particles, some of
18 which will be smaller than 10 microns.
19 Now, a micron is an extremely small division
20 of measurement. If you took a piece of human hair and
21 cut it in half and looked at the cross-section of it,
22 and said, well, let's blow that up to about two and a
23 half inches in diameter so we can get a better study of
24 it, one micron would be so small that you couldn't see
25 it. You would have to use magnification.

Responses

Comment 17-01

See response to Comment 7-03, which addresses the same concern. Additionally, based on the results of the AERA in Appendix C (Volume 2) of the Final EIS, although there would be PM_{2.5} emissions, the levels and impacts would not exceed the state's risk threshold limits. To provide further insight on potential health impacts from particulate matter, new text has been added to Section 4.17.2.3 (Volume1).

17-01

Commenter 17 – Charles Grant

62

Responses

**17-01
(cont'd)**

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

17 BILL STROM: Thank you, Charles. Kristen
18 Anderson.

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

Commenter 18 – Kristen Anderson

63

1 Thank you, Kristen. Go ahead.

2 KRISTEN ANDERSON: I'm Kristen Anderson.

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

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

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

Responses

Comment 18-01

See responses to Comments 8-01 and 1-02, which address the same concerns.

18-01

**Commenter 18 – Kristen Anderson; Commenter 19 –
Amanda Nesheim**

64

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

**18-01
(cont'd)**

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

15 BILL STROM: Thank you, Kristen. Amanda
16 Nesheim.

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

19-01

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

19-02

Responses

Comment 19-01

The Final EIS has been updated to reflect the project proponent's announced decision (to be included in a revised permit application to MPCA) to utilize an enhanced ZLD system at the West Range Site, comparable to the system proposed for the East Range Site, which would eliminate discharges of process water and cooling tower blowdown into any water bodies. Also see response to Comment 6-01, which addresses the same concern.

Comment 19-02

Both the Mesaba Energy Project and MSI are below the Class I increment for NO_x. As stated in Section 5.3.2.2 (Volume 1) of the Draft EIS, an option for offsetting emissions of SO₂ and NO_x from Phases I and II of the Mesaba Generating Station is through allowance purchases or controls placed on previously uncontrolled or poorly controlled air emission sources. The total combined SO₂ and NO_x emissions of both the Mesaba Generating Station and the MSI are a small fraction of the reductions of those emissions by recent and ongoing environmental retrofit projects in Minnesota (such as the Metro Emissions Reduction Project, Boswell Unit 3 retrofit, and Arrowhead Regional Emissions Abatement project). It is possible that offsets in an amount sufficient to comply with regulatory requirements would be available for both Mesaba Generating Station and MSI. However, the MPCA would determine the amount of SO₂ and NO_x allowances that the Mesaba Generating Station would have to purchase. See also response to Comment 3-02 for information on the Cap and Trade Program.

Commenter 19 – Amanda Nesheim

65

**19-02
(cont'd)**

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

9 Why does the DEIS have such gross omissions
10 with regard to cumulative effects? And why does the
11 air quality modeling give no input assumptions/data.
12 Why does air quality information use modeling that
13 gives low/conservative estimates?

19-03

14 Another thing that I would like to point out
15 that was in the EIS, carbon capture and sequestration
16 again. The Mesaba Energy Project's plan is for 30
17 percent sequestration. The EIS statement says that 33
18 percent is actually only sequestered. 33 percent of 30
19 percent amounts to 1,029,400 tons of CO2. That is less
20 than 1 percent of the over 10 million tons that are
21 going to be emitted by this IGCC plant. And on top of
22 that, in the enhanced oil recovery they're talking
23 about 8.7 million barrels of oil to be recovered.
24 Those 8.7 million barrels of oil will emit annually
25 4,350,000 tons of CO2. So the enhanced oil recovery

Responses

Comment 19-03

Table 5.1-1 (Volume 1) summarizes the estimated annual amounts of CO₂ captured under CCS scenarios 1 and 2 for the Mesaba Energy Project Phases I and II, which are described in Section 5.1.2 (Volume 1). At 30 percent, scenario 1 could capture 3,180,000 tons per year. At 90 percent, scenario 2 could capture 9,540,000 tons per year. The estimate for the percentage of CO₂ remaining stored when used in enhanced oil recovery (EOR) in this section of the EIS (originally 33 to 60 percent) has been revised to reflect actual experience at the Weyburn CO₂ Monitoring and Storage Project in Saskatchewan, Canada, which yielded a 93 percent storage rate for CO₂ supplied by the Dakota Gasification Company plant. The 93 percent figure is the result of testing and modeling, which indicated that 100 percent of the CO₂ supplied by the Dakota Gasification Company would remain in geologic storage, but that the CO₂ emissions resulting from the electricity consumption of the compressors that re-inject CO₂ removed with extract oil would be equivalent to 7 percent of the stored CO₂. Conservatively assuming a net 90 percent storage rate and use of 100% sub-bituminous coal, the Mesaba scenarios could achieve sequestration rates of 2,862,000 to 8,586,000 tons per year of CO₂, respectively. It should be recognized that oil extracted through EOR using captured CO₂ from Mesaba would probably be recovered regardless of the project involvement, because there is a growing economic incentive to do so.

Commenter 19 – Amanda Nesheim; Commenter 20 – Carol Overland

66

19-03 (cont'd)

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

3 BILL STROM: Thank you, Amanda. Carol
4 Overland.

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

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

20-01

18 Also it was kind of telling that -- on Page
19 1-9, where it's talking about state involvement in this
20 project. It mentions Docket Number GS-06-668, and
21 there's no mention about 5-1993. It seems to me that's
22 a pretty important part of the state involvement in
23 this project.

20-02

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

20-03

Responses

Comment 20-01

See response to Comment 7-01, which addresses the same concern.

Comment 20-02

The EIS for MDOC addresses decisions relating to the Joint Permit Application (PUC Docket Number E6472/GS-06-668). The power purchase agreement is the subject of separate PUC Docket Number E6472/M-05-1993, which MDOC has stated is not a subject for this EIS.

Comment 20-03

Although PM_{2.5} emissions from the proposed power plant were not modeled, near-field PM_{2.5} concentrations were extrapolated from the PM₁₀ concentrations. This methodology is based on research indicating that multipliers in the range of 0.06 to 0.11 can be used to infer or scale PM_{2.5} concentrations from PM₁₀ data (USEPA, 2005). As noted in response to Comment 9-01, in instances where far-field concentrations of PM_{2.5} were concerned, 100% of PM₁₀ was considered to be PM_{2.5}, thereby producing conservatively high impacts to compare with regulatory thresholds. To provide further insight on potential health impacts from particulate matter, new text has been added to Section 4.17.2.3 (Volume1). See also response to Comment 7-03, which addresses the source of PM_{2.5} from power plants.

Commenter 20 – Carol Overland

67

Responses

**20-03
(cont'd)**

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

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

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

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

Commenter 20 – Carol Overland

68

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

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

16 (Brief recess.)

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

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

Responses

Commenter 21 – Jeff Poenix

69

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

5 Basically I just want to reiterate a couple
6 points and ask for clarification on a couple others.
7 One of them is in -- I don't have it with me 4.17
8 regarding transportation. And that one is -- it was
9 stated that there would be four train loads per day
10 through the area. And my question is, for
11 clarification, would that be four round trips or four
12 total? And if it is only four total, kind of rough
13 math, that would be 4800 miles one way to where the
14 coal actually is and then double that for the return
15 trip. And if this is an Environmental Impact
16 Statement, then I feel that carbon dioxide as a
17 regulated greenhouse gas that should be taken into
18 consideration when we mine and transport the coal from
19 1200 miles away.

21-01

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

21-02

Responses

Comment 21-01

Sections 4.15.2.2 and 5.2.7 (Volume 1) state that a maximum of two unit trains per day (i.e., two roundtrips per day) would be required to transport coal during normal operation; however, the average scenario would be 1.25 round trips a day. As discussed in response to Comment 12-01, Section 4.3.2 (Volume 1) has been updated to address emissions from rail and truck transport, including CO₂ emissions.

See also response to Comment 12-01 regarding transportation-related emissions and new text in Section 5.2.8 (Volume 1), which discusses greenhouse gases and CO₂ impacts.

Comment 21-02

The feasibility to recycle materials and waste generated at the proposed plant will be determined by MPCA. See Comment 105-50 by MPCA regarding beneficial use determination. Non-hazardous materials identified by state and county recycling goals, or defined in the Environmental Management System and a Pollution Prevention/Waste Minimization Program would be packaged for recycling by onsite employees.

Transport of hazardous and non-hazardous materials would primarily be by truck, although rail could be an option depending on the type of waste and the disposal or treatment facility being used. When a site alternative is selected and design plans are finalized, Excelsior will identify specific hazardous and non-hazardous waste treatment, storage or disposal facilities to accept waste from the plant.

Commenter 21 – Jeff Poenix; Commenter 22 – Karla Igo

70

Responses

**21-02
(cont'd)**

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

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

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

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

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

Commenter 22 – Karla Igo; Commenter 23 – Gary Burt

71

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

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

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

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

Responses

Comment 22-01

Future decisions by the PUC to issue permits for new power plants will take the Next Generation Energy Act requirements for greenhouse gas reductions into consideration (see additional discussion in responses to Comment 105-29 by MPCA and Comment 108-02 by the MCEA). The Final EIS (Volume 1) addresses greenhouse gases specifically in Sections 2.2.1.3 (under Potential Carbon Capture Retrofit), 2.2.3.1 (under Emissions of Greenhouse Gases), and 5.2.8 Greenhouse Gases and Climate Change. As stated in the EIS, the Mesaba Generating Station, Phases I and II without carbon capture and sequestration, would emit approximately 9.4 to 10.6 million tons per year of CO₂. PUC does not have specific authority to shut down individual power plants, which are privately or publicly owned, part of the national electric generation and distribution network, and operate under existing valid permits. However, both DOE and PUC expect that as advanced technologies such as IGCC become proven commercially, older and less-efficient coal-fueled power plants will be replaced by newer plants that provide the potential for capture and geologic storage of CO₂.

Comment 23-01

See response to Comment 4-04, which addresses concerns regarding worst-case emergency conditions at the power plant as provided in Section 4.17.4 (Volume 1) of the Final EIS. Additionally, see response to Comment 7-03, which addresses the concerns about increased PM_{2.5} emissions as provided in Appendix C (Volume 2) of the Final EIS.

22-01

23-01

Commenter 23 – Gary Burt

72

Responses

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

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

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

**23-01
(cont'd)**

Commenter 23 – Gary Burt; Commenter 24 – Bob Igo

73

**23-01
(cont'd)**

1 we don't start working or start trying to figure out
2 what's going to happen regarding the consequences of
3 these decisions. Thanks. (Applause)
4 BILL STROM: Thank you. This gentleman over
5 here, please.
6 BOB IGO: Hi, my name is Bob Igo, B-o-b
7 I-g-o. I guess I'd like to start out saying, everybody
8 that spoke tonight, great job. A lot of eloquent
9 speakers. We heard from natural resource teachers,
10 biologists, physicists. So far the only people that
11 I've heard of -- and I've been following this, I don't
12 know, a couple years now at least, however long it's
13 been going on. The only people I know for sure that
14 are really wanting this, I think it's kind of the IGCC,
15 I'm not sure anymore now, and Excelsior. And what I'm
16 wondering here is -- I haven't had a chance to read
17 this entire Environmental Impact Statement. I've been
18 a little caught up in that whole living and raising
19 kids thing.
20 I think any time you're going to wreck a lake,
21 it's probably a bad idea. If it's going to wreck one
22 lake, it's probably not a good idea. Why this keeps
23 getting milled around and around and around -- I don't
24 know if I heard anybody just say, you know -- it seems
25 to be less than 20 people that want this and an entire

24-01

Responses

Comment 24-01

To the extent that an EIS for a complex, advanced technology-based project such as the Mesaba Energy Project can be summarized briefly, the 45-page Summary at the beginning of Volume 1 attempts to do so. Tables S-4 and S-5 describe the key features of the project and alternatives considered, respectively, for the West Range and East Range Sites. Table S-8 provides an objective comparison of impacts by resource subject and project feature for both alternative sites and quantifies potential impacts to the extent practicable for consideration by decision-makers, elected officials, agencies, Native American tribes, interested organizations, and the public. Appendix F1 (Volume 2) describes the potential sites that were considered by the project proponent and the bases by which they were screened out of the selection process.

Commenter 24 – Bob Igo

74

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

8 I don't know. Just an idea.

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

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

**24-01
(cont'd)**

Responses

Commenter 24 – Bob Igo

75

1 brown zone? (Applause) Is it a place where you might
2 want to go fishing? I've been back where they want to
3 put up this power plant, I've been back there.
4 (Inaudible) some old mining site, a brown zone. Well,
5 I don't know, there's maple back there I can't get my
6 arms around, and I'm a pretty good sized guy. If it
7 was brown, it was brown in like 1900; it's not anymore.
8 Canisteo is drop dead gorgeous.
9 It just kind of makes you wonder. It seems
10 that -- I don't know. I don't see the spoils going to
11 a victor here. I don't see anybody wanting it, but,
12 like I say, maybe kind of IGCC and Excelsior Energy.
13 It just doesn't seem like a good idea.
14 And if we're really going to use a tool like
15 an Environmental Impact Statement to make some kind of
16 a knowledgeable decision, I think it can be condensed
17 down considerably and put in terms that I can read to
18 my 6th grader and he'd go, yeah, dad that doesn't sound
19 like a very good idea. I just thought somebody needed
20 to kind of get rid of the eloquence and all the big
21 numbers and sequestration and blah, blah, blah, blah.
22 And like I say, being a dad, I try to keep things
23 simple because my oldest son is only 11. I try to use
24 very simple analogies, like, you know, bud, if you
25 don't take mom's vase down off the mantle, the chances

**24-01
(cont'd)**

Responses

Commenter 24 – Bob Igo; Commenter 25 – Judy Gunelius

Responses

Comment 25-01

As stated in response to Comment 6-01, the project proponent has decided to employ an enhanced ZLD system at the West Range Site, which would eliminate discharges of process water and cooling tower blowdown into any water bodies. The integrity of the CMP should not be compromised and the pit would still support lake trout that have been stocked by MNDNR in the past. See additional discussion in response to Comment 76-07 by MNDNR.

**24-01
(cont'd)**

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

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

22 BILL STORM: Thank you.
23 JUDY GUNELIUS: Judy Gunelius, J-u-d-y
24 G-u-n-e-l-i-u-s, Bigfork.

25-01

25 Short and sweet. A picture is worth a

Commenter 25 – Judy Gunelius; Commenter 26 – David Holmstrom

77

**25-01
(cont'd)**

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

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

9 DAVID HOLMSTROM: I'm David Holmstrom,
10 H-o-l-m-s-t-r-o-m. And both my wife and I have
11 reviewed different parts of the draft Environmental
12 Impact Study, and I would be subject to cold dinners
13 for the rest of the winter if I didn't bring to your
14 attention the deficiency that she found. In one of the
15 segments that she read, and I believe it's Figure
16 4.3.5.6 it references some numbers from the
17 Intergovernmental Panel on Climate Change. For those of
18 you who might not recognize that name, that's the
19 organization that was the co-winner of the Nobel Peace
20 prize this past year.

26-01

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

Responses

Comment 26-01

New text in Section 5.2.8 (Volume 1) of the Final EIS has been added and discusses the range in average surface temperature increase at the end of the current century based on the 2007 IPCC report, which has been added to the references.

Commenter 26 – David Holmstrom

78

**26-01
(cont'd)**

1 from the IPCC in their references in this report.

2 Secondly, the portions of the report that I
3 read dealt with the handling of wastewater, not cooling
4 down or blowdown water, not production water, but
5 actual human wastewater generated by the plant. And
6 the report went into some detail about the fact that
7 the sewage pumping station here in Taconite is not
8 sufficiently large to handle the volume of wastewater
9 that will be produced. No discussion, however, was
10 available, at least in the portions that I read, about

26-02

11 whether the sewage treatment plant, the
12 Coleraine/Bovey/Taconite sewage treatment plant, which
13 is on the other side of the pumping station in
14 Taconite, has the capacity to deal with the volume of
15 wastewater that the plant will generate.

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

26-03

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

Responses

Comment 26-02

New text has been added to Section 4.14.3.3 (Volume 1) to reflect the project proponent's proposal to improve regional water quality by sponsoring equipment additions to local WWTFs and by funding analytical studies to quantify the extent to which such WWTF improvements lessen the mass and concentration of phosphorus and mercury released.

Comment 26-03

Sections 4.10.3.1 and 4.10.4.1 (Volume 1) and Table 4.10.6 of the EIS provide information on the number of property owners that would be affected by the proposed alternative routes for the transmission lines. As stated in Section 1.5.2.2 (Volume 1), the HVTL Route Permit Application (part of the Joint Permit Application) must identify the names of each owner whose property is within any of the proposed routes.

**Commenter 26 – David Holmstrom; Commenter 27 –
Darrell White; Commenter 28 – Ron Gustafson**

79

**26-03
(cont'd)**

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

6 I thank you for your attention. (Applause)

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

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

27-01

18 BILL STROM: Anyone else like to speak?

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

28-01

Responses

Comment 27-01

The Final EIS (Volume 1) describes the anticipated project employment for construction in Section 2.2.4.4 and for operations in Section 2.2.5.3. See also response to Comment 16-01, which addresses concerns regarding economic impacts.

Comment 28-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Responses

Commenter 28 – Ron Gustafson

**28-01
(cont'd)**

1 or do we want to keep pouring public money to a group
2 of lobbyists and lawyers who have never produced a
3 kilowatt of energy and sacrifice our environment and
4 the health of us and of future generations to come?
5 (Applause)
6 BILL STROM: Anyone else who would like to
7 speak? Going once, twice -- okay. I want to thank you
8 all for coming here. I want to remind you that the
9 comment period, end of the comment period is January
10 11, 2008. You can send your comments either to me or
11 to Richard. We're going to share -- we're in this
12 together. We're going to share comments.
13 I want to encourage you, if you submit
14 comments, make them specific on issues and concerns you
15 have about the draft Environmental Impact Statement.
16 And keep in mind, if you reflect back to that flow
17 chart that I showed you, a milestone that we have
18 coming up is the contested case hearing, and in that
19 hearing process comments, generic comments about the
20 technology or the government spending money, they're
21 more appropriate for that forum. When you submit your
22 written comments to either me or Richard, to the extent
23 possible, try to focus on deficiencies, areas that need
24 clarification of the draft Environmental Impact
25 Statement.

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

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

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

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

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

Responses

The comments raised in the following pages for the remainder of the public hearing at Taconite are considered to be part of an open question and answer forum more commonly associated with Minnesota's State EIS hearing process. Because these questions were essentially answered by the moderators as indicated in the transcript, or were otherwise considered to be rhetorical in nature, responses have not been provided in this document.

Responses

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

10 BILL STROM: Yes, Linda.

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

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

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

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

Responses

Responses

84

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

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

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

Responses

1 the PUC.

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

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

Responses

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

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

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

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

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

Responses

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

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

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

11 UNIDENTIFIED: You're it.

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

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

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

Responses

88

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

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

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

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

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

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

16 BILL STROM: Commissioner of the Department of
17 Commerce.

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

Responses

Responses

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

2 BILL STROM: That did not happen.

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

8 BILL STROM: Correct.

9 ANDREW DAVID: Thank you.

10 BILL STROM: Yes, sir.

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

14 BILL STROM: Contested case hearing.

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

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

25 GARY BURT: And that will happen when?

Responses

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

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

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

12 GARY BURT: Thank you.

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

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

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

1 process.

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

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

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

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

Responses

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

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

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

Responses

Responses

1 ALMER PEDERSON: Thank you.

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

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

23 (Applause)

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

25

Responses

1 COURT REPORTER'S CERTIFICATE
2 Be it known that I have reported and transcribed
3 the foregoing hearing;
4 That I am a notary public in and for the County of
5 St. Louis, State of Minnesota;
6 That I am not related to any of the parties hereto
7 or interested in the outcome of this matter;
8 That the foregoing is a true and accurate
9 transcription of my stenographic notes to the best of
10 my ability.
11 Witness my hand and seal this 7th day of December,
12 2007.
13
14
15 Kathleen M. Undeland
16 Registered Professional Reporter
17 My commission expires
18 January 31, 2010
19
20
21
22
23
24
25

I N D E X

1

2

3

4 Presenters:

5 Bill Storm, PUC 3

6 Jason Lewis, DOE 13

7 Richard Hargis, DOE 14

8

9

10

11 Public Comments:

12 Norm Voorhees 19

13 Bob Tammen 21

14 Jean Dallas 22

15 Gordon Smith 24

16 Bill Whiteside 25

17 Warren Koskiniemi 27

18

19

20

21

22

23

24

25

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

1

2

3 on the

4 ENVIRONMENTAL IMPACT STATEMENT SCOPING MEETING

5 for the

6 MESABA ENERGY PROJECT

7

8

9 PUC Docket: E6472/GS-06-688

10

11 hosted by

12 Minnesota Department of Commerce

13 and

14 Department of Energy

15

16

17 held at

18 Hoyt Lakes Arena

19 Hoyt Lakes, Minnesota

20 November 28, 2007; 7:00 p.m.

21

22

23 REPORTED BY:

24 KATE UNDELAND, RPR

25 P.O. Box 131

Virginia, MN 55792

e-mail: undeland@accessmn.com

1 P R O C E E D I N G S

2 BILL STORM: Good evening, folks. Thank you
3 for coming. My name is Bill Storm, I'm the project
4 manager for the Department of Commerce, Energy Facility
5 Permitting staff. The Department of Commerce's role in
6 this process is to assist the decision-maker, which is
7 the Minnesota Public Utilities Commission in their
8 determination of issuing a site permit for Mesaba
9 Energy Project.

10 Before I start, I would like to point out a
11 couple things. One is, there's a sign-in sheet on the
12 table in the front. I'd appreciate if you would sign
13 in. There's also a box to check if you want to be put
14 on my mailing list. By checking that box, you will get
15 notices of pertinent events, upcoming meetings, when
16 the hearing is going to be held and that sort of thing.
17 So if you would, please sign that if you haven't done
18 so.

19 Additionally, on the front desk there are
20 public comment sheets. The meeting tonight is to
21 solicit comments from the public on the draft
22 Environmental Impact Statement. We encourage you to
23 speak tonight on the draft Environmental Impact
24 Statement, and we also encourage you to submit written
25 comments on the draft Environmental Impact Statement.

1 Your comments must be submitted to my office or the
2 Department of Energy's office by January 11, 2008.

3 On the table is a comment sheet to aid in your
4 efforts in that. If you don't feel comfortable
5 speaking tonight, you can fill this out with your
6 comments, fold it, staple it, put a stamp on it, mail
7 it to my office. You can also send your comments to my
8 attention on your own personal stationery or you can
9 e-mail or fax your comments to me also, and that
10 information is on the sheet.

11 Additionally, there are blue cards on the
12 front desk. These blue cards are to facilitate
13 speakers, for people who want to speak tonight. We ask
14 if you know right now that you want to speak, that you
15 fill out one of these blue cards and hand it to Cat,
16 who is servicing our front desk there, and when I'm
17 done giving with my presentation and the DOE is done
18 giving their presentation, I will call people from
19 these cards if they would like to speak. You don't
20 have to speak. You can definitely submit your
21 comments, as I said, written to me. Right now I have
22 no cards filled out. So if you would like to speak, I
23 encourage you to speak.

24 Additionally, there are the slides that I'm
25 going to go through tonight out there, copies of the

1 slides if you want them. You're more than welcome to
2 have a copy of them.

3 As I stated, tonight's meeting is a public
4 meeting to solicit comments on the draft Environmental
5 Impact Statement that was produced for the Mesaba
6 Energy Project. The Mesaba Energy Project is being
7 handled under PUC, Public Utility Commission Docket
8 E6472/GS-06-688. I ask, if you do submit written
9 comments to me either through your own stationery or
10 e-mail me or fax me, please put the docket number on
11 there.

12 Tonight's meeting is a joint meeting with the
13 Department of Energy and the Department of Commerce.
14 We held a meeting last not in Taconite. Tonight we are
15 here in Hoyt Lakes.

16 The agenda for tonight's meeting is pretty
17 simple. I'm going to run you through a short five
18 slides of the state process showing you what we've done
19 to date. The DOE will then talk about their role in
20 this project, the funding role and what their role has
21 been in this project to date. And then lastly your
22 comments, and that's mainly what we're here to get, is
23 your comments.

24 Whether you're for the project or against the
25 project, tonight's meeting is more on if you had a

1 chance to look at the draft Environmental Impact
2 Statement, are there issues in it, specific issues in
3 the draft Environmental Impact Statement that you feel
4 are not adequately addressed or that you feel you would
5 like to see more information on. What we'll do, once
6 we get your comments, is we will coompile all your
7 comments and we will make responses to them, and that
8 will go into the final Environmental Impact Statement
9 document.

10 Just a little refresher from the PUC
11 standpoint, again, you have two agencies here. You
12 have the Minnesota Public Utilities Commission and you
13 have the Department of Energy. I'm speaking for the
14 state's role in this process. The Public Utilities
15 Commission in Minnesota has the authority for siting
16 large electric generating power plants, transmission
17 lines and pipelines, and the statutes for those rules
18 are up there.

19 The PUC in making their determination will be
20 making three determinations at the end of this process.
21 The first will be the adequacy of the draft
22 Environmental Impact Statement. The second will be
23 whether to issue a site permit and what conditions
24 should be part of that site permit. And the third item
25 would be which site should be selected, the Hoyt Lakes

1 site or the Taconite site.

2 And this slide -- if you remember, we were
3 here in August of '06 for a scoping meeting, an initial
4 public meeting to inform the public of the project and
5 to solicit what the public thought were important
6 issues that should be in the draft Environmental Impact
7 Statement.

8 This slide just represents the Department of
9 Commerce's relationship with the PUC. As I said, the
10 PUC is the final decision-making body. They have
11 authority over wind projects, pipelines, transmission
12 lines and power plants. The Department of Commerce
13 serves the PUC in an administrative capacity. We set
14 up the public meetings. We make the public notices.
15 We are responsible for production of the environmental
16 documents that are associated with a given project.
17 But the ultimate decision is the PUC's.

18 This is another slide that was also used
19 during my presentation back in August. This is a slide
20 that shows the process that we use to evaluate a given
21 project. I just want to run you through the process a
22 little bit to bring you up to speed of where we're at.
23 The first block you can see is an applicant. An
24 applicant who wants to build a pipeline, transmission
25 line, or a large power plant submits an application to

1 the PUC. Excelsior Energy submitted such a permit
2 application, and it was a joint application. It
3 included the power plant, the transmission line and
4 pipeline requirements for the project, on June 19th,
5 2006.

6 The next step, the PUC evaluated that
7 application, and this is a function that the Department
8 of Commerce does for the PUC. We go through the
9 application, make sure that all the information that
10 needs to be there according to the rule is there, and
11 then we make a recommendation to the PUC. In this case
12 the PUC accepted the application as complete on July
13 28, 2006.

14 In that accepting the application, the PUC
15 also authorized the establishment of a Citizens
16 Advisory Task Force and they authorized the Department
17 of Commerce to assemble that task force and oversee it.
18 On August 1st, 2006 the Department of Commerce did
19 appoint a Citizen Advisory Task Force for this project.

20 The next step that you see on the flow chart
21 is the public meeting, an EIS scoping. On August 22nd
22 and 23rd of 2006 the Department of Commerce, myself,
23 held public information and scoping meetings for this
24 project. The point of those meetings was to inform the
25 public of the project and to solicit input from the

1 public on what they believe should be in the
2 Environmental Impact Statement.

3 The next step is the scope. The scope is a
4 document that's released by the Department of Commerce
5 that states given all the information we got from the
6 public, this scoping decision states what will be in
7 the Environmental Impact Statement; and that was
8 released on September 13th, 2006.

9 And that brings us to the draft Environmental
10 Impact Statement, which was released on November 5th,
11 2007 and why we are here.

12 This is just a rundown of the list I just
13 went through, hitting the milestones that bring us to
14 the point that we're at today.

15 And as we look into the future, if you recall
16 that flow chart, these are some of the milestones we
17 have yet to hit in the future. Note that most of these
18 dates are tentative. The one date that isn't tentative
19 and the one date that's real important for tonight's
20 meeting is the close of the comment period on the draft
21 Environmental Impact Statement is January 11, 2008. So
22 you need to have your comments to myself, Bill Storm,
23 or the DOE representative, Rich Hargis, and he will
24 provide that information when he speaks, by January 11,
25 2008.

1 As we move beyond that, these dates become
2 tentative, but these are the dates we're shooting for.
3 A contested case hearing, which will be back up here;
4 we'll have a contested case hearing in Taconite and an
5 contested case hearing here in Hoyt Lakes with an
6 Administrative Law Judge presiding over the case.
7 We're hoping to get that in on January 29th through
8 31st, 2008. The contested case hearing will be an
9 opportunity for the public to speak to the project, to
10 an objective third-party, being the ALJ. That process
11 will also have a comment period associated with it, and
12 the comment period in that process will end in February
13 of 2008.

14 The next step that we're -- the next
15 milestone that we have is the final EIS, and again, the
16 final EIS will be the compiling of the comments
17 received in this process and responses to the comments,
18 answering the questions, trying to resolve some of the
19 issues. We're hoping to have the final EIS out March
20 7, 2008.

21 The ALJ will then assemble the record,
22 findings of fact, recommendations and conclusions, and
23 he'll produce that in a report, and that report will
24 come back to the Department of Commerce, and we're
25 hoping that the ALJ can have that done by March 21st,

1 2008. Once that is done, I will take the record, the
2 information I have to date, all the public comments
3 from starting way back from the beginning, August of
4 '06, up to and including the ALJ's report, and I will
5 produce a briefing paper about this project to the PUC
6 for their final decision.

7 Again, the decision that they're going to be
8 making is three-pronged; the adequacy of the
9 Environmental Impact Statement, whether a pipeline
10 route and transmission line route should be granted and
11 what conditions those permits should have; and three,
12 site selection. And in this case it's the Hoyt Lakes
13 site or the Taconite site. And I'm hoping to bring
14 that before the PUC on May 22nd, 2008.

15 If you're interested in tracking information
16 on this project, if you'd like to see a copy, an
17 electronic copy of the draft Environmental Impact
18 Statement or you would like to see what other comments
19 the public has made either about the draft
20 Environmental Impact Statement or previous comments
21 that were made by either agencies or the public in the
22 past as we worked our way up to this point, you can go
23 to the MPUC Energy Facility Permitting website, and
24 that's the address up there, and you will see a file
25 register. This is the file register I made the second

1 week the project was existing. Now it's like four or
2 five pages. But each of the items in the file register
3 are documents. The Environmental Impact Statement is
4 up there, the scoping decision is up there, the ALJ
5 report will be up there when we get to that point,
6 public comments I received from agencies, public
7 comments I received to date will all be listed up
8 there, and they will be in p-d-f format so you can
9 click on them and look and read the information that's
10 available.

11 Now to talk about why we're here. Again,
12 we're here to solicit comments about the draft
13 Environmental Impact Statement. I encourage you to
14 comment on the draft Environmental Impact Statement,
15 and I encourage you to be as specific as possible. If
16 you have an issue, if you think the draft Environmental
17 Impact Statement is deficient in an area or you think
18 an area needs to be more flushed out, you know, be as
19 specific as you can.

20 I would normally limit the speakers to five
21 minutes. As I said, so far I have nobody who has
22 signed up to preregister. Oh, I do have one. When the
23 DOE is done with their presentation, I will call first
24 using the cards, and then if you haven't filled out a
25 card but have since decided you want to speak, I will

1 ask for a show of hands and call on you one by one that
 2 way. So five minutes per speaker. Once I go through,
 3 give everybody a chance to speak, we can certainly
 4 allow people to speak again if they would like. As I
 5 said, preregistered speakers first.

6 We are preparing a transcript of the meeting
 7 tonight. Kate is our transcriptionist here tonight, so
 8 I ask that if you are going to speak, that you come to
 9 the mike, you state your name, you spell your name,
 10 speak slowly, probably not like I've been doing
 11 tonight, and clearly so she can get your information
 12 down as accurately as possible. If you have written
 13 testimony, written prepared papers that you're speaking
 14 from, it would really help if you would give her that
 15 when you're done speaking. We can certainly give them
 16 back to you if you need them.

17 Again, I want to remind you, if you want to
 18 comment but you don't want to speak orally, you want to
 19 submit your comments in writing, you can submit them to
 20 either me or Rich Hargis of the DOE, but they have to
 21 be in by January 11, 2008. Okay.

22 I'm going to turn it over to the DOE for their
 23 presentation. Jason Lewis.

24 JASON LEWIS: Thank you, Bill. Welcome. It's
 25 good to be here tonight. My name is Jason Lewis. I'm

1 the U.S. Department of Energy's federal project manager
 2 for the DOE's participation in the Mesaba Energy
 3 Project. My colleague here tonight, Rich Hargis, has a
 4 separate and independent responsibility as the NEPA,
 5 EIS document manager to ensure that the National
 6 Environmental Policy Act process is completed for the
 7 project. The results of that activity will be used by
 8 the DOE decision-makers, myself included, in our
 9 decision-making of whether or not to continue
 10 cost-share, co-funding for the project beyond the
 11 current developmental activities.

12 Why is the DOE interested in this project?
 13 The office of fossil energy's ultimate goal is to
 14 achieve the commercialization of a zero emissions
 15 coal-based electric power generation plant. This
 16 project is not that. But as the state of the art low
 17 emissions gasification style electric power generation
 18 project, it is the next logical vital step towards that
 19 zero emissions plant.

20 Again, I'd like to welcome you here. It's an
 21 honor to be here. We welcome your comments, we look
 22 forward to them. At this time I would like to
 23 introduce Rich Hargis, and he'll go through the NEPA
 24 process from the federal perspective.

25 RICHARD HARGIS: Thanks, Jason. My name is

1 Rich Hargis. My role is managing the preparation of
 2 the DOE, NEPA document, and it's a joint document now
 3 with the State of Minnesota. I work for the Department
 4 of Energy, National Energy Technology Laboratory. We
 5 have two other DOE members here. George Pokanic is
 6 project engineer on the project. He's also responsible
 7 for coordinating the consultation with the state's
 8 historic preservation office, as well as consultation
 9 with the Native American Tribes regarding their
 10 concerns. Bernadette Ward is also here -- she's
 11 standing in the back of the room. She's a public
 12 affairs representative. You might have seen her when
 13 you came in the door there.

14 Okay. Well, obviously we're here tonight, as
 15 Bill said, to get your oral comments on the draft
 16 Environmental Impact Statement that we prepared. You
 17 can also provide written comments if that's what you
 18 prefer. Oral comments, written comments are treated
 19 the same in preparing the final EIS. Your comments are
 20 very important to us at the DOE, and I'm sure Bill
 21 feels the same way, in ensuring that we analyze all the
 22 environmental impacts and that we have given the proper
 23 emphasis of the impacts to the EIS.

24 For written comments, it's important for you
 25 to know that your name and address will appear in the

1 final EIS unless you prefer that that information be
 2 withheld, you have to let us know that. And all
 3 comments received by January 11, 2008, that's the end
 4 of the comment period, will be considered in preparing
 5 the final EIS.

6 The driving force for the federal
 7 environmental review process is the National
 8 Environmental Policy Act from 1970, and it applies to
 9 all federal agencies. Any action that federal agencies
 10 take, they have to consider what the environmental
 11 impacts are. It's a national charter for protection of
 12 the environment, and the mandate is that environmental
 13 information must be made available to, not only the
 14 public, but the federal officials that are responsible
 15 for making decisions, so that the appropriate
 16 consideration can be given to the environmental impacts
 17 in any decision we make that could have significant
 18 impacts on the human environment.

19 This is kind of like what Bill Storm's slide
 20 was; where we are in the process. Our process actually
 21 started a little earlier than the state's process. We
 22 issued a notice of intent to prepare an Environmental
 23 Impact Statement on October 5th, 2005, and shortly
 24 after that we held public scoping meetings in Taconite
 25 and Hoyt Lakes, just like Bill did a year ago. So our

1 process actually started a little over two years ago.
2 The DOE's public scoping period ended in November of
3 2005. And we knew at that time that this was going to
4 be a joint process with the state, but as Bill said,
5 the state process couldn't start until Excelsior
6 submitted the site permit application, and that didn't
7 happen until later in 2006.

8 Also during the federal scoping period back
9 in 2005 we wanted any federal agency that could have an
10 interest to participate in our process. And as a
11 result the Army Corps of Engineers and the U.S. Forest
12 Service agreed to participate as cooperating agencies.
13 So that draft Environmental Impact Statement that you
14 have now also includes the participation of those two
15 federal agencies.

16 On November 9th of this year the DOE issued
17 their notice of availability of the draft EIS, and
18 there was a mandatory 15-day waiting period before the
19 public hearings that we're having this week. We had
20 the Taconite public hearing yesterday, and today we're
21 here.

22 The public comment period ends, typically for
23 a federal process, it ends in 45 days from the day we
24 issue the notice of availability. But because of the
25 time of year, the holiday season and the size of the

1 document, we extended that comment period to 63 days in
2 this case. So the public comment period on the draft
3 EIS ends January 11, 2008 to get your comments to me at
4 the Department of Energy or Bill Storm. We're going to
5 combine the comments received by both agencies, treat
6 them the same.

7 What we do then is we'll compile all the
8 comments. We'll list all the comments in a separate
9 section of the EIS, and then we'll list a specific
10 response to each and every comment that we receive and
11 show you where we made changes in the EIS if we did.

12 After we've done that, we'll distribute the
13 final EIS. Anybody who requests a copy will get one.
14 Just send me a note saying you'd like one.

15 After we've prepared and distributed the
16 final EIS, we'll issue a notice of availability again
17 in the Federal Register, and there will be a 30-day
18 waiting period from the point of that publication in
19 Federal Register until a decision can be made. And the
20 DOE's decision will be whether to provide continued
21 support, as Jason said, under the Clean Coal Power
22 Initiative.

23 This is the same slide pretty much that Bill
24 showed. As Bill said, please focus your comments, if
25 you have written or if you'd like to make any oral

Commenter 29 – Norm Voorhees

19

1 comments, please focus them on the draft EIS. Comment
2 cards are available. And please state your name and
3 spell it for the court reporter. Bill.

4 BILL STORM: Thank you, Rich. I have two
5 cards that have been filled out, so I will call on
6 these people first. Once they are done speaking, I
7 will ask for a show of hands, and I will select from
8 the audience. The first preregistered speaker is Norm
9 Voorhees. And if I butcher your name, my apologies.

10 NORM VOORHEES: My name is Norm Voorhees,
11 N-o-r-m V-o-o-r-h-e-e-s. I represent Ironworkers
12 Local 512 here in the State of Minnesota, approximately
13 200 members on the Iron Range, and approximately 1700
14 in the State of Minnesota. We support the Mesaba
15 Energy Project 100 percent, not only for the jobs it
16 will create for our members in the construction
17 process, but the long-term benefits that it will bring
18 to the area and the environment, not only for the State
19 of Minnesota, but for the nation and the rest of the
20 world.

29-01

21 We feel this project will move Minnesota to
22 the forefront of technology in producing electricity,
23 which is becoming more and more in demand and less
24 available. The proposed technology that they want to
25 use to do this plant is the cleanest and most

Responses

Comment 29-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Commenter 29 – Norm Voorhees

20

1 affordable that's available to us right now. And we're
2 seeing our electrical demands go up, and there's just a
3 crunch on the energy grid, not only for our livihoods
4 as lighting the schools and the hockey arenas, but also
5 the industry that depends on the electricity. Solar
6 and wind technology is in its early stages, but it just
7 cannot generate the power demands that we need.

8 I understand this hearing is for either this
9 site or the site over in Taconite, but, you know, I
10 think they need to build two plants on the Range
11 because the demand is there. And we owe it to our
12 children to move this technology forward, our children
13 and our grandchildren, so we can start cleaning up the
14 environment and set the stage for the rest of the
15 country and the world.

16 The last coal gasification plant to my
17 knowledge that was built was approximately 10 years ago
18 in Florida. And before that, I talked to a gentleman
19 that worked in Beulah, North Dakota, approximately 33
20 years ago, coal gasification; and that old technology,
21 it needs to be upgraded. They've tried to keep up with
22 EPA emissions, and they are with putting scrubbers in
23 and stuff. But I think this new technology is
24 something that we need to do for future generations.

25 Thank you. (Applause)

**29-01
(cont'd)**

Responses

Commenter 30 – Bob Tammen

21

1 BILL STORM: Thank you, Norm. Next up is Bob
2 Tammen.

3 BOB TAMMEN: Bob Tammen, T-a-m-m-e-n, Soudan,
4 Minnesota. I have a hard copy of my remarks, so if I
5 ramble a little bit, if you would consider the hard
6 copy as my official testimony.

7 I'd like to address the job creation aspect
8 of this project. Now, not everyone has a job where we
9 want it, but we don't appear to have a severe
10 unemployment problem in northern Minnesota. I'm a
11 retired electrician, and as a condition for drawing a
12 pension, I had to quit electrical work. This fall I
13 received a letter from my pension fund authorizing me
14 to return to electrical work while I drew my pension.
15 I've attached that letter as Exhibit 1. Apparently our
16 economy does not have an adequate supply of electrical
17 workers.

18 We've also been told about all the spin-off
19 jobs this project will create to keep our young people
20 in northern Minnesota. A few months ago I was reading
21 the want ads and saw a Hibbing company was advertising
22 for electrical and hydraulic technicians. I suppose
23 that's good news. The bad news is I was reading a
24 South Dakota newspaper. I've attached that want ad as
25 Exhibit 2. Our fine Iron Range employers are already

30-01

Responses

Comment 30-01

Section 4.11 of the Final EIS (Volume 1) discusses the potential impacts of the Mesaba Energy Project on the economy and employment. As stated in response to Comment 16-01, although direct employment for construction and operations may involve hiring from outside the region, the indirect and induced employment predicted by BBER using the IMPLAN model reflects jobs specifically created within the 7-county Arrowhead region.

Commenter 30 – Bob Tammen; Commenter 31 – Jean Dallas

22

**30-01
(cont'd)**

1 going to a low-wage, non-union state for employees.
2 How many more projects do we build before our employers
3 go to the next logical step of hiring illegal
4 immigrants?

5 I think if you look at the numbers, this
6 project is going to produce exorbitantly priced
7 electricity in our backyard. It's not competitive.
8 It's a liability for northern Minnesota. Thank you.
9 (Applause)

10 BILL STORM: Thank you, Bob. Those are the
11 two preregistered speakers that we have. Again, I
12 encourage you to speak. Does anyone else in the
13 audience want to speak to this issue tonight? Going
14 once, going twice. Yes. Would you please step to the
15 mike and state your name and spell it.

31-01

16 JEAN DALLAS: My name is Jean Dallas, J-e-a-n
17 D-a-l-l-a-s. I wasn't prepared to make a comment
18 tonight, but my concern is that when we've got an
19 800-page EIS document that is basically impenetrable
20 for the layman to get through, and it's very technical,
21 and it's very difficult for members of our community to
22 understand the technology that's involved in a project
23 like this. And we read news reports where
24 representatives of Mesaba Energy say one thing, and
25 then representatives of Minnesota Power say another

Responses

Comment 31-01

See response to Comment 24-01, which addresses the same concern.

Commenter 31 – Jean Dallas

23

Responses

1 thing. It's very complicated, and I don't know how we
2 can be expected to make informed decisions on something
3 of such major impact in our communities.

4 I don't know that there's a solution to this
5 problem, but it's a concern of mine. And I don't know
6 how you get through these huge EIS statements. I mean,
7 they're intimidating for a normal person. And one
8 person interprets it one way and another person
9 interprets it another way, so that really people end up
10 feeling powerless, and they make their choices based
11 on, you know, yes, we need jobs for your communities,
12 but is this really the best choice for our community.

13 It's a dilemma. That's just my opinion. And I don't
14 have a solution to that or a suggestion on how to solve
15 that, but it's an issue that I think needs to be
16 addressed in some way. I guess that's it. That's all
17 I have to say. It's a very difficult issue.

18 I think that we do have an imbalance in the
19 information that we're receiving through our media
20 sources, and it leaves people frustrated because
21 they're not sure whether they should support a project
22 like this, because they want to support it because they
23 want the economic benefits, but they're concerned about
24 the environmental issues. It's just so overly
25 complicated that it's difficult for them to make a

**31-01
(cont'd)**

Commenter 31 – Jean Dallas; Commenter 32 – Gordon Smith

24

**31-01
(cont'd)**

1 truly informed choice or opinion about it. That's my
2 statement. (Applause)
3
4 BILL STORM: Thank you for your comment.
5 Okay; I'm going to open it up to the floor again. This
6 gentleman right here. Please step to the mike, state
7 your name and spell it.

32-01

8 GORDON SMITH: My name is Gordon Smith,
9 G-o-r-d-o-n S-m-i-t-h. I live in Hibbing, and I
10 represent the Painters Local up in this area. And we
11 currently have very high unemployment in the trades in
12 this area right now, and we're looking forward to this
13 project moving forward because of the job opportunities
14 that it would create, and also the fact that there is a
15 great need for energy with many potential projects in
16 this area.

17 We live in a very industrialized area with the
18 mining in this area, and are very dependent on the
19 heavy industry for jobs; and with the demand of future
20 power needs going forward with all these future
21 projects, we feel that there is a great need for this.

22 There's been a lot of power plants, coal-fired
23 ones proposed around the country, and a lot of them are
24 being shot down in a lot of areas, and a lot of them
25 are your basic coal-fired plants. And if we're going
to continue to use coal-fired plants for our future

Responses

Comment 32-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Commenter 32 – Gordon Smith; Commenter 33 – Bill Whiteside

25

**32-01
(cont'd)**

1 power needs, I think we really need to move into the
2 new technologies so we have the cleanest burning plants
3 available. I mean, everybody wants the cleanest
4 environment available, but we have to have power; let's
5 do it the best way we possibly can. Thank you.

6 (Applause)

7 BILL STORM: Thank you for your comment.
8 Again, to the floor, if you would like to speak, raise
9 your hand. This gentleman, please step to the mike,
10 state and spell your name.

11 BILL WHITESIDE: Bill Whiteside, B-i-l-l
12 W-h-i-t-e-s-i-d-e. I didn't come today with a prepared
13 text or anything. My concern is that we have yet to
14 see the demand for energy that we are going to see in
15 the near future. With the demand for energy resources
16 getting tighter, with us seeing in our own communities
17 possibly and across the world, violence and trouble in
18 energy areas, where we're reaching out to bring in
19 energy to supply our own needs. I think we need to
20 recognize that we have to take the initiative to take
21 care of our own future with resources that are close to
22 our own areas, and especially an inexpensive resource
23 such as coal compared to a lot of other resources.

33-01

24 If we don't do that, I think we're setting
25 ourselves up for a situation where we're going to see

Responses

Comment 33-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Commenter 33 – Bill Whiteside

26

Responses

1 an even lower economic value of our monies, less
2 resources for our people, poorer health conditions
3 through lower living conditions; and these are what you
4 might call some kind of social issues, and how this
5 plays out in our communities and across our country.
6 I'm just concerned that if we don't step up and take
7 care of ourselves, that we're going to be sorry in the
8 long run; and the long run may not be that far in the
9 future.

10 Everybody wants to have clean air, everybody
11 wants to have clean water, and that's why we're here,
12 that's why we have the process where you guys are
13 taking all the comments from people who have concerns
14 and want to have clean air, have specific issues and
15 specific knowledge brought forward here; I appreciate
16 all that. And Excelsior brings forward the investment
17 that they're willing to make, and the technology that
18 they're proposing to put forward to try to ensure that
19 we do have clean resources and the energy that we're
20 going to need in the future. And I think it's real
21 important for us all to work together and see that we
22 can go there. Thanks. (Applause)

23 BILL STORM: Thank you for your comment.
24 Again, to the floor, if you would like to speak, please
25 raise your hand. Sir, in the back, please step to the

**33-01
(cont'd)**

Commenter 34 – Warren Koskiniemi

27

1 mike, state and spell your name clearly. Thank you.

2 WARREN KOSKINIEMI: Warren Koskiniemi,
3 W-a-r-r-e-n K-o-s-k-i-n-i-e-m i. I'm 100 percent for
4 this project. People that are worried about the
5 pollutants and what have you not as far as water and
6 air, what are you worried about? There's so many
7 government agencies out here that you can't fart
8 without getting a ticket. So I don't think that would
9 be a major concern.

10 As far as which end of the Range to put it on,
11 I agree with the one gentleman, two plants would be
12 awesome. But as far as on the east end of the Range, I
13 think the politicians, for lack of a better term, would
14 open their arms to an influx of high skilled employees
15 that this plant would require. We're not looking for
16 immigrants coming from whatever country. It's going to
17 take skilled labor to make this plant go. And I would
18 think on this end of the Range we would be open arms as
19 far as new kids for our schools and new people for our
20 communities. Thank you. (Applause)

21 BILL STORM: Thank you very much. Again, I'd
22 like to open it up to the floor. If you want to speak,
23 raise your hand. Going once, twice.

24 Thank you very much. Again, I want to remind
25 you that your comments, if you want to submit written

Responses

Comment 34-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

34-01

Responses

28

1 comments, you can submit them to either me or Richard.
2 The comments need to be in by the 11th of January,
3 2008. I encourage you to participate in the process.
4 We will be back up here for the contested case hearing
5 down the road. And I do appreciate you coming out.
6 This process wouldn't work if it wasn't for the people.
7 Thank you very much. (Applause)

8 (Hearing concluded at 7:40 p.m.)

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Responses

1 COURT REPORTER'S CERTIFICATE
2 Be it known that I have reported and transcribed
3 the foregoing Public Meeting;
4 That I am a notary public in and for the County of
5 St. Louis, State of Minnesota;
6 That I am not related to any of the parties hereto
7 or interested in the outcome of this matter;
8 That the foregoing is a true and accurate
9 transcription of the proceedings to the best of my
10 ability.
11 Witness my hand and seal this 10th day of
12 December, 2007.
13
14
15 Kathleen M. Undeland
 Registered Professional Reporter
16
17 My commission expires
 January 31, 2010
18
19
20
21
22
23
24
25

Commenter 35 – Neil Ahlstrom



METALCASTERS OF MINNESOTA

1855 East 28th Street
Minneapolis, MN 55407
612-729-9395

November 25th, 2007

Mr. Bill Storm- State Planning Director
Minnesota Department of Commerce
85 7th Place East Suite 500
Saint Paul, Minnesota 55101-2198

Dear Mr. Storm,

On behalf of the Metalcasters of Minnesota I'm writing to express our concerns about the status of future electric power generation in the state of Minnesota. As consumers of significant amounts of both electricity and natural gas our industry supports initiatives aimed at providing ample sources of clean, dependable, and economical power, such as the one being proposed by Excelsior Energy Inc. in Hibbing, Minnesota.

Our specific concern relates to the ongoing debate about the need for additional power generation in Minnesota. Based on our recent discussions with a number of current energy suppliers and those proposing to add new sources for electric generation, such as Excelsior Energy Inc., (Mesaba Energy Project) we are perplexed by the fact that we are being told by existing suppliers that there is an ample supply of power to handle our current and future demand. Yet, at the same time, our member companies who have interruptible service are being asked to curtail their power usage due to high peak demand at an ever increasing rate. We have even heard rumors that curtailment might begin to occur in cold weather months as well. These issues seem to counter the claim that we have an ample supply of electric energy in our state. Adding to our concern is the fact that future demand will continue to rise at an ever increasing pace and unless we find new ways to conserve considerably more energy, find alternative sources, or reduce consumption, we will find ourselves in an obvious shortfall going forward.

As this debate continues, we will be carefully monitoring the pros and cons of new power generation within our state and the impact it has, not only on our industry, but for all Minnesota electricity consumers. Our hope is for a balanced and open dialogue by all parties on the merits of whether Minnesota needs new electrical capacity. Decisions made in the near future will have a significant impact on everyone in the metalcasting industry. Our continued success and the success of our entire manufacturing base is dependent upon an ample and affordable supply of electric energy to maintain our competitive position, not only in Minnesota, but on a global basis as well. We therefore support efforts such as those proposed by Excelsior Energy to provide additional electrical capacity in Minnesota and ask that full and fair consideration be given to them as they move forward in their desire to make the Mesaba Energy Project a reality.

Thank you for considering our comments and position on the Mesaba Energy Project.

On behalf of the Metalcasters of Minnesota Board of Directors

Neil C. Ahlstrom
Neil Ahlstrom
President



Responses

Comment 35-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

35-01

Commenter 36 – David Hudek



Public Comment Sheet
Mesaba Energy Project
PUC Docket No. E6472/GS-06-668

Name: DAVID L. HUDEK Representing: _____
23215 Diamond Hill Rd. Email: _____
Bevy, MN. Address: _____ Tel: _____

Comments: opposed to project, loss of hunting lands,
environment impact. No plans for trapping
C^o2 emissions until up and running.

Please submit comments to meeting moderator or send to:
 William Cole Storm
 Department of Commerce
 85 7th Place East, Suite 500
 St. Paul, MN 55101-2198.
 Tel: 651-296-9535.

»»If mailing, fold along dotted lines and tape closed ««

Responses

Comment 36-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

36-01

Committer 37 – Gail Matthews



Public Comment Sheet
 Mesaba Energy Project
 PUC Docket No. E6472/GS-06-668

Name: Gail Matthews
 Representing: my community / myself
 Email: wynvic@marblemin.com
 Address: PO Box 63
Mesaba MN 55704
 Tel: 218-247-3149

Comments:
 In today's world of the concern over global warming, I find it ludicrous that you would consider building an obsolete form of energy production. I cannot support a plan that will burn fossil fuels. Why aren't we moving toward renewable energy?
 Clean coal is an oxymoron.
 This plan is a step backward. I don't care how new the technology is, at steel involves burning a non-renewable, polluting resource.

37-01

In conjunction with the proposed steel plant in Nashwanak, this plan lowers the desirability + environmental quality of this community. I own property here but I will not keep it if this goes through. The argument that this is good for the economy, is just a catch all phrase to justify any kind of development, whether it is beneficial or not.

37-02

Please submit comments to meeting moderator or send to:
 William Cole Storm
 Department of Commerce
 85 7th Place East, Suite 500
 St. Paul, MN 55101-2198.
 Tel: 651-296-9535.

»»If mailing, fold along dotted lines and tape closed ««

Responses

Comment 37-01

See responses to Comments 1-01 and 12-02, which address the same concerns. Final EIS Section 1.4.1 (Volume 1) explains that DOE's purpose and need in this EIS are to demonstrate a specific, advanced coal-based technology selected competitively for co-shared funding under the CCPI Program. The Mesaba Energy Project was selected competitively from among 13 applications in response to Round 2 of CCPI Program funding opportunity announcements. Section 2.1.1.2 (Volume 1) of the Final EIS describes the reasonable alternatives considered by DOE. Because the U.S. Congress established the CCPI Program with the specific goal of accelerating commercial deployment of advanced coal-based technologies as explained in Section 1.2.1 (Volume 1) of the Final EIS, other technologies (such as nuclear, hydro, wind, solar, or conservation) that cannot carry out these goals are not reasonable alternatives in this EIS. However, DOE oversees programs and numerous projects that are investigating and supporting a wide variety of energy technologies and conservation.

Comment 37-02

Section 5.2 (Volume 1) of the Final EIS describes the potential cumulative impacts of the Mesaba Energy Project in conjunction with the Minnesota Steel Industries project and other projects in the Iron Range. See also response to Comment 16-01, which addresses concerns regarding economic impacts.

Commenter 38 – Lee Ann Norgord

From: Leeann Norgord [mailto:leeannn@localnet.com]
Sent: Monday, December 03, 2007 12:39 PM
To: Bill Storm
Subject: Re-sending comments re: Taconite Comment meeting

Mr. Storm:
Please find the letter sent to you in it's entirety!
Lee Ann Norgord

Mr. Bill Storm
Minnesota Dept. of Commerce
85 7th Place E.
Suite 500
St. Paul, MN

RE: Mesaba Energy Project
PUC Docket E6472/GS-06-668 (This was printed incorrectly on the hand-outs at Taconite. The hand-outs had GS-06-688)

In my presentation at the DEIS Public Comment Meeting in Taconite on November 27, 2007, I had some statistical errors. I wish to send a correction as I want my comment to be factual and accurate. Here is the correction:

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 DEIS give accurate detail related to mercury discharge and subsequent impact? Why would the DEIS continue to repeat some of the same misleading statements given by Excelsior regarding mercury discharge? Why would the DEIS use an impact are of 3km when the mercury deposition will affect 720 lakes over 340 square km? What is the health impact related to the 487,000 fish harvested from those lakes?

38-01

Responses

Comment 38-01

As stated in response to Comment 6-01, the use of an enhanced ZLD system at the West Range Site (as well as at the East Range Site) would eliminate discharges of process water or blowdown water to surface waters. Hence no mercury would be discharged to surface waters. Mercury deposition from power plant emissions to the atmosphere would be highest near the exhaust stacks and exponentially lower with distance away from the point of emission. See further discussion in response to Comment 42-01. The EIS analyzed health risks under the required MPCA guidelines for an AERA that examines carcinogenic and non-carcinogenic risk levels of air pollutants and found that the plant would not exceed established risk thresholds. The human health risk assessment is contained in Section 4.17.2 (Volume 1) of Section 4.17, Safety and Health. The Final EIS has been revised to insert a missing sub-section heading (in printed copies of the Draft EIS), "4.17.2.3 Human Health Risks", for the text that addresses risks associated with air pollutants emitted by the project.

Responses

Comment 38-02

See responses to Comments 1-01, 12-02, and 14-03, which address the same concerns.

Comment 38-03

Potential noise impacts from transportation are discussed in Section 4.13 (Volume 1). Noise from trains may be detected by some residential receptors during a pass-by; however, the incremental L_{dn} increase and vibration would not be considered significant when compared to existing background noise levels and considering the infrequency of the event. Also, it was determined that maximum noise levels generated by freight train operations would be below the ATPA guideline of 70 dBA at each residential receptor location. Noise from rail yard operations would be inaudible in Taconite and at nearby residences (i.e., less than 30 dBA at locations with background noise levels near 50 dBA – see Table 4.18-3 in Volume 1). Noise from trains while unloading would be minimized by the use of an automatic electro-hydraulic positioner, enabling all but one engine to be shut off during unloading. Additionally, the proposed rail loop would minimize the need for rail car switching and, thus, associated noise. Emissions from coal unloading and loading from trains are not expected to appreciably change air quality because emissions would be reduced by minimizing unenclosed points of material transfer components, enclosing conveyors and loading areas, and installing control devices such as baghouses and wetting systems. Dust from unloading would be controlled via a fabric filter system, and would not reach residences in Taconite or other nearby residences. See response to Comment 12-01 for discussion of the amount of train and truck emissions expected from the Mesaba Energy Project. Truck traffic impacts would be mitigated by the addition of a turning lane to US 169 at its intersection with CR 7 and at the approach to the plant entrance on CR 7.

Commenter 38 – Lee Ann Norgord

I also have 2 other comments and questions:

38-02

We know the Mesaba Energy Project does not initially intend to sequester CO2 and it will be just another dirty coal-fired plant. In the Draft EIS it states plans are to remove 74 acres of forest for Phase I and 81 acres of forest for Phase II. (forest having 50-100 yr. old stand of trees) We also know that trees are helpful in absorbing CO2 in the atmosphere during the summer months. So with that said, the pollution in the atmosphere, water and land as well as CO2 will increase with the Mesaba Energy Project.

How do you justify this added pollution and CO2 and how are you going to explain to the people who hunt in those woods that the forest as well as wildlife will no longer be there or in the surrounding area?

38-03

In the draft EIS it states there will be increased truck and train traffic, noise (ex: coupling of train cars during switching, as well as loading and unloading train cars), dust, and vibration. Do you have a plan for people living in the localized area, especially the people living in Taconite, to cope with these negative increases?

Lee Ann Norgord
26739 Birch Dr.
Bovey, MN 55709
leeann@localnet.com

Commenter 39 – Mark Roalson

From: mroalson@hotmail.com
To: bill.storm@state.mn.us; hargis@nett.doe.gov;
mroalson@hotmail.com
Subject: PUC Docket #E6472/GS-06-668
Date: Fri, 30 Nov 2007 19:32:40 +0000

I was at the public meeting in Hoyt Lakes on Wednesday, November 28th, 2007 regarding Mesaba Energy Project. (PUC Docket # E6472/GS-06-668). I personally am in favor of the building of this facility in Hoyt Lakes for the following reasons:

39-01

(1.) Primarily, this will be a state-of-the-art plant with low emissions and energy re-capture to make maximum use of all heat release. Bi-product sulphur will be sequestered and sold on the market and not allowed to blow up the stacks. Mercury emissions, we are told, will be held to a minimum and also captured as much as possible. I can't speak for all the local residents, but I think we should give this modern high-efficiency plant a chance to prove itself. It would be nice not to have to burn anything for energy, but until that day arrives, using technology to minimize pollution and maximize energy capture is the best option to plants that do not have these controls.

39-02

(2.) Of course, creation of jobs is important, both construction and long-term in the facility. Major employers like this will benefit the entire local economy. Spin-off industries will result and a tax-base shared by industry takes the pressure off from the average homeowner/taxpayer.

39-03

(3.) Also, local residents here are not overly concerned about any "visual blight" the plant may cause. We already have an electrical-energy plant on our skyline, and knowing that this one burns much cleaner is a positive thought.

Sincerely,
Mark S. Roalson

Responses

Comment 39-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Comment 39-02

Section 4.11 of the Final EIS (Volume 1) discusses the potential impacts of the Mesaba Energy Project on the economy and employment.

Comment 39-03

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Responses

Comment 40-01

See responses to Comments 12-02, and 37-01 which address the same concerns.

Commenter 40 – Gail Matthews

From: Gail Matthews [mailto:wyncie@marblemn.com]

Sent: Wednesday, December 05, 2007 8:00 AM

To: Bill.Storm@state.mn.us

Subject: RE: the Mesaba Coal Project in Taconite - Let's build something to be proud of, not Dirty Coal, read on

40-01

I want to be part of the future, not the past. Coal is yesterday's technology and we all know that. Bio-diesel is the future, and we need it now.

Gail M

Commenter 41 – Steve Clark

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

December 9, 2007

Dear Sir:

I am writing in regard to the Mesaba Energy Project, PUC Docket No. E6472/GS-06-668. I attended the DEIS meeting in Taconite on November 27th and want to thank you for the professional manner in which you facilitated the discussion. Having now had a chance to read the DEIS, I must concur with the majority of concerned citizens who spoke on the 27th and expressed surprise and disappointment with the Document's failure to adequately address key issues involved in the Mesaba Project. My concerns include the following:

- 41-01** | 1. No in-depth, comprehensive cost/benefit analysis has ever been done on the project. The DEIS only refers to an Excelsior Energy commissioned study of economic impact that the study's authors acknowledge is of limited scope.
- 41-02** | 2. The DEIS gives cursory attention to potential ground water ramifications to the Coleraine, Bovey, Trout Lake Township area. This failure provides a text-book basis for class action litigation in the event that local wells begin to show elevated contaminants.
- 41-03** | 3. The MPUC has already expressed an opinion that the cost of potential power generated by the Taconite plant would be prohibitive.
- 41-04** | 4. How can our Governor, national and state elected officials continue to publicly promote higher alternate energy standards while backing a project that would become Minnesota's second highest polluter.
- 41-05** | 5. This ill-conceived project is incapable of sequestering carbon dioxide, is dependant upon coal from distant sources and would require millions of dollars in infrastructure to transmit its power to providers who have been unanimous in saying they don't want or need it.

41-06 | These are but a few of the obvious flaws regarding the Mesaba Project and the woefully inadequate DEIS. I strongly suggest that the Department of Commerce and the Federal Energy Commission take a new look at producing an EIS that speaks to legitimate concerns and does not rely so heavily on the understandably biased input from Excelsior Energy.

Thank you for your time and attention.

Sincerely,


Steve Clark
26606 Eagle View Drive
Bovey, MN 55709-8642



Responses

Comment 41-01

See response to Comment 16-01, which addresses the same concern. In addressing the use of cost-benefit analysis, the CEQ NEPA regulations state in 40 CFR 1502.23: "For purposes of complying with the Act, the weighing of the merits and drawbacks of the various alternatives need not be displayed in a monetary cost-benefit analysis and should not be when there are important qualitative considerations." In so stating, CEQ recognized the difficulties of reaching a consensus of opinion on values or costs to be assigned to environmental conditions or impacts, many of which represent qualitative considerations with intangible benefits or costs.

Comment 41-02

See response to Comment 7-02, which addresses the same concern.

Comment 41-03

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Comment 41-04

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Comment 41-05

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Comment 41-06

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Commenter 42 – Alvar Hupila



Public Comment Sheet
Mesaba Energy Project
PUC Docket No. E6472/GS-06-668

Name: ALVAR E. HUPILA Representing: Self
Email: _____
Address: 41259 Scenic Hwy. Tel: 218-245-2261
Bovee MN. 55709

Comments: *The draft EIS as presented is totally inadequate. The CO2 sequestration that is supposed to be the linch pin of this process is vague and possibly ten years from becoming a reality. The air borne mercury and the various oxides of sulphur, nitrogen and hydrogen were only quoted for Big Diamond Lake without consideration for the lakes that would be downwind from the plant for a good share of the year. The environmental impacts of moving the highway, building the rail spur and gas pipeline as well as the 400 mile pipeline to North Dakota and beyond were not even addressed. Not to mention the HTVL*

Please submit comments to meeting moderator or send to:
William Cole Storm
Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198.
Tel: 651-296-9535.

»»If mailing, fold along dotted lines and tape closed ««

Responses

Comment 42-01

See responses to Comments 1-02 and 4-03 which address concerns about CCS. With respect to deposition of air emissions, Big Diamond Lake was selected for specific mercury health risk modeling in accordance with the MPCA's AERA guidance. As shown in Figure 6 of Appendix C (Volume 2) of the Draft EIS, higher mercury concentrations are modeled over Big Diamond Lake than over any other lake. This is consistent with the wind rose (Figure 3.3-1 in Volume 1 of the EIS), which shows that the predominant wind direction is from the north-northwest, which means that Big Diamond Lake is directly downwind of the West Range IGCC Power Station. Therefore, Big Diamond Lake represents the closest receiving waters for worst-case conditions, and it is the most logical choice for analyzing the health risk of mercury emissions from Phase I and Phase II. Analyzing other lakes for which modeled mercury concentrations are even lower would only show smaller impacts. See also response to Comment 38-01.

The results of Excelsior's risk assessment modeling showed that risks associated with fish consumed by adult subsistence and recreational fishers on Big Diamond Lake increased less than 1 percent above current levels for both the average-sized and the 95th percentile length-sized fish in Swan, Oxhide, Trout, Snowball, and Lower Panasa Lakes. Those lakes were selected to provide surrogate fish size data in consultation with MPCA. The analysis was conducted using MPCA's *Mercury Risk Estimation Method for the Fish Consumption Pathway: Impact Assessment of a Nearby Source*, which assumes that there is a linear relationship in a given lake between the atmospheric mercury deposition rate and fish tissue methylmercury concentrations. The relationship is used to estimate the non-cancer oral hazard quotients due to fish tissue ingestion based on increases in mercury deposition as a result of facility emissions. Updated results of the revised risk (AERA) analysis are presented in Section 4.17 (Volume 1) and Appendix C (Volume 2) of the EIS.

The re-alignment of County Road 7 (which is not considered available for the project since publication of the Draft EIS – see Section 2.3.1.2 [Volume 1] regarding the new proposed Access Road 3, which is now Excelsior's preferred alternative) and the CO2 pipeline are not within the scope of this EIS (see responses to Comments 4-02 and 80-11). The options for the natural gas pipeline and new and upgraded HVTL lines are addressed in the EIS.

42-01

Commenter 43 – Mark Mandich



Public Comment Sheet
Mesaba Energy Project
PUC Docket No. E6472/GS-06-668

Name: MARK MANDICH Representing: _____
ITASCA City, Commissioner Email: Mark.Mandich@DFSCME.com
Address: 36820 Baypoint Rd. Tel: 218-245-1547
BOVEY, Minn 55709

Comments:
Keep the MESABA Energy Project moving
forward. The EIS look great AS A whole.
Most citizens that I have had contact with
in regards to this project ARE VERY supportive
of it. There's Always going to be a few
that complain about one thing or the other
Keep up the good work.

Please submit comments to meeting moderator or send to:
William Cole Storm
Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198.
Tel: 651-296-9535.

»»If mailing, fold along dotted lines and tape closed ««

Responses

Comment 43-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

43-01

Commenter 44 – Bob Norgord

Project Docket No. GS06--~~688~~⁸/EG72
Mesaba Energy Project

44-01

It has been suggested that the Nashwauk PUC would supply the natural gas for the Mesaba Project if the West Range site were chosen. As per Minnesota Session Laws 1997-Chapter 21.SF504, (see Exhibit A) Nashwauk does not have the legal authority to supply the natural gas outside of the “Nashwauk newly acquired area”. Therefore, Excelsior Energy will have to become it’s own utility or will have to find another retail supplier of natural gas.

If the route taken for Excelsior’s pipeline is the one shown in the permit application as alternative 1 (preferred), it will mostly parallel Nashwauk’s preferred route. Nashwauk’s pipeline application asks for an initial 70 ft. ROW with an additional 30-ft. cleared for a workspace. If Excelsior does the same, that will cause a strip of land 200 ft. wide to be cleared. This would mean the loss of wildlife habitat and CO2 sequestration on 290.0 acres of land with 145.5 acres of this attributed to the Mesaba Project.

44-02

In some instances the natural gas pipeline would deprive landowners of the right to build or put their septic systems on their open spaces. The EIS does 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 does not mention that the blast area for a 24-inch natural gas pipeline is 500 ft. They only mention homes within 300 ft. of the proposed line. With this knowledge, future homebuilders will have to clear areas for the construction of homes beyond 500 ft. from the pipeline for safety reasons.

44-03

No one can say that these natural gas lines won’t explode. The Panhandle Eastern pipeline explosion near Springfield, Illinois on April 29, 2007 is but one example of the danger. Another example was the explosion of a 36-inch line in the front yard of the Burbee home in rural Deer River a few years ago. In any case, this danger could cause additional land to be cleared, causing more loss of habitat for wildlife and loss of trees for CO2 sequestration.

There are other possible routes that could be taken that would have less of an impact on wildlife and humans One route is a route submitted by Michael Karna, 21205 Bluebird Drive, Grand Rapids, MN to the D.O.C. for consideration in the Nashwauk PUC application. This route follows mostly county tax forfeit land (nine sections) and an existing HVTL ROW (see Exhibit B attached). There are wetlands involved, but pipelines have always been able to overcome any difficulty wetlands present.

44-04

Another route would be to follow a HVTL ROW from a connecting point on the GLG 36-inch natural gas lines just north of US Highway 2 at Cohasset. It could then follow the HVTL that connects the MP Clay Boswell plant to the old Butler Tac site (now MSI). In addition to the following of an existing ROW, it would avoid crossing the ore body.

I have included as “Exhibit C” a copy of the “Citizen’s Advisory ~~Committee~~” report for the proposed “Nashwauk-Blackberry Natural Gas Pipeline”, proposed by the Nashwauk PUC which was ~~sup~~posed to parallel the proposed Mesaba Project Pipeline. It discusses

Responses

Comment 44-01

See response to Comment 5-01, which addresses the same concern.

Comment 44-02

See response to Comment 5-02, which addresses the same concern.

Comment 44-03

See response to Comment 5-02, which addresses the same concern.

Comment 44-04

See response to Comment 5-03, which addresses the same concern.

Commenter 44 – Bob Norgord

Responses

**44-04
 (cont'd)**

five possible alternative routes, and a sixth route has since been identified and added to the list.

Comment 44-05

See response to Comment 5-04, which addresses the same concern.

44-05

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 infrastructure, including adequately sized natural gas pipelines...”. This statement is just another example of spin that Excelsior Energy will put on facts to make them fit the Project.

Comment 44-06

See response to Comment 5-05, which addresses the same concern. Although the report cited identifies the presence of mineral resources in the areas noted, it states that no attempt has been made to identify the cost of extracting such resources.

44-06

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 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 in order 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 Highway #7) and traversing west to the Canesteeo mine pit. (See Exhibit D, attached) This means that the Mesaba Project’s infrastructure, railroad spur, process water lines, potable water lines, waste water lines and HVTTL, all would interfere with the mining in the area.

I have 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 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 itself 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 Koppendrayner, “You’re in the wrong place”.

Bob Norgord
 26739 Birch Dr.
 Bovey, MN 55709

Responses

Comment 45-01

See responses to Comments 1-01, 12-02, and 37-01, which address the same concerns.

Commenter 45 – Gail Matthews

>>> "Gail Matthews" <Gail@glorvigen.com> 12/13/2007 10:38 AM >>>

We need to find better ways to get energy. Building this plant would tell the world that we are not willing to even consider that our global warming problem is a possibility. Coal is not clean, but it is abundant and the industry that supports it is powerful as are the political interests that are pushing it on the residents of the Iron Range, of which I am one.

I do not want to live next to this thing, I am ashamed of it, and I will fight against it. It makes me very sad that the people in the decision making process are so backward in their thinking.

The time for change is upon us, and we need to assume that if we don't make changes, then we are jeopardizing future generations. Are you willing to risk the security of your grandchildren that your ideas are right, or are you willing to take precautionary measures now, in case you are wrong.

We have the ability to do better than this. We just need the political will. It is up to leaders like you to lead and not follow.

45-01

Commenter 46 – Randy Zupan

From: Zupan [mailto:zupan@uslink.net]
Sent: Tuesday, December 18, 2007 7:53 PM
To: Bill.Storm@state.mn.us
Cc: rep.tom.anzelc@house.mn; rep.bill.hilty@house.mn;
rep.maria.ruud@house.mn; rep.jean.wagenius@house.mn;
rep.alice.hausman@house.mn; sen.tom.saxhaug@senate.mn;
sen.david.tomassoni@senate.mn; rep.loren.solberg@house.mn;
rep.tom.rukavina@house.mn; rep.tony.sertich@house.mn;
rep.david.dill@house.mn; Tim.Pawlenty@state.mn.us;
rep.margaret.kelliher@house.mn; Attorney.General@state.mn.us
Subject: Mesaba draft EIS comments

Mr. Storm,

The draft EIS for the Mesaba Energy Project (PUC Docket E6472/GS-06-688) is inadequate in several areas.

46-01

1. The EIS is meant to study the environmental impact of a project not evaluate it for CCPI Program funding. By not including wind, solar and conservation as reasonable alternatives, an adequate environmental impact study has not been done.

46-02

2. The DOE should not be leading the EIS because of it's interest in the CCPI Program. This is quite evident in the "No Action Alternative" section of the Draft EIS.

46-03

3. CO2 emissions have to be reduced today, not increased or reduced in the future. Increasing CO2 emissions now, with the hope that sequestering technology will be available in the future let alone used, is irresponsible and inadequate.

Randy Zupan
31120 East Bass Lake Road
Grand Rapids, MN 55744
zupan@uslink.net

Responses

Comment 46-01

See response to Comment 37-01, which addresses the same concern. As stated in Section 1.2.2 (Volume 1), the PUC has responsibility to site power plants in accordance with Minnesota Rules Chapter 7849 based on permit applications received. The MDOC supports PUC in the permitting process by preparing an EIS and holding a contested case hearing. In accordance with state regulations, and after considering the potential impacts, the PUC has the responsibility either to approve the project and issue permits on the applicant's preferred or alternative site and corridors or to disapprove the permit application.

Comment 46-02

The response to Comment 37-01 explains DOE's involvement in the EIS.

Comment 46-03

See responses to Comments 1-02, 4-01, and 12-02, which address the same concerns.

Responses

Comment 47-01

See response to Comment 37-01. DOE oversees numerous projects that are investigating and supporting a wide variety of renewable energy generation technologies, such as wind, solar, and hydro power.

Commenter 47 – Frank Kirby

Transcription of voice mail received by Richard Hargis, DOE, on 11/30/07 at 1:17 pm.

47-01

"My name is Frank Kirby. I live in northeastern Minnesota and I'm calling in regard to Mesaba Energy Project, the two coal burning plants. I am very much against any new coal burning plants even if they are cleaner than the old ones. I think we must stop that and go to solar and wind power. And if you need to talk to me further my area code is 218-xxx-xxxx. My name is Frank Kirby. Thank you. Have a good day."

Commenter 48 – Dennis A. Gimmestad



MINNESOTA HISTORICAL SOCIETY
State Historic Preservation Office

December 18, 2007

Mr. Richard Hargis, Jr.
National Energy Technology Laboratory
PO Box 10940
Pittsburgh, PA 15236-0940

Re: Mesaba Energy Project Draft EIS
SHPO Number: 2005-3002

Dear Mr. Hargis:

Thank you for the opportunity to review and comment on the Draft EIS for the above referenced project.

We have the following comments relative to the cultural resource issues and the Section 106 review of the project. We have focused these comments on Section 4.9 of the DEIS.

48-01

1. The method of analysis discussion does not address the full criteria of effect as defined in 36 CFR 800.

48-02

2. The impacts of operation section indicates that facility operations would be conducted in compliance with applicable cultural resource laws, regulations, policies, and procedures, but it does not define what these laws, regulations, policies, and procedures are. To the extent that these relate to Section 106 requirements, this document is the place where they need to be spelled out, not just referenced in a general way.

48-03

3. Our understanding of the current status of cultural resource identification at the West Range Site:

- A. We reviewed the report of the archaeological survey of the West Range plant site and concurred with the finding of no archaeological properties.
- B. The archaeological survey of the West Range corridors still needs to be completed. We recommend that all project areas be surveyed, not just those of high or medium potential.
- C. The architectural survey of the West Range plant site and the West Range corridors still needs to be completed. The preliminary discussion of these properties at the top of page 4.9-5 is confusing.

48-04

4. Our understanding of the current status of cultural resource identification of the East Range Site:

- A. We reviewed the report of the archaeological survey of the East Range plant site in 2006, and concurred with the finding of no archaeological properties.

345 Kellogg Boulevard West / Saint Paul, Minnesota 55102-1906 / Telephone 651-296-6126

Responses

Comment 48-01

Section 4.9.1.2 (Volume 1) has been updated to summarize the criteria of adverse effect as outlined in 36 CFR 800.5. Sections 4.9.3.1 and 4.9.4.1 (Volume 1) present the impact analysis of the properties eligible for inclusion to the National Register. A list of the historic properties within the area of potential effect can be found in Tables 3.9-2 and 3.9-3 (Volume 1).

Comment 48-02

The laws, regulations, policies and procedures applicable to cultural resources around the Mesaba Energy Project are cited in Chapter 6 of the EIS, Regulatory and Permit Requirements. The following text has been added to Section 4.9.2.2 (Volume 1): "Facility operations would be conducted in compliance with applicable cultural resource laws, regulations, policies and procedures (see Chapter 6, Regulatory and Permit Requirements)." Correspondence, consultation letters, and responses are presented in Appendix E (Volume 2) of the EIS. DOE is preparing a Programmatic Agreement in consultation with the ACHP, SHPO, Native American tribes, MDOC, and the project proponent, which addresses the procedures for avoiding or mitigating potential impacts to cultural resources during construction and operation of the Mesaba Energy Project.

Comment 48-03

A Phase I analysis of the West Range Site was completed in November 2007. Ten areas previously identified as having moderate archaeological potential were subjected to shovel testing along 49-foot transects. In total, 676 shovel tests were used to test 43.2 acres (106 Group, 2007b). No archaeological materials were within any of the surveyed areas. The text in Section 4.9.3.1 (Volume 1) has been updated to reflect the survey findings. If the West Range Site were to be selected for the Mesaba Generating Station, the Programmatic Agreement will address the additional actions to be taken to identify the potential for cultural resources at sites and along utility corridors that may be affected and procedures to be followed for avoiding or mitigating potential impacts.

Commenter 48 – Dennis A. Gimmestad

**48-04
(cont'd)**

- B. The archaeological survey of the East Range corridors still needs to be completed. We recommend that all project areas be surveyed, not just those of high or medium potential. We note that this area includes previously identified sites; it will be particularly important to address all potential impacts on 21SL0009 and 21SL0390. Since these are identified as mound sites, it will also be important to address the requirements of the Minnesota Private Cemeteries Act.
- C. The architectural survey of the East Range plant site and the East Range corridors still needs to be completed. We have reviewed the September 2007 report assessing the project effect on two previously identified historic properties (the Longyear site and the DM&IR Railway line), and concur with the determination that neither will be adversely affected. Any other eligible properties identified in the survey will need to be assessed for effects as well.

48-05

- 5. The information in the Summary of Impacts table (4.9.6) is incomplete. It does not indicate that surveys are still to be completed. Further, the table does not appear to include all of the previously identified properties discussed in the preceding section.

48-06

- 6. We have reviewed the proposed Programmatic Agreement for the project. Such an agreement is an appropriate way to establish a method for identification, evaluation, and treatment of historic properties when such efforts are not complete at the time of a Record of Decision. The "Overview of Programmatic Agreement" statement you submitted explains this situation. Past experience has shown that such agreements are much more effective when they include a clear description of the process to be followed. In this regard, we think the current draft could be strengthened and simplified, to facilitate its use by the project sponsor and consultants.

We look forward to working with you and the other parties involved to complete this review. Contact us at 651-259-3456 with questions or concerns.

Sincerely,



Dennis A. Gimmestad
Government Programs & Compliance

cc: Tom McCulloch, ACHP
Anne Ketz, The 106 Group

Responses

Comment 48-04

In September 2007, an additional "Site Assessment of Effects" study was conducted on the two NRHP listed or eligible properties in the vicinity of the East Range Site. As a result, the study determined that the two properties would not be adversely affected by the construction or operation of the proposed action (106 Group, 2007). The text has been updated to reflect the finding of no effect. If the East Range Site were to be selected for the Mesaba Generating Station, the Programmatic Agreement will address the additional actions to be taken to identify the potential for cultural resources at sites and along utility corridors that may be affected and procedures to be followed for avoiding or mitigating potential impacts.

Comment 48-05

The Table in Section 4.9.6 (Volume 1) has been updated based on the completion of all Cultural Resources surveys at the West Range and East Range Sites. Based on these surveys, no additional analysis is needed until one of the alternatives is selected. The Programmatic Agreement will address the additional actions to be taken to identify the potential for cultural resources at sites and along utility corridors that may be affected and procedures to be followed for avoiding or mitigating potential impacts at either site selected for the Mesaba Energy Project.

Comment 48-06

DOE is revising the Programmatic Agreement in consultation with the ACHP, SHPO, Native American tribes, MDOC, and the project proponent to address the concerns expressed in this comment. The text in Section 4.9.2.1 (Volume 1) has been revised to provide a description of the consultation process.

Commenter 49 – James W. Sanders and Jeff J. Smith



United States
Department of
Agriculture

Forest
Service

Superior
National
Forest

8901 Grand Ave. Place
Duluth, MN 55808-1122
Phone: (218) 626-4300
Fax: (218) 626-4398

File Code: 2580-3
Date: December 17, 2007

Richard Hargis, Jr.
NEPA Document Manager, Office of Major
Demonstration Projects
National Energy Technology Laboratory, US
Department of Energy
PO Box 10940
Pittsburgh, PA 15236-0940

Dear Mr. Hargis:

Please find below our review of the combined federal/state Draft Environmental Impact Statement (DEIS) for Excelsior Energy, Inc.'s (Excelsior), Mesabi Energy Project. The project is an integrated coal gasification combined cycle (IGCC) electric power generating station. The facility is proposed to be built in two phases; each phase would nominally generate 600 megawatts of electricity. The preferred location for the facility would place it near the town of Taconite in northeastern Minnesota. At this location, the facility would be 98 kilometers from the Boundary Waters Canoe Area Wilderness (BWCAW) and 188 kilometers from Rainbow Lake Wilderness (RLW). An alternative location near Hoyt Lakes would place the facility considerably closer to the BWCAW, only about 40 kilometers away.

In regards to the Department of Energy, the Proposed Action is to provide \$36 million in co-funding to the project under the Clean Coal Power Initiative (CCPI) Program. The DEIS states that \$22 million has already been made available to Excelsior. The goal of the CCPI program, as established by Congress, is to accelerate the commercial development of advanced coal-based technologies that can generate clean, reliable, and affordable electricity.

On the state side of the DEIS, the Proposed Action for the State of Minnesota is to approve, through the Public Utilities Commission (PUC), as supported by the Department of Commerce, the pre-construction joint permit application for the project. The mission of the PUC is to create and maintain a regulatory environment that ensures safe, reliable, and efficient utility services at fair and reasonable rates through, among other things, emphasizing energy resources that minimize damage to the environment.

As a Federal Land Manager (FLM), the Forest Service has an affirmative responsibility to protect the air quality related values of the Class I wilderness areas it administers, as specified in the Federal Clean Air Act. We also have the specific role on this project as a cooperating agency in providing technical expertise in the review of air quality impacts.

We have reviewed the sections of the DEIS relating to the air quality impacts from this project on the Forest Service Class I areas. As you know, an air emissions permit is also necessary for this project. It is through this process that our concerns are normally addressed, in cooperation



Caring for the Land and Serving People

Printed on Recycled Paper

Responses

Comment 49-01

The IGCC technology is considered to have a substantial overall advantage in emissions reductions when compared to existing conventional coal-fired power plants. Since BACT would be determined in subsequent negotiations between Excelsior and MPCA, DOE based the impacts on the emission profile based on BACT as proposed by Excelsior to the MPCA. DOE believes that this basis provides a reasonable upper bound to the potential impacts of the proposed action. In correspondence since publication of the Draft EIS, MPCA stated that *"We have since learned that the U.S. Environmental Protection Agency may disagree with our BACT analysis"* and, therefore, has decided to address the BACT determination as part of the MPCA's permitting process. Further, the MPCA agrees that the air permit for Phase I and Phase II of the Mesaba Energy Project must ensure the protection of Class I areas as required by 40 CFR 52.21(p). See new text in Section 4.3.1.2 regarding BACT analysis and the permitting process.

Because the air modeling for the Draft EIS was conducted in December 2005 using data available at the time, DOE revised Section 4.3 (Volume 1) and Appendix B (Volume 2) of the Final EIS to include results from updated air modeling. The revised air modeling analysis was conducted in light of comments on the Draft EIS to evaluate Mesaba Energy Project impacts on air quality and AQRVs in Class I areas near the West Range and East Range Sites, including the BWCAW, VNP, RLW, and IRNP (analyzed for East Range Site only). Additionally, the revised air modeling serves to inform the MPCA and the FLMs of the combination of emission controls that would be implemented for Phase I and Phase II of the Mesaba Energy Project (see Section 4.3.1.2 on scenarios modeled).

Commenter 49 – James W. Sanders and Jeff J. Smith

with the permitting agencies - the Minnesota Pollution Control Agency (MPCA), the Environmental Protection Agency (EPA), and other FLMs such as the National Park Service. The air permit process for this project is ongoing. While we are sure we will continue to work with our state and federal partners through the air permit process, we felt it necessary to submit comments on the DEIS due to our role as a cooperating agency and the need to clarify some information.

49-01

Our biggest concerns with this project are twofold. The first is that Excelsior is not proposing to include emission controls that can significantly reduce its emissions and that have been specified on other IGCC projects in the United States. The second is the modeled impacts to visibility in the BWCAW. We view the visibility impacts predicted from this project at either site as significant. We do not agree that the modeled impacts can be ignored due to weather conditions or other reasons. This is not in agreement with current FLM guidance. In our past experience, proponents of projects showing impacts at similar levels have worked with the MPCA to develop mitigation plans in an attempt to offset their impact. It has also been our past practice to not entertain mitigation proposals until the facility in question has reduced its emissions to the level of Best Available Control Technology (BACT). The FLMs do not agree that the emission rates in the current DEIS and air permit application represent BACT. It is clear from their letter of October 19, 2007, to Excelsior that the MPCA is of the same opinion on this issue. In past communications with Excelsior, we have strongly suggested that they consider reducing their emissions as a way to eliminate the modeled impacts and with this letter continue to do so.

Our technical comments are enclosed. If you have specific questions on these comments, please contact Trent Wickman of my staff at (218) 626-4372. We look forward to working with you in addressing the impacts from this project on our Wilderness areas.

Sincerely,



JAMES W. SANDERS
Forest Supervisor

Enclosures (2)

cc: William Storm
Marshall Cole
Chris Nelson
Don Shepherd
Kenneth Westlake
Jennifer Darrow,
Bob Evans

Responses

Comment 49-01 (cont'd)

The modeling database was revised to include the following revisions, enhancements, and updates:

- The most recently EPA-approved “guideline” version of the CALMET/CALPUFF/CALPOST modeling system (version 5.8);
- Actual Canadian and NLCD1992 land cover data instead of the model default values;
- Recent comprehensive and more appropriate meteorological data period consistent with the database developed for other modeling analyses in the same modeling domain;
- Enhancement of meteorological data base with buoy data to provide better resolution of meteorological conditions over large expanses of open water (i.e., Lake Superior);
- Updated information regarding the height at which meteorological observations are taken;
- An expanded modeling domain;
- Added meteorological monitoring stations;
- Increased vertical resolution of fine modeling domains;
- Integrated meteorological data and hourly ozone data from the Voyageur CASTNET monitor;
- Integrated hourly ozone data from MPCA monitors in the BWCA and west of Duluth; and, where appropriate,
- The latest proposed regulatory guidance to supplement the modeling analyses.

In correspondence with the FLMs, Excelsior received concurrence on an updated modeling protocol (2009see Section 4.3.1.1 on the air modeling protocol since publication of the Draft EIS). The updated modeling included analysis of AQRV impacts using existing guidance prescribed under *The Federal Land Managers’ Air Quality Related Values Workgroup (FLAG) Phase I Report (December 2000)*, also known as *FLAG 2000*, Method 2, as well as guidance referenced in the July 8, 2008 *Federal Register* notice (73 FR 39039). The proposed *FLAG 2008* guidance (otherwise referred to as Method 8) has been incorporated in the CALPOST postprocessor (see Section 4.3.1.4 for a discussion on the use of Method 8). Based on the accepted modeling protocol, new analyses provided in Section 4.3 (Volume 1) include a range of operating conditions on which modeling was conducted, some of which have been specified by DOE’s cooperating agencies in comments on the Draft EIS. Also, additional cumulative air quality modeling was performed and is discussed in Section 5.2 (Volume 1) and Appendix D1.

Commenter 49 – James W. Sanders and Jeff J. Smith

Mr. Robert Evans II
Vice President, Environmental Affairs
Excelsior Energy
11100 Wayzata Boulevard – Suite 305
Minnetonka, MN 55305

RE: Best Available Control Technology Analysis for Combustion Turbine Sulfur Dioxide and Nitrogen Oxide Emissions

Dear Mr. Evans:

This letter responds to your June 11, 2007 letter regarding Best Available Control Technology (BACT) for the combustion turbines at Mesaba I and II. This letter is divided into two parts; the first part addresses the Sulfur Dioxide (SO₂) BACT determination and the second part addresses the Nitrogen Oxide (NO_x) BACT determination.

I. Sulfur Dioxide BACT Determination

Minnesota Pollution Control Agency (MPCA) staff reviewed information submitted by Excelsior Energy and determined Selexol is a cost-effective technology for SO₂ control for the proposed Mesaba I and II Integrated Gasification Combined Cycle (IGCC) power plant. This determination is based on the following information.

- a. Your June 11, 2007 letter (Exhibit I pages 1 - 3) compares the cost per ton of SO₂ removed for the proposed Mesaba I and II IGCC power plant, with the cost per ton of SO₂ removed for Pulverized Coal-fired (PC) boilers. This comparison of costs between an IGCC and a PC boiler plant is inappropriate because IGCC and PC boilers are two different technologies for coal-fueled electric power production. Comparing the cost of controls for a pollutant between these two technologies does not follow the procedure for determining BACT according to U.S. Environmental Protection Agency’s (EPA) October 1990 New Source Review (NSR) Workshop Manual. (“NSR workshop manual” or “NSR manual”).

Page B.13 of the NSR workshop manual states that EPA has generally not considered the BACT requirement as a means of changing the design of the emissions unit when considering control alternatives. For example, the MPCA would not normally consider a natural gas combined cycle turbine as a control alternative to the IGCC proposed by Excelsior, although the NSR workshop manual indicates that we have the discretion to do so. Nevertheless, the MPCA would certainly not consider a PC boiler as a BACT control alternative to the IGCC and the SO₂ control costs for a PC boiler are irrelevant in the evaluation of the control costs for the proposed IGCC power plant.

49-02

Responses

Comment 49-02

The comments in this letter are not comments on the Draft EIS. Rather, these are comments from MPCA to Excelsior regarding BACT. Excelsior has since responded to MPCA’s comments – see Section 4.3.1.2 (Volume 1) for information on Excelsior and MPCA correspondence regarding BACT.

Commenter 49 – James W. Sanders and Jeff J. Smith

Responses

Mr. Robert Evans II
Page 2

Comment 49-03

See response to Comment 49-02 above.

**49-02
(cont'd)**

- b. Excelsior's cost effectiveness determination for Selexol cleaning of the syngas Hydrogen Sulfide (H₂S) content to 20 ppmv results in an average cost of \$7,663 per ton of SO₂ removed. This cost is well under the EPA cost-prohibitive threshold. Therefore, the MPCA determines that Selexol is a cost-effective control technology.

The MPCA therefore concludes Selexol is BACT for SO₂ at Mesaba Energy, and the BACT limit is approximately 0.010 lb/mmBtu (on a heat input to gasifier basis). This limit may be on a 30-day rolling average basis; however, short term limits may be necessary to protect the 1-hour, 3-hour, and 24-hour SO₂ ambient air quality standards.

II. Nitrogen Oxides BACT Determination

a. Technical Feasibility

MPCA staff do not agree with Excelsior Energy's determination that Selective Catalytic Reduction (SCR) is a technically infeasible control option for coal-based IGCC. Staff reviewed information submitted by Excelsior Energy as well as guidance in the NSR workshop manual and determined SCR is technically feasible for combustion turbine NO_x control for the proposed Mesaba I and II IGCC power plant. This determination is based on the following information.

- i. Excelsior's June 11, 2007 Exhibit I (page 5) discussion titled "*The NSR manual supports classification of SCR as technically infeasible for coal-based IGCC*" states in part "*According to the NSR manual, the first of three standards under which a control technology must be considered technically feasible is due to a previous demonstration of its successful use on the type of source under review*". This statement is incorrect.

The NSR workshop manual (page B.17) states "*If the control technology has been installed and operated successfully on the type of source under review, it is demonstrated and it is technically feasible. For control technologies that are not demonstrated in the sense indicated above, the analysis is somewhat more involved.*"

Two key concepts are important in determining whether an undemonstrated technology is feasible: "availability" and "applicability"...a technology is considered "available" if it can be obtained by the applicant through commercial channels or is otherwise available within the common sense meaning of the term. An available technology is "applicable" if it can reasonably be installed and operated on the source type under consideration. A technology that is available and applicable is technically feasible."

It is clear the manual does not require a successful installation and operation of a control technology for the technology to be technically feasible. Although a successful application of the control technology to the source type under review would readily demonstrate the technology is technically feasible, it is not required to determine that a technology is feasible.

49-03

Commenter 49 – James W. Sanders and Jeff J. Smith

Mr. Robert Evans II
Page 3

49-04

ii. Exhibit I (page 6) discussion titled “*Technical feasibility of undemonstrated controls due to their availability and applicability*” misinterprets the context of the term *availability* as used in the NSR workshop manual technical feasibility analysis discussion. The NSR workshop manual (pages B.17 - B.18) discussion of availability is in the context of the control equipment technology (i.e. SCR) only, and not of the control equipment availability to the specific source type. SCR has been widely available for several decades, and therefore is considered an available control technology for this project.

49-05

iii. The NSR workshop manual (page B.18) states “*Technical judgment on the part of the applicant and the review authority is to be exercised in determining whether a control alternative is applicable to the source type under consideration. In general, a commercially available control option will be presumed applicable if it has been or is soon to be deployed (e.g., is specified in a permit) on the same or a similar source type.*” SCR has been specified in coal-based IGCC permits (most recently in June 2007 for the Christian County Generation in Taylorville, Illinois, Illinois EPA Permit No. 05040027), and is used for NO_x control on many PC boilers.

49-06

iv. Absent a permit, technical feasibility can also be determined through examination of the physical and chemical characteristics of the pollutant-bearing gas stream and comparison to the gas stream characteristics of the source types to which the technology had been applied previously. Although syngas has a higher H₂S content than natural gas combusted in SCR-controlled natural gas combined cycle power plants, SCR has been employed for the past decade on pulverized coal boilers. Similar concerns about the SCR application to coal-fired boilers also existed, but have been successfully resolved. A Heat Recovery Steam Generator (HRSG) is similar enough to a boiler that lessons learned from the application of SCR to pulverized coal-fired boilers can be applied to SCR for coal-based IGCC. The MPCA sees no evidence of why the SCR issues for coal-based IGCC can not be resolved. The need for physical modifications to the HRSG to make it compatible with coal-based IGCC do not make SCR technically infeasible. However, any additional costs for such modifications should be included in the economic impacts portion of the BACT analysis. The MPCA considers SCR to be applicable and available and, therefore, a technically feasible control technology for coal-based IGCC.

49-07

b. Economic Feasibility

The NSR workshop manual top-down BACT analysis method directs the reader to perform an economic feasibility determination for all controls that are technically feasible. Excelsior Energy needs to conduct the cost analysis for SCR control of NO_x emissions and submit it to the MPCA to complete the BACT process for NO_x control for the

Responses

Comment 49-04

See response to Comment 49-02 above.

Comment 49-05

See response to Comment 49-02 above.

Comment 49-06

See response to Comment 49-02 above.

Comment 49-07

See response to Comment 49-02 above.

Commenter 49 – James W. Sanders and Jeff J. Smith

Mr. Robert Evans II
Page 4

**49-07
(cont'd)**

combustion turbines. Submittal of a cost effectiveness matrix using variables such as an improved ammonia injection grid for reduced ammonia slip, and maintaining HRSG temperature at various levels above the ammonium bisulfate dew point would be appropriate. Excelsior may also consider contacting other entities that have applied for or obtained permits for coal-based IGCC with SCR, to inquire about SCR costs.

49-08

Finally, the NSR workshop manual (page B.74) states *"While it is not the intention of BACT to prevent construction, it is possible that local or regional air quality management concerns regarding the need to minimize the air quality impacts of new sources would lead the permitting authority to require a source to either achieve stringent emission control levels or, at a minimum, that control cost expenditures meet certain cost levels without consideration of the resultant economic impact to the source."* SO₂ and NO_x are visibility impairing pollutants and due to the proposed location of Mesaba II and II, it could be determined that higher BACT control costs for these pollutants are warranted.

49-09

In closing, MPCA staff have determined that Selexol is a cost effective method for SO₂ emissions control for coal-based IGCC, and SCR is a technically feasible control option for coal-based IGCC, and a BACT limit can be set. To complete the NO_x emissions BACT analysis, please submit a cost analysis for SCR control of combustion turbine NO_x emissions at your earliest convenience. If you have any questions, please contact Marshall Cole at 507-280-2992 or at marshall.cole@pca.state.mn.us.

Sincerely,

Jeff J. Smith, Manager
Air Quality Permit Section
Industrial Division

JJS/MC:lao

cc: Trent Wickman, NPS
Don Shephard, NPS
J. David Thornton, MPCA
Bob Beresford, MPCA, Duluth
Rich Sandberg, MPCA
Don Smith, MPCA
Steve Pak, MPCA
Anne Jackson, MPCA
Marshall Cole, MPCA, Rochester
AQ File No. 4274

Responses

Comment 49-08

See response to Comment 49-02 above.

Comment 49-09

The visibility impacts were remodeled using emissions rates that are more stringent and incorporate control devices, as discussed in response to Comment 49-01. The results of these remodeling are presented in Section 4.3 (Volume 1) of the Final EIS.

Commenter 49 – James W. Sanders and Jeff J. Smith

Technical Comments on the Class I Air Quality Material in the Mesaba Energy DEIS

- 49-10** | Page 3.3-11: We do not view the purchase of acid rain allowances by affected units in amounts required by the Acid Rain program as mitigation. These purchases are already required by the Clean Air Act to satisfy the goals of the Acid Rain Program.
- 49-11** | Page 4.3-14: While a number of other approaches are presented, Method 2 is the currently applicable method for visibility analyses per the FLM interagency guidance document for conducting air quality related value analyses, *Federal Land Managers' Air Quality Related Values Workgroup (FLAG) Phase I Report (December 2000)*. Although characterized as “small” in the DEIS, we see 31 days in three years over a 10% change in visibility as an impact that, if included in the final permit and EIS for this facility without other mitigation, would likely be declared adverse.
- 49-12** | Page 5.2-3: We do not understand the basis for the emission rates used for the facilities in the table. While they may be appropriate for an increment analysis, having no emissions of sulfur dioxide and/or nitrogen oxides from utilities and taconite plants does not fit the intent of a visibility analysis. Since the emission inventory is the basis for the cumulative analysis, it is hard to draw any conclusions from it - especially with regard to visibility. The assessment of cumulative visibility impacts are probably best dealt with through the regional haze program and plan being developed by the State of Minnesota.
- 49-13** | In regards to increment, Minnesota Steel conducted a PM₁₀,-24-hour Class I cumulative increment analysis for their recent air permit application and determined the cumulative increase to be 7.0 ug/m3. The identical analysis for this project showed an increase of about 2.1 ug/m3. It is important that this sizeable difference be explained.
- 49-14** | Page 5.3-16: The MPCA, in consultation with the EPA, will determine BACT for the facility. Although Excelsior may maintain that the current design of its facility represents BACT, the agency with the authority to decide this issue currently does not (see the attached letter from the MPCA dated October 19, 2007). In this letter the MPCA concludes that Selexol is BACT for sulfur dioxide (see top of page 2). The agency also concludes that selective catalytic reduction (SCR) is technically feasible for nitrogen oxides and requests more information to make its determination of economic feasibility and thereby also its final BACT determination. As such we recommend that DOE modify the discussion in the DEIS to more accurately reflect what the deciding agency has determined for BACT.
- 49-15** | Lastly we are very interested in seeing a model run which shows the visibility impacts of the facility after the installation of Selexol and SCR.

Responses

Comment 49-10

DOE recognizes that the FLMs do not consider the purchase of acid rain allowances by affected units to be mitigation of impacts from the Mesaba Energy Project. Text has been revised in Section 4.3.2.6 (Volume 1) of the Final EIS to reflect the FLMs' position. However, the Acid Rain Program was established as a system of marketable allowances to control emissions that contribute to the formation of acid rain. The program is inherently a mitigation tool in that the marketable allowances help limit the amount of SO₂ and NO_x that can be produced by any one facility; thereby mitigating regional effects. Trading allowances between facilities allow facilities to benefit from each other and stay in compliance while they continue to operate. Allowances not only can be traded, but they can also be banked and used in the future.

Comment 49-11

DOE understands that the FLMs have the authority to determine the appropriate methodology for determining visibility impacts and that, pending approval of revisions deemed appropriate by and presented on behalf of the FLMs at 73 FR 39039 (i.e., Method 8), Method 2 is the currently applicable method accepted by the FLMs. See also response to Comment 49-01 and new text in Section 4.3.1.4 regarding Method 8.

Section 4.3 (Volume 1) and Appendix B (Volume 2) of the EIS have been updated to provide the results (of both Method 2 and Method 8) of the revised air modeling as well as clarification on the two visibility methodologies. See Section 4.3.1.4 for a discussion on the Class I area modeling approach.

DOE included visibility impacts based on these other approaches in an effort to present a more thorough understanding of the potential impacts.

Comment 49-12

The cumulative air impacts analysis in Section 5.2.2 (Volume 1) has been updated and includes new text on cumulative impacts on visibility. Based on the comment, the cumulative impact analysis on visibility in Class I areas has been evaluated in conjunction with the draft state implementation plan (SIP), which is discussed in Section 5.2.2.2 (Volume 1). (The impacts of the Mesaba Generating Station on visibility in Class I areas are presented in the sub-section *Class I Visibility/Regional Haze Analysis* under Section 4.3.2.5 [Volume 1] and mitigation of such impacts are discussed in Section 5.3.2.2 [Volume 1].)

Comment 49-13

Explanations for the larger predicted 24-hr PM₁₀ Class I increment consumption indicated in MSI's analysis (i.e., 2.7 to 7.0 µg/m³) versus the Mesaba Energy Project's analysis (i.e., 1.1 to 2.2 µg/m³, or 1.2 to 2.4 µg/m³ based on the updated modeling in the Final EIS) include the following:

- Mesaba's consideration of increment-expanding decreases in PM₁₀ emissions that are projected for Minnesota Power's Clay Boswell Unit 3 and Taconite Harbor Energy Center, and the permanent closure of some other increment-consuming sources.
- Differences in increment consuming emission rates that were included in the model analyses. In general, MSI's inventory did not differentiate between PSD baseline and increment consuming emission units at a stationary source, i.e., if a stationary source contained one increment consuming point source, all point sources at the stationary source were considered to be increment-consuming and were included in MSI's PSD increment modeling studies. The inventory used in the Mesaba Energy Project's increment modeling studies only included those point sources known to be increment-consuming; baseline sources were excluded. Therefore, the modeled impacts on the PM₁₀ increment would be overstated in MSI's studies relative to the impacts predicted in the Mesaba Energy Project's modeling studies.

However, it can be noted that the Mesaba analysis of cumulative total PM₁₀ impacts (Draft EIS Table 5.2.2-3) indicates impacts of 5.5 to 8.3 µg/m³, considerably larger than the increment impacts (Draft EIS Table 5.2.2-2).

Comment 49-14

The visibility impacts were remodeled using emissions rates that are more stringent and incorporate control devices such as selective catalytic reduction and Selexol for NO_x and SO₂, respectively. The results of this remodeling are presented in Section 4.3 (Volume 1) of the Final EIS. See response to Comment 49-01, which addresses the same concerns.

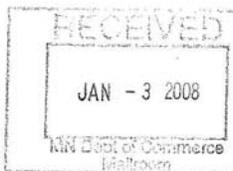
Comment 49-15

See response to Comment 49-01, which addresses the same concerns.

Commenter 50 – Cody Ekholm

Cody Ekholm
16413 County Road 8
Nashwauk, MN 55769
(218)-885-2734
December 17, 2007

Bill Storm
Minnesota Department of Commerce
85 7th Place East
Suite 500
St. Paul, MN 55101



Dear Bill Storm:

I am a student at Itasca Community College studying environmental science. I live by Nashwauk, and I would be affected by this plant if it goes in. Hopefully I can give you some valuable insight to the people who are deciding if they should go ahead for this project.

I am for this project because it will help boost the local economy significantly. It will open up many jobs in an area that is slowly dying. It will also help with the steadily rising pit by Bovey. I also know of the environmental concerns with this plant. Excelsior Energy estimates that 90% of the Mercury will be removed prior to discharging the waste, but it will also most likely contain amounts of selenium, cyanide, and arsenic. They could pollute many lakes and rivers in this area.

Overall, I am still for this plant though. I just think there should be tougher penalties for breaking the permit violations on the discharged waste. This could help keep the levels of pollutants down significantly.

Sincerely,

Cody Ekholm

Responses

Comment 50-01

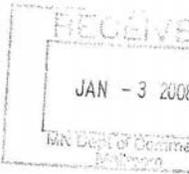
Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

50-01

Commenter 51 – Joseph Troumbly

Joseph Troumbly
500 Ne 8th ST
Grand Rapids, MN 55744
12-17-2007
Re: Mesabi Project

CERTIFIED MAIL
PERSONAL



Bill Storm
Minnesota Department of Commerce
85 7th Place East
Suite 500
St. Paul, MN 55101

Attention Bill Storm

Dear Bill Storm

Citizen Concerns

51-01

I am a writing regarding concerns as a life time citizen of Itasca County. I have studied and read the DEIS on the Mesabi Project and I have information regarding my concerns. There are some strong positives for this project although the negatives out weight them. This is the right project for the wrong area. There is not adequate pollution control methods planned. The power is not need in the immediate area there for a large amount of reforestation will occur in order to transport the power. Last, the soil type in the area is not the type that can adequately be used for the pollution control processes that are necessary. Please look further into these concerns before reaching any decision. Thank you for your time.

Sincerely,

Joseph Troumbly

Responses

Comment 51-01

The Final EIS describes pollution control equipment for the Mesaba Energy Project in Section 2.2.1.3 and describes discharges and emissions in Section 2.2.3 (Volume 1). Section 4.3 (Volume 1) describes the impacts on air quality, and Section 4.8 (Volume 1) describes impacts on vegetation and wildlife habitat. Section 5.1.2 (Volume 1) describes the carbon capture and sequestration scenarios that may be implemented during future commercial operations based on future greenhouse gas regulations or incentives.

Responses

Comment 52-01

Thank you for your comment. It has been noted and will be included in the administrative record for this EIS.

Commenter 52 – Mary Anderson

>>> "Mary Anderson" <kostoryz@gmail.com> 1/7/2008 4:03 PM >>>
I am in favor of the Mesabi Energy Project. Our economy is devastated up here and we desperately need good paying jobs and the boom that large scale industrial projects is likely to produce. Other industries and likely to consider our area if they believe they have a chance to move in. The Blandin Paper Mill may choose to shut down instead of building the approved new paper machine if this and other projects do not go through. I don't want us to go back to the days of indiscriminate pollution of our rivers, lakes and forests but neither do I think that a minority group of environmental "fanatics?" should decide what kind of life and standard of living they should have over the needs of all.

52-01

Commenter 53 – Ron Gustafson and Linda Castagneri

January 8, 2008

Richard A. Hargis
U.S. DOE/NETL
PO BOX 10940
Pittsburgh, PA 15236-0940

Subject: Comments and Questions – DOE Draft EIS for the Mesaba Energy Project (DOE/EIS-0382D)

I am requesting the following comments and questions be included in the record regarding the draft EIS for the proposed IGCC demonstration plant to be sited in Taconite Minnesota.

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."

53-01

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*

53-02

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

53-03

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

Responses

Comment 53-01

The DOE Cooperative Agreement calls for a 1-year operational demonstration period under the CCPI Program. MEP-I, LLC, a project company of Excelsior Energy, would be responsible for developing a demonstration test plan, prior to the operational demonstration period, executing the test plan, and providing formal reporting of progress relative to executing the demonstration test plan to DOE. DOE would be responsible for review and approval of the demonstration test plan to ensure that the demonstration test program is adequate for evaluating performance against programmatic success criteria, and for monitoring the Recipient's progress relative to the demonstration test plan. There is no quantitative measure for the volume of natural gas that would constitute a threshold for determining project success. It is expected—and is not outside the realm of normal commercial practice—that natural gas would be considered and used for plant processes outside of continual operations; specifically, initial plant start-up, restart following downtime for routine maintenance, or as a result of process upsets. Otherwise, the gasification process is expected to produce syngas from coal as the principal fuel. DOE programmatic objectives include demonstrating the commercial readiness of clean coal technologies. This does not preclude the consideration of accepted commercial practices such as availability of an alternative/back-up fuel for the purposes identified above. Therefore, use of natural gas solely for the purposes identified above will not in of themselves result in an unsuccessful demonstration. The Cooperative Agreement does stipulate that DOE will not share in the acquisition costs of any fuel other than coal, unless prior written approval is obtained from the DOE Contracting Officer. The Recipient is required to provide information to DOE that supports all costs submitted for DOE cost-sharing. DOE also reserves the right to have the Recipient's costs audited by DCAA.

Comment 53-02

A quantitative assessment of the impact to rate payers in the event the demonstration is unsuccessful would depend on factors that are as yet undetermined. The Minnesota Public Utilities Commission has not approved any power purchase agreement or agreements, which would contain provisions that would determine the impact to rate payers. An unsuccessful demonstration could result in one of multiple possible outcomes, including long-term commercial operation using a fuel other than coal, application of lessons learned from an unsuccessful demonstration leading to the subsequent long-term commercial operation using coal as the primary fuel, or failure to operate the plant on a commercial basis.

Commenter 53 – Ron Gustafson and Linda Castagneri

**53-03
(cont'd)**

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”

53-04

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 of 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.”

Responses

Comment 53-02 (cont'd)

Similarly, the impact to a potential Federal loan guarantee, if awarded to the Mesaba Energy Project, cannot be quantitatively determined as the terms and conditions of any potential guarantee have not yet been negotiated. Should a decision be made to go forward with a guarantee and should the project be unsuccessful, possible outcomes could include but would not necessarily be limited to sale of the plant to another entity that would go on to operate it as a commercially viable electric power generating plant, or sale of the plant property, systems and equipment for scrap-value.

Comment 53-03

Section 4.16.2.2 (Volume 1) addresses potential landfills in the project area. A specific sanitary landfill for unmarketable sulfur or slag has not been contracted to accept these non-hazardous wastes if there is not a market for their reuse. One or more permitted sanitary landfills would be used that would be engineered with regulatory safeguards (liner, leachate collection system, and groundwater monitoring) to accept this waste. The long-range impact to the life of the landfill(s) and associated costs are not predictable at this time because Excelsior expects to find markets for these byproducts as explained in Sections 2.2.3.3 and 2.3.3.4 (Volume 1). See further responses to Comments 102-05 and 102-10.

Comment 53-04

See responses to Comments 4-01 and 4-03, which address the same concerns. As stated in Section 2.2.1.3 (Volume 1) of the Final EIS (under Potential Carbon Capture Retrofit), CCS options presented in the EIS are based on a potential future requirement to reduce CO2 emissions from the Mesaba Energy Project, along with potential financial incentives such as carbon removal credits traded in a “carbon market” that would limit the cost of CCS passed on to utility customers. CO2 emissions are not currently limited under the CAA, and a viable carbon market has not been established in the U.S. Therefore, as stated in Appendix A2 (Volume 2), the effect of CCS on the cost of electricity from the Mesaba Energy Project has not been quantified. Assuming that legislation restricting carbon emissions would eventually be passed by the U.S. Congress and signed into law, the real costs associated with CO2 emissions and required reductions would be determinable at that time. Under the standards established by 40 CFR 1502.22 of the CEQ NEPA regulations, the EIS has addressed “reasonably foreseeable” impacts from CO2 emissions and CCS to the extent practicable without resorting to unwarranted conjecture.

Commenter 53 – Ron Gustafson and Linda Castagneri

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.

Responses

Comment 53-05

BMPs referenced in Table 5.1-2 (Volume 1) generally include standard practices required by state and Federal regulations and local ordinances for construction projects. Such standard BMPs would include the use of silt fencing to reduce soil erosion and sedimentation affecting surface waters, wetlands, and biological habitats; collection and appropriate treatment and disposal of contaminated condensate water; retention of stormwater runoff to reduce sediment loadings to surface waters in compliance with National Pollutant Discharge Elimination System (NPDES) permits; and the use of appropriate well casings, well seals, and grouting to protect groundwater resources in the development and use of CO₂ injection wells. Such BMPs were developed in response to requirements of the Clean Water Act, the Safe Drinking Water Act, and other Federal laws and have been widely utilized effectively in construction projects throughout the U.S. It should also be noted that as stated in Section 5.1.2 (Volume 1) of the Final EIS: “It is expected that if CO₂ capture and storage were implemented at some time in the future, a more detailed analysis would be conducted, including detailed design and engineering, environmental and geotechnical studies, and permitting necessary to comply with appropriate laws and regulations.”

53-04
(cont'd)

53-05

Responses

Comment 53-06

See responses to Comments 1-02 and 4-03, which address the same concerns.

Comment 53-07

The use of an enhanced ZLD system at the West Range Site would eliminate discharges of process water and cooling tower blowdown and negate the concerns noted in the comment. See responses to Comments 6-01 and 7-02, which address the same concerns. See Section 4.5 (Volume 1), *Surface Water Resources*, which has been revised to reflect use of the enhanced ZLD system.

Commenter 53 – Ron Gustafson and Linda Castagneri

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?

**53-05
(cont'd)**

53-06

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

53-07

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?

Commenter 53 – Ron Gustafson and Linda Castagneri

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.

Responses

Comment 53-08

Comments pertaining to wetlands, including avoidance and minimization of impacts and mitigation of unavoidable impacts, have been addressed in the responses to related comments from USACE (Commenter 116), which is the Federal agency responsible for wetland permitting and a cooperating agency for this EIS. In particular, see responses to Comments 116-22 through 116-24.

See response to Comment 41-01, which addresses the concerns regarding economic impacts.

The construction and operation of the proposed project would cause the elimination of a small fraction of the total habitat in the vicinity of either the West Range Site or the East Range Site. Comparable habitat types are abundant within the region; therefore impacts to game species would be expected to be small considering their high mobility and ample habitat. Please refer to Sections 4.8, Biological Resources; and 5.2.6, Cumulative Impacts – Wildlife Habitat (Volume 1), of the Final EIS.

**53-07
(cont'd)**

53-08

Responses

Comment 53-09

See response to Comment 3-02, which addresses the same concern.

Commenter 53 – Ron Gustafson and Linda Castagneri

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.

**53-08
 (cont'd)**

53-09