



1854 Authority

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October 31, 2005

Richard Hargis
U.S. Department of Energy
National Energy Technology Laboratory
P.O. Box 10940
Pittsburgh, PA 15236-0940

RE: Mesabi Energy Project

Dear Mr. Hargis,

The purpose of this letter is to provide comment on the scoping for the Environmental Impact Statement (EIS) for the Mesabi Energy Project.

The 1854 Authority is an inter-tribal natural resource management organization governed by the Bois Forte Band and Grand Portage Band of Lake Superior Chippewa, both federally recognized tribes. The organization manages the off-reservation treaty rights of these bands in the 1854 Ceded Territory of northeastern Minnesota. The 1854 Ceded Territory encompasses all of Lake and Cook counties, most of St. Louis and Carlton counties, and portions of Pine and Aitkin counties.

Band members continue to exercise rights to hunt, fish, and gather guaranteed under treaty with the United States. Resources must be available and safe to utilize for the exercise of these rights. While we are not opposed to pursuing energy and economic development opportunities, we believe that such development should only proceed when all safeguards to protect the environment are ensured. Industrial operations should avoid or minimize negative impacts to the natural resources and utilization of these resources.

The 1854 Authority supports the environmental issues identified for analysis in the EIS. We are particularly concerned with the following issues:

- **Atmospheric resources:** Potential air emissions should be identified, including the effects on human health and the environment from releases of mercury and other air pollutants. Fish continue to be an important component of the diet of many band members, and mercury contamination is of high concern. Consumption advisories are not the appropriate solution to address mercury in fish. Fish must be made safe to eat through reductions of mercury in the environment. The 1854 Authority questions how additional mercury emissions will be handled with goal of reducing mercury releases in Minnesota.

- Water resources: Impacts to adjacent and downstream water resources should be identified and properly addressed. Issues include effects to water quality, fisheries, and wild rice.
Cultural resources: Any effects on the exercise of Treaty rights (hunting, fishing, gathering) and the quality of associated resources should be addressed. Appropriate consultation and surveys should be completed to properly identify cultural resources. Impact to any historic or archaeological resources should be avoided.
- Ecological resources: The effects on wildlife populations and associated habitat should be addressed. Game species such as moose, deer, and grouse should be specifically discussed.
- Floodplains and wetlands: Discussion of impacts to wetlands should be included.
- Cumulative effects: Cumulative impacts from this project and other current or proposed industrial activities in the region should be a consideration. Specifically in regards to the East Range Site, other projects (Mesabi Nugget, Polymet) are currently proposed near Hoyt Lakes.

Finally, the federal government has the responsibility to work with Indian bands on a government-to-government basis. Notification and consultation activities must be completed directly with all tribes potentially affected by the proposed project. The planning process and project implementation must recognize the sovereign status of bands and the rights retained by treaty with the United States.

The 1854 Authority would like to remain informed on this project as the process moves forward. Thank you.

Sincerely,



Darren Vogt
Environmental Biologist

cc: Corey Strong, Bois Forte Department of Natural Resources
Curtis Gagnon, Grand Portage Trust Lands and Resources

>>> "Bud Stone G.R. Area Chamber of Commerce" <bud@grandmn.com> 11/15/2005 5:11 PM >>>

Dear Mr. Hargis-

The Grand Rapids Area Chamber of Commerce is in full support of the proposed construction of the Mesaba Energy Project and would prefer that the facility be built at the site north of Taconite.

While the EIS addresses mostly environmental issues, and seems to cover the most pertinent subjects, we would like to see some information about the positive economic impact such a facility would make, in the final document.

Thank you for the opportunity to comment on this important project.

Bud Stone, President

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— VIA FACSIMILE AND FIRST CLASS MAIL —

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Ms. Sheryl Corrigan, Commissioner
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Commissioner's Office
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November 15, 2005

RE: Scope of Mesaba Energy Project Environmental Impact Statement

Dear Mr. Hargis and Regional Administrator Skinner,

On behalf of the Sierra Club and its 25,000 members within the state of Minnesota, we formally request that the Department of Energy incorporate the following recommendations into the Environmental Impact Statement (EIS) for the Mesaba Energy Project Integrated Gasification Combined Cycle (IGCC) Demonstration Plant in Itasca County, Minnesota. The notice outlining the draft scope of the EIS does not adequately address the environmental, social, and economic impacts of the Mesaba Energy Project or consider alternative sources of energy production.

For our members and, we believe, the majority of the citizens of Minnesota, it is necessary that the scope of the EIS for The Mesaba Project consider the environmental, social, and economic impacts mentioned in our comments, as well as alternatives which do not commit additional years and resources to our dependence on fossil fuels.

We believe that Minnesota has cleaner and safer alternatives to produce this energy, create jobs, and reduce environmental impacts – alternatives which would improve economic development, enhance quality of life, and invest in an energy future we can support.

Finally, we urge U.S. EPA and the Minnesota Pollution Control Agency (MPCA) to be coordinating agencies in preparing the EIS, in part to fulfill its coordination responsibilities under 40 C.F.R. 52.21(s). The Clean Air Act requires coordinating NEPA analysis with the Clean Air permitting process. In this case, this requires coordination between DOE, U.S. EPA and its state delegate, the MPCA. This coordination will ensure that the NEPA process fully describes the environmental impacts of the proposed project and all reasonable alternatives thereto.

I. CONSTRUCTION AND OPERATION OF MESABA ENERGY PROJECT

According to the Department of Energy's (DOE) Notice of Intent (NOI) to prepare an Environmental Impact Statement (EIS), construction of the Mesaba Energy Project Integrated Gasification Combined Cycle (IGCC) Demonstration Plant (hereafter termed "The Mesaba Project"), proposed by Excelsior Energy Inc. (hereafter termed "Excelsior"), is to take place in Minnesota's Iron Range, off Scenic Highway 7 near the town of Taconite in Itasca County. An alternative site has also been proposed near the town of Hoyt Lakes in St. Louis County. The proposed plant is expected to develop in two phases. Each phase would generate approximately 600 MW and consume approximately 85 acres of land, for a nominal combined net generating capacity of 1,200 MW. The Mesaba Project proposes to use ConocoPhillips' E-Gas™ Technology with the 262 MW Wabash River Coal Gasification Repowering Project (hereafter termed "Wabash") in Terre Haute, Indiana, as a framework. Feedstocks are expected to include bituminous coal, sub-bituminous coal, petroleum coke, or some combination thereof.

Due to the proposal's significant public investment and social and environmental costs, we urge the DOE to conduct an extremely thorough review of The Mesaba Project for the following general reasons:

- 1. Large-scale, long-term impact:** Coal-fired power plants including coal plants using coal gasification technology, have significant impacts on the environment and public health throughout the region, nation, and world. The Mesaba Project would represent a long-term, large source of pollution and would do nothing to move Minnesota or the country away from dependence on fossil fuels. The Sierra Club commends Excelsior and other stakeholders for considering IGCC technology, which may provide at least moderate improvements in emissions as compared to traditional coal plants of a similar size. Nonetheless, the benefits of such a project must be considered in light of other alternatives and the environmental and health impacts of this project, particularly the emissions of carbon dioxide, the principal global warming culprit.
- 2. Evolving science:** Multiple studies have shown the negative externalities of coal plants, particularly as a result of air emissions. Air pollution from coal plants has been linked to thousands of annual premature deaths in the United States from

heart disease, lung disease, and strokes, brain damage in children from mercury, and other public health threats. Upon completion, the Mesaba Project would be one of the largest sources of carbon dioxide in Minnesota. Any new coal plant must be investigated in light of the problem of impaired waters, polluted air, and global warming, and its contribution to these problems.

3. **Evolving technology:** The Mesaba Project represents at least a modicum of progress in coal technology. Nonetheless, the continued reliance on coal, or any other fossil fuel absent mitigation of the multitude of environmental costs, represents a reliance on technologies and resources of the past. Renewable energy sources, including wind, solar, and biomass, are clean and increasingly cost-effective and reliable. An investment in new coal plants is an investment that delays the further development of renewables and other promising sources of energy, due to a loss of transmission capacity and resources available for new energy generation. As the proposed plant would be in operation for decades, the opportunity costs of its current development would not cease in the near future.

The nation is moving closer toward the rest of the developed world by considering some form of regulation of greenhouse gases from power plants, and it is likely such laws will be in place well within the working life of this coal plant. Any coal plant development should include an analysis of the "risk premium" required to overcome the costs of future regulatory compliance, insofar as this investment is cost-effective for all involved parties. Renewable energies would face decreasing, rather than increasing, relative costs as these policies are developed.

Building this coal plant runs counter to all these environmental efforts, putting pollutants into the air that would have to be offset by pollution reductions elsewhere if society is to achieve its environmental goals. In essence, a new coal plant will consume a significant portion of the atmosphere's pollution-absorbing capacity, creating a serious unresolved conflict concerning alternative uses of that capacity of the sort described in section 102(E) of the National Environmental Policy Act (NEPA).

For these reasons and additional ones set forth below, the goals of NEPA cannot be met without a thorough scrutiny of the proposed plant's impacts. In parts II-VIII below we describe the major environmental impacts, socio-economic costs, and resource conflicts related to the coal plant, all of which should be considered in an EIS. In part IX we describe some of the alternatives to the proposed project that should be considered. Given the scale of environmental impacts this plant would have over the coming decades, and the many alternatives already available to it - particularly given the rich renewable resources of Minnesota - we believe that a thorough analysis of alternatives is critical. In other words, the purpose and reasonableness of this project, or the associated EIS, should not be limited in scope so as to only fit the pre-defined parameters of The Mesaba Project.

II. THE MESABA PROJECT IMPACTS – ATMOSPHERIC RESOURCES

The EIS must analyze the atmospheric impacts of air pollution in the immediate area, and all protected areas. The EIS must disclose the air pollution associated with the proposed project, including the use by the variety of feedstocks under consideration.

A. Sulfur Dioxide, Nitrogen Oxides and other Criteria Pollutants

If built, The Mesaba Project would emit significant amounts of criteria pollutants including sulfur dioxide, nitrogen oxides, carbon monoxide, volatile organics, and particulate matter. Sulfur dioxide and nitrogen oxide contribute to several of our nation's most stubborn air pollution problems, including acid rain, ozone formation, and the loss of visibility. Moreover, they transform into very small particulates when they travel through the atmosphere. Particulate matter (particularly PM₁₀ and PM_{2.5}) has been linked with thousands of premature deaths annually from strokes, heart and lung disease. The EIS should thoroughly examine the impacts of all the criteria pollutants, and because these pollutants are known to travel hundreds of miles from their source, the analysis must be similarly broad in scope. The analysis should contain the following elements:

1. **Detailed emissions and air impact data:** The EIS should precisely quantify the tons per year of criteria pollutant emissions from the Mesaba Project, and air quality modeling should be done to determine the impact of these emissions on pollution levels in the local and regional air, including their contribution to particulate matter and ozone formation.
2. **Impacts on compliance under the Clean Air Act:** The EIS should look at the impact the new emissions would have on attainment with Clean Air Act standards, on increment consumption under the Prevention of Significant Deterioration provisions of the Clean Air Act, and on all air quality related values (AQRVs) of regional Class I areas, including the Boundary Waters Canoe Area Wilderness and Voyageurs National Park. If the analysis shows measurable increases in those pollutant levels, it should go on to consider what the additional compliance costs that would be incurred to offset those emissions from other pollution sources.
3. **Health impacts:** The EIS should quantify the impact that emissions from the Mesaba Project will have on mortality and morbidity, including premature deaths from heart and lung disease, hospital admissions and emergency room visits, bronchitis symptoms, and asthma attacks.

The EIS should also look at the health impacts associated with other criteria pollutant emissions, including the contribution of nitrogen oxides to ozone formation.

4. **Visibility impacts:** Coal plant emissions also contribute to regional haze. The EIS should quantify the extent to which pollutants from the plant will limit

visibility in the region, especially considering the importance of clean air to tourism and other recreation-based industries in the area. The EIS should discuss impacts on visibility for all parks and forests within 200 miles, including detailing existing visibility conditions at those parks and forests and the change expected from the proposed project. The EIS should analyze "plume blight" and the impact on parks and wilderness and scenic areas.

5. **Odor Impacts:** The EIS should investigate the effects of plant operation on odor in the region.
6. **Air Pollution Deposition:** The EIS must analyze the impacts of air deposition on agriculture (including silviculture) on all state and federal protected lands, and endangered and threatened species. This analysis should include all criteria and hazardous air pollutants including nitrogen, sulfuric acid, cadmium, nickel, and should consider the recently completed consultation analysis conducted for the Indeck-Energy coal plant project in Will County, Illinois.

B. Mercury and other Hazardous Air Pollutants

The EIS should analyze the environmental, health, and economic impacts of mercury pollution from The Mesaba Project. Coal-fired power plants are the single largest source of mercury emissions in the nation. Mercury emitted from coal plants, and even cleaner IGCC plants that are similar to the proposed Mesaba Project, becomes methylmercury in the environment where it becomes toxic in even minute amounts. According to the FDA standard, it would only take 1 pound of methylmercury to contaminate 500,000 pounds of fish which when consumed by humans and wildlife can pose a health risk. The U.S. EPA has found that up to 1 in 6 women have levels of mercury in their blood above the safe standard, putting their future children at risk for learning and behavioral problems associated with mercury poisoning. The concern of mercury pollution is especially salient for The Mesaba Project due to the proximity of the plant to important fishery resources in the Great Lakes.

Even small amounts of mercury can have significant negative impacts. As a result, the Sierra Club requests as part of the EIS:

1. Modeling of the impact of mercury emissions on local deposition and accumulation in regional water bodies from the Mesaba Project, including the effects on impaired water bodies listed as mercury impaired under section 303 of the Clean Water Act. Waters that may be impacted by the project must be tested to determine if they are "impaired" as part of the EIS so decision makers have this important information.
2. Quantification of the healthcare costs and future damages of lost productivity resulting from mercury pollution, and any impacts on piscivorous wildlife.
3. A consideration of the disposal plans for mercury and other solids captured in the course of operation.

4. An investigation into how the proposed plant would impact the Total Maximum Daily Load (TMDL) mercury reduction plan currently being drafted by the Minnesota Pollution Control Agency (MPCA) to bring Minnesota's impaired waters into compliance with the federal Clean Water Act.

In addition to mercury, coal plants emit other hazardous air pollutants (HAPs), including lead, arsenic, beryllium, nickel, and cadmium. The EIS should at a minimum consider the impact of the above-mentioned HAPs (including mercury) in air modeling and in healthcare cost estimates.

C. Carbon Dioxide and Climate Change

In 2005, the national science academies of 11 nations, including the United States, sent the following message to the G8 summit:

Climate change is real. There will always be uncertainty in understanding a system as complex as the world's climate. However, there is now strong evidence that significant global warming is occurring. The scientific understanding of climate change is now sufficiently clear to justify nations taking prompt action.... We urge all nations.... to take prompt action to reduce the causes of climate change.... We call on world leaders ... to [a]cknowledge that the threat of climate change is clear and increasing."¹

This is not the first time scientists have expressed concern about the severity of global warming. In addition, the Intergovernmental Panel on Climate Change, the National Academy of Sciences, the American Geophysical Union have all forewarned of the dangers of continued inaction regarding global warming (climate change).² One only has to compare the levels of CO₂ emissions of other nations - and their efforts to reduce them - to our own to quickly realize that the United States must soon take serious steps to reduce CO₂ emissions in order for our planet to address global warming³. This includes both voluntary measures by utilities and the inevitable regulatory measures that will make coal relatively more expensive as a future source of electricity.

1. **CO₂ Emissions:** Coal plants are a major source of emissions of the greenhouse gas: carbon dioxide (CO₂). In 2000, coal plants contributed 32% of all carbon dioxide emissions in the U.S. Estimates have shown that The Mesaba Project is expected to be one of the largest single sources of CO₂ emissions in Minnesota.

¹ This statement was issued by the US National Academy of Sciences and its counterpart academies in Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, and the United Kingdom. It is available online at the website of the U.S. National Academies at <http://nationalacademies.org/onpi/06072005.pdf>.

² See, e.g., IPCC TAR; "Climate Change Science: An Analysis of Some Key Questions," 2001, National Academy of Sciences, <http://books.nap.edu/books/0309075742/html/>; and "Human Impacts on Climate," December 2003 statement by the American Geophysical Union, http://www.agu.org/sci_soc/policy/climate_change_position.html.

³ One small step the U.S. may take to reduce CO₂ emissions is demonstrated by a recent resolution passed by the U.S. Senate that calls for binding caps on CO₂ emissions.

In the EIS, the emissions of The Mesaba Project should be quantified and expressed in terms of tons per year and percent increase from the Minnesota power sector. In addition, it should be calculated in both annual terms and over the working lifetime of the facility.

- 2. Environmental Impact of CO₂ Emissions:** The CO₂ emissions released by the coal plant will mix with global emissions and contribute to global impacts. It is thus impossible to allocate particular environmental impacts to particular plant emissions. However, NEPA particularly urges federal agencies to “recognize the worldwide and long-range character of environmental problems.” NEPA, section 102(F). Since global climate change is probably the greatest single environmental threat the planet faces, and since coal plants are such an enormous source of greenhouse gases, the fact that particular impacts cannot be associated with particular emissions should not be an excuse for failing to consider the environmental impacts of the plant’s CO₂ emissions. Indeed, the EIS cannot be considered adequate unless it makes a serious effort to estimate the plant’s contributions to global warming.

It is possible to estimate the costs of CO₂ and other greenhouse gas emissions from the plant using a cost/ton externality value methodology. The EIS should survey the most recent literature estimating total global warming costs and allocating those costs on a cost/ton of CO₂ basis. Given the wide range of externality values available, the EIS should reflect low estimate, best estimate, and high estimate externality values and explain how each were calculated. These cost/ton externality values should then be multiplied by the estimated lifetime CO₂ emissions of the plant to attempt to put some boundaries on the contribution of this plant to global warming.

- 3. Alternative Sources of Emissions Reductions:** If society is to prevent dangerous climate change, it will need to make dramatic reductions in its CO₂ emissions during the next half century – perhaps on the order of 60-80% in developed countries. If The Mesaba Project is allowed to be built, its annual CO₂ emissions will eventually have to be offset by other CO₂ sources in society. The EIS should look at the costs imposed on society by having to offset these CO₂ emissions from other sources. For example, how many automobiles would have to be removed from the roads to offset this new coal plant? It has been estimated that a traditional 1000 MW coal plant emits roughly the same as 2 million cars; CO₂ emissions from The Mesaba Project would probably equal over a million cars. What cost would these or similar reductions impose on society?
- 4. Carbon sequestration:** While sequestration of CO₂ emissions may not be required under statute or included in any formal project proposal, some discussions of the Mesaba Project have mentioned carbon sequestration as a possible means of addressing atmospheric emissions of CO₂. The EIS should consider:

- a) in what ways sequestration is possible or beneficial for this project.
- b) what technical modifications are necessary to effect sequestration, and their cost.
- c) what geographic locations would be considered for sequestration, and the environmental and cost effects of the sequestration.
- d) the means by which CO₂ would be transported to the sequestration site.
- e) the success, if any, of other sequestration projects in other power plants, especially coal-gasification plants.

D. Solid Waste/Ash Management

A proper solid waste and ash management plan for the lifespan of the proposed plant is critical. The EIS should thoroughly address the adequacy of the details of the storage plan, its location, the safety of long-term storage, a chemical analysis of the proposed waste (include what percentage of the ash is unsuitable for sale and the composition and risk of on-site storage of this ash), the feasibility of marketing ash as a commodity, and the impact of waste disposal on ground water supplies and nearby ecosystems. In addition, the costs for cleaning up environmental contamination from poor ash management should be considered.

III. THE MESABA PROJECT IMPACTS – WATER RESOURCES

Where relevant, the EIS analysis of water resource impacts should be quantified for each project phase and for cumulative totals, and should specify responses for the different feedstocks anticipated.

A. Wastewater Contamination

The EIS should identify and quantify wastewater contamination resulting from The Mesaba Project.

At the Wabash plant upon which The Mesaba Project is based, there is a history of unresolved water permit violations, including violations of the permit and/or health standards for levels of selenium, cyanide, and arsenic. In light of this, the EIS should address how the wastewater treatment at The Mesaba Project will be different to avoid replicating similar problems. This should include a discussion of lessons learned from Wabash, and a specification of modifications necessary to adequately address the levels of these and other compounds.

Will wastewater be recycled into the system after treatment? If so, at what percentage? For wastewater not recycled into the system, the impacts of this magnitude of wastewater on the proposed drainage system should be identified.

B. Sources of Water for Plant Operation

The Mesaba Project is estimated to use 6,500 gallons of water per minute.

The EIS should examine exactly what amounts of water resources are necessary for plant construction and operation for each project phase. In addition, the EIS should examine where this water would come from, the feasibility and means of tapping that water, and the environmental and economic costs involved in extracting water resources. If all water resources are not pre-identified and available for each project phase, the EIS should question whether or not initial phases of the project should proceed.

C. Impact on Wetlands

The EIS should analyze the environmental, recreational, and economic impacts of the destruction of all wetlands affected by The Mesaba Project application.

The Mesaba Project EIS should fully account for the destruction of wetlands. Because of the unique value of wetlands to this region the EIS should account for any destruction of wetlands and alternatives to that destruction. Wetlands are extremely important to Minnesota financially, aesthetically, and functionally. Wetlands provide vital nutrients for many species, decrease flooding impacts, purify water, create habitat for a wide range of plants and animals, and provide waterfowl habitat benefiting bird-watchers, hunters, and other outdoor enthusiasts. The EIS should examine the cumulative impacts of the disappearance of wetlands and the impact on species, flooding, water purification, and both game and non-game wildlife habitat, the economic losses due to negative impacts on recreational uses of wetlands, and should provide alternatives to their destruction and/or detailed mitigation plans.

IV. THE MESABA PROJECT IMPACTS – ENDANGERED SPECIES

The EIS should explore the risk of construction and operation of the Mesaba Project on federal and state listed federal and endangered species that occur in the area, to ensure adequate protection of these species. DOE must consult with the U.S. Fish and Wildlife Service to analyze and identify all endangered species that may be affected by the proposed project, including from air pollution deposition.

V. THE MESABA PROJECT IMPACTS – COAL MINING, COAL HANDLING, TRANSPORT, AND CONSTRUCTION AND OPERATION

A. Coal Dust

The EIS should include an analysis of a detailed plan for coal handling and all forms of transportation from construction through continued operation. This analysis should seek to minimize fugitive dust emissions from coal handling, construction, and transportation. In addition, it should include air emissions of transportation of coal, type of road surface and potential for fugitive dust emissions, physical design of the coal storage area, disposal of coal

combustion waste, and an examination of health risks associated with emissions from coal handling and transportation during construction and operation.

B. Coal Mining Impacts

The environmental impacts of mining of coal for this facility is a related action and must be analyzed in the EIS. The EIS should examine the incremental impacts of this project on potential source coal mining areas, as well as the the impacts of mining on wildlife, people and water quality.

VI. THE MESABA PROJECT IMPACTS - NOISE

The EIS should consider the auditory impacts of construction, operation, and transportation related to The Mesaba Project on the surrounding environment and community, including noise levels, the time of day of increased noise, and how they relate to MPCA thresholds and the Arrowhead noise mitigation order.

VII. THE MESABA PROJECT IMPACTS – AESTHETICS

The EIS should consider the proposal's impacts on scenic resources, including, but not limited to:

- 1) exterior lighting;
- 2) light pollution at night;
- 3) height of stacks and cooling towers, and their visibility from surrounding area, especially in tourism-sensitive areas; and,
- 4) visibility and color of plume in different conditions.

VIII. THE MESABA PROJECT IMPACTS – LOCAL EXISTING ECONOMIES AND FUTURE DEVELOPMENT

The EIS should consider economic impacts of existing economies and future development. With existing economies, the EIS should consider the impacts on tourism and recreation industries in the area.

Regarding future development, it is important to remember that The Mesaba Project represents an ongoing commitment to this facility that will have a long-lasting ripple effect on economic development in the Iron Range and beyond. The Mesaba Project, as proposed, is a roughly \$2 billion dollar investment. Excelsior Energy Inc. has quantified the expected economic advantages in terms of jobs and local and state taxes. The EIS should quantify the potential lost economic opportunities in terms of jobs, taxes, and local income from choosing The Mesaba Project over the alternatives highlighted in section IX of our comments.

IX. THE AGENCY MUST COMPARE ALTERNATIVES AND EXAMINE THE BENEFITS OF RENEWABLES

A. Factors to Consider in Alternatives Analysis

The EIS should include a very thorough analysis of alternatives to The Mesaba Project. This is particularly important given the tremendous changes currently underway in the power sector, as renewable technologies like wind and biomass achieve ever greater levels of efficiency and economic viability, and as future CO₂ regulations are likely to emerge, further changing the economics and technology of power production and use. The fact that the The Mesaba Project would be located in a region with some of the best renewable energy resources in North America means there are many alternatives worth considering, for this or another location.

Extra consideration of this project is especially crucial because of DOE's stake in the project. Without DOE funding this project would likely not proceed, and DOE therefore has an extra responsibility to ensure that The Mesaba Project is the best possible proposal.

The alternatives analysis should address two fundamental questions:

1. Is the energy needed at all? Or could greater investment in demand side management (DSM) meet our needs without any of the environmental or health impacts of this proposal? Studies have shown that investments in energy efficiency can yield demand reductions at lower cost than building new power sources. The EIS should look at the DSM investment levels and achievements of the utilities in question, to see if they have squeezed from their systems all the efficiency improvements they could at a lower total cost to society than the The Mesaba Project unit would impose. The EIS should also consider the utilities' demand forecasts and consider whether they are reasonable.
2. If additional energy is needed, is additional coal - using IGCC technology or otherwise - the appropriate choice? The region that would be served by the The Mesaba Project has an enormous amount of unexploited wind and biomass potential. The EIS should explore and compare various clean energy alternatives to The Mesaba Project, including a discussion of environmental, economic, and health impacts for the local community and the areas affected by The Mesaba Project's proposed plume.

B. Economic and Social Factors Must be Considered

The EIS alternatives analysis should look not merely at direct environmental impacts of the various alternatives, but at the socioeconomic ones too. NEPA encourages federal agencies to use "a systematic, interdisciplinary approach, which will ensure the integrated use of the natural and social sciences" in looking at the impact of projects. NEPA, section 102(A). Particular attention should be paid in the analysis to two major socio-economic factors:

1. **Likelihood of future CO₂ allowance costs.** When comparing the costs of the various options, it is critical to keep in mind that the era when CO₂ could be emitted for free is almost surely coming to an end. When it does, it will

dramatically change the economics of electricity production and use, greatly disadvantaging coal power compared to all other sources of power production. This will surely trigger additional improvements in renewables like wind and biomass, as these industries mature and take advantage of technological advances, government incentives, and economies of scale.

Increasingly the realization of the impacts of carbon dioxide on the environment in the form of global warming is leading to actions to reduce carbon dioxide emissions. Fitch Ratings Global Power Group released a report in October 2004 that anticipated carbon regulation within 10 years. Additionally, in 2003, Xcel Energy's Vice President of Resource Planning and Acquisition testified before the Colorado Public Utilities Commission that carbon regulations should be considered by utilities purchasing the power rather than the generation owner to avoid double payment by the utility and its customers.⁴ Further, the testimony estimates proposed \$6/ton; however, it also recognized a range between \$12/ton to \$40/ton. The Colorado Public Utilities Commission decided on a cost of \$8/ton CO₂.

In December 2004, the California Public Utilities Commission "will now require utilities to account for carbon and other heat-trapping gases when considering the use of fossil fuel plants, and considers cleaner sources more cost-effective if they prevent carbon emissions at a cost of less than \$8-25/ton."⁵ The Sierra Club believes this is further proof that carbon regulations are a reality that The Mesaba Project must consider and requests running an analysis with carbon regulations at four levels: \$8/ton with a 9% and 10.5% annual increase and \$20/ton with a 9% and 10.5% annual increase.⁶ To avoid future impacts on rates, these costs should be considered in the costs of the facility.

2. **Alternative economic development the region could enjoy from pursuing wind, in-stream hydro, and closed-loop biomass.** As a windy, forested, agricultural region, there is great potential for regional benefits from electricity production, particularly from wind, in-stream hydro and closed-loop biomass on disturbed mine-lands. The Mesaba Project would use up a major share of the power market and transmission line capacity, crowding out renewable energy development that would be preferable both economically and environmentally.

⁴ Eves, David. Rebuttal Testimony before the Public Utilities Commission of the state of Colorado, Docket No. 04A-214E – 04A-216E, p. 18

⁵ "California Utilities Required to Account for Global Warming Gas Costs", Union of Concerned Scientists, www.ucsusa.org/clean_energy/renewable_energy/page.cfm?pageID=1600

⁶ McFarland, James R. et al., "The Future of Coal Consumption in a Carbon Constrained World", 4/29/2004, M.I.T., <http://web.mit.edu/10.391J/www/proceedings/McFarland2004.pdf>.

C. Particular Alternatives to consider

For each of the alternatives listed below, the EIS should consider the costs of the Mesaba Project in a per megawatt basis and compare per megawatt costs of energy efficiency, wind, solar, biomass, and combined-cycle natural gas (including co-generation). Additionally, for each of these alternatives their cost should be calculated assuming future CO₂ regulation based on the California PUC range of estimated future CO₂ costs (\$9-\$27/ton)

1. **Demand Side Management (DSM) Alternative:** If the projected energy demand that is to be fulfilled by this proposal is legitimate, the Sierra Club requests the scope of the EIS includes an analysis and discussion of an alternative to The Mesaba Project which addresses energy efficiency and demand side management. In this analysis and discussion, we request information on each of Excelsior's current DSM programs and what they are proposing in the next 5-15 years.
2. **Wind + closed-loop biomass + DSM + In-stream Hydropower:** The Sierra Club requests the scope of the EIS includes an analysis and discussion of an alternative to The Mesaba Project which incorporates wind energy, biomass, and DSM to reduce and serve the projected base-load need.

The project's original proposal included 1,000 MW of wind power in the project when requesting favorable terms for transmission line development (eminent domain) and requirements that existing investor utilities negotiate to by the Mesaba Energy electricity. The EIS must evaluate the alternative originally proposed by Mesaba to the Minnesota Legislature.

3. **Wind + natural gas or closed-loop biomass:** The areas in Minnesota near this site have high wind energy potential. The Sierra Club requests the scope of the EIS includes an analysis and discussion of an alternative to The Mesaba Project, either at this or another location, which incorporates a majority of the baseload need from wind energy with adequate back up generation from natural gas or closed-loop biomass on disturbed mining sites.

D. Alternative Locations:

There is an urgent need to determine whether CO₂ capture and storage is a long term viable possibility. Our understanding is that the proposed location has no possibility for CO₂ capture because of the local geology. We urge that DOE consider alternative locations for this proposed project where CO₂ capture and storage could be demonstrated.

The Sierra Club wishes to express its appreciation for your consideration in reviewing these comments. We look forward to working with you as this project progresses.

Sincerely,

Christopher Childs

by permission *Brian S. Pasko*

Christopher Childs
Chair, Clean Air Committee
North Star Chapter of the Sierra Club

>>> "LAURIE JEPSON" <coloradorocky323@msn.com> 11/4/2005 12:08 AM >>>

Name: Steven P Rowley
Address: 2111 Dayton Ave
St Paul MN 55104
E-Mail: rowjep@yahoo.com
Coloradorocky323@msn

Dear Mr. Richard Hargis:

I was present for the DOE EIS public scoping meeting at Taconite Minnesota on October 25, 2005. There were good questions and comments brought up by concerned citizens regarding the environmental aspect of this project. After when all who were scheduled voiced their concern, the floor was open to others who wished to speak. Unfortunately, all those that took the opportunity did not have questions or concerns of the environmental aspect of the project but were grandstanding each other (elected officials) and Excelsior Energy. I was very uncomfortable and found that to be quite disturbing.

I have one question that I would like to be addressed and I was actually afraid to ask for fear of retribution. My question is this, I own lot 8 on Big Diamond Lake, and it is me and my wife's decision to build a home on that lot and move there after my daughter has finished attending Adams Spanish Immersion School in St Paul, in about three years. My concern is being in close proximity to the plant (the plans seem to change quite often though) of about a couple thousand feet. The plant would be due northwest of my property. In the winter especially the prevailing winds blow from the northwest. I would like to know the amount and type of emissions and concentration that I can expect to have blow over my future home and the effect it would have particularly on my two children. My younger child, Alexei is a Russian adoptee and we give regular reports on his progress to the Russian Federation and the Oblast of Kursk. We will need this information to report to the Russian officials. Also due to this plant I was surprised that Highway Seven would be re routed next to my cabin and within what I think is about a hundred feet would be the railroad that would carry lots of traffic. All these things will greatly compromise the integrity of my property. I would also like to know how this would impact the value and standard of living due to a greater risk of accidents, air quality and noise. My father lives within a half mile of a railroad in East Bethel MN and the railroad noise is obnoxious. Please consider this in the EIS as this project will greatly affect the 11 homeowners on Diamond and Dunning lakes at a cost of over 2 billion dollars for about 100 jobs. This plant was proposed to elected officials and others for a brownfield site. I do not consider my property a wasteland.

Thank you for your time and understanding.

Steve Rowley
2111 Dayton Ave
St Paul MN 55104

29 SE 5th St.
Chisholm, MN 55719
November 8, 2005

Mr. Richard A. Hargis
National Energy Technology Laboratory
U.S. Dept. of Energy
626 Cochrans Mill Road
P.O. Box 10940
Pittsburgh, PA 15236—0940

Re: Scoping Comments on Mesaba Energy Project Integrated Gasification Combined
Cycle Demonstration Plant

Although I am impressed by the technological research that has gone into the coal gasification process, and the intent of the DOE to stimulate a cleaner coal initiative in the production of electricity, I have many concerns about this project.

Because the siting of this project is being politically driven, some of the touted advantages of this process are being compromised. For example, because both alternative sites for this project are on bedrock, the sequestering of CO₂ cannot take place unless the CO₂ is piped approximately 200 miles south. As a result, this part of the technology, which would have the greatest effect on the reduction of global warming, is being put on hold. I am also very concerned about the fact that the Mesaba Project was granted the power of eminent domain by the state legislature, allowing the company to locate power transmission lines on private property.

The Excelsior Energy Company basically services the Twin Cities area of Minnesota, which is 200 miles south of the siting area. From an economic standpoint, I would think it would make more sense to locate such a plant closer to the area it would be serving, or possibly closer to a coal source. When I asked a DNR official why a wind energy plant was not being considered for the Mesaba area, I was told that electricity loses power over distance and it would not be feasible to transport that energy all the way to the Cities. So why is it feasible to transport electric energy the same distance using coal power?

This past summer, several storms passed through the Twin Cities area, resulting in the loss of electric power to Excelsior customers. In fact, during the last major storm, some customers were without electric power for a week. This is not an electric power source problem—this is a grid problem. If the \$1.97 billion cost of the coal gasification project were used to develop and provide solar panels to Excelsior customers, this would help solve the grid problem while at the same time eliminating extra need for a coal powered source of electricity.

So my first concern is about the philosophy of our current energy policies. We are now living in a post-Katrina world. We are face to face with global climate change, declining sources of oil, and increasing costs of oil. We will not get very far into the future unless

we change our thinking. The construction and operation of the Mesaba coal project is going to require large amounts of oil fuels. In fact, I'm guessing that the \$1.97 billion cost is an underestimate.

Therefore, I would like the EIS to include the amount of oil resources that will be necessary to build and maintain this plant.

I am also concerned about the atmospheric pollutants, including mercury. This is going to be a very large plant, and although the level of these pollutants is expected to be "equal to or below those of the lowest emission rates for utility-scale, coal-based generation fueled by similar feedstocks," I would like to know what that means. The EIS needs to include real figures.

I am also concerned about the over-all impact of the coal gasification plant in combination with other industrial polluting sources on the Iron Range. These include the current taconite plants which are running at full capacity, the Mesabi Nugget Project, the proposed Minnesota Steel plant, increased timber harvesting and hauling, and a projected increased population base. The EIS needs to include figures.

I am also concerned about the overall impact on wetlands and on the water supply from these combined projects. Watershed degradation needs to be addressed.

I would also point out that the legislators and company officials promoting this project all work in offices. The jobs being promoted are not white collar jobs. They involve shift work, hard labor, noise, and air pollution. In addition, the company officials involved will be paid for their services whether or not the plant goes on line. I believe the EIS should include a read-out of company official salaries and benefits in comparison to those of plant workers.

I would also like to express my concern about the mining of coal that is currently taking place in this country. Rules and regulations have been altered to allow for the mountain-top mining of coal, which is environmentally extremely destructive. So this coal gasification plant cannot be taken as a single project; it is part of a national policy which I believe needs fixing.

I believe that the lessons of 9/11 and Katrina show us that we are one nation. The siting of this particular project should not be based on individual competitive interests, but on the overall good of the whole. In this context, a coal gasification plant being constructed to serve the needs of the metropolitan area would not be built on the Iron Range of Minnesota. Nor are we even considering a new view, which includes solar, wind, and fuel cell technology. For example, carbon fuel cell technology uses coal to create continuous carbon cycles. This is the kind of technology that China is experimenting with.

I request that this EIS considers other uses for this site: the manufacturing of wind or solar products, other new alternative technology development that is not as destructive on

the environment, scenic and recreational value, forestry products, and condominiums or other types of alternative housing that would be appropriate for vacation use. Dollars could be spent on new types of transportation systems to connect us to the metro area.

Let's not bury our heads in the "coal." I believe the DOE should take the no action alternative.

Sincerely,

Elanne Palcich

Elanne Palcich

>>> "Charlotte Neigh" <neighcan@uslink.net> 11/14/2005 8:50 AM >>>
Dear Mr. Hargis:

Will you please explain the meaning of the term "cost-shared funding" contained in the NOI, relating to the \$36 million from the DOE.

Thank you.

Charlotte Neigh

Mr. Richard Hargis
M/S 922-342C
U.S. Department of Energy
National Energy Technology Laboratory
P.O. Box 10940
Pittsburgh, PA 15236-0940

Re: Mesaba Energy Project Environmental Impact Statement Scope Comments

Dear Mr. Hargis,

Having read the Notice of Intent and attended the scoping meeting in Hoyt Lakes, MN, I am forwarding the following suggestions concerning the scope of the Environmental Impact Statement for the Mesaba Energy Project being proposed by Excelsior Energy Inc. for demonstration of an Integrated Gasification Combined Cycle electric generating facility for consideration under DOE's Clean Coal Power Initiative:

1. Reliability

Will the EIS establish a statistical degree of confidence that the plant will be capable of staying on-line for the required 90% of total operating time? Will the reliability modeling methods and data be transparent and be made accessible to the general public?

How will the parameters for the worst case reliability scenario be selected? Will the output include an estimate of the economic and environmental effects of a failure to meet the required on-line performance time requirement? Would the public be liable for a failure of the plant to meet reliability goals and thus financial goals? This would be a social consequence.

Will the effects of worst-case feedstock supply scenario be included in reliability modeling? Effects on both component reliability and plant emissions should be considered.

2. Project Size and Cumulative Effects

Why are only two of the proposed three 600 megawatt project phases being included in this EIS? How would this omission affect the cumulative effect analysis described in items 12 and 13 of the Notice of Intent?

Total electric power consumption by taconite processing, non-ferrous mineral processing, mini-steel mills and associated mining and support activities on the Iron Range of northeastern Minnesota is estimated to be about 6,000 megawatts in the next decade. Will the effects of this total power consumption and production be included in the scope of the EIS? Electric power consumption enables the emission of all air and water pollutants from these mineral processing plants. The effects of these pollutants on air and water quality throughout northeastern Minnesota including Lake Superior and its watershed

should be included in the scope. Excelsior Energy Inc. is proposing to produce 1,800 megawatts of this total electric consumption.

If power generation on the Iron Range and the rest of northeastern Minnesota were to be limited for environmental, social and other reasons, how would priorities be established and how would they affect this project?

3. Pollution

How do air emissions of mercury from the three potential phases of Excelsior Energy Inc.'s power generation plan for the Iron Range fit into the mercury reduction (Total Maximum Daily Load) plan being prepared by the Minnesota Pollution Control Agency for the Environmental Protection Agency to meet the requirements of the Clean Water Act?

Will a viable plan for disposal of mercury captured in carbon filters and other solid media be analyzed as part of the EIS? Will the use of solids containing the captured mercury be considered for commercial applications such as in concrete and asphalt for construction?

If this technology were not selected as the primary technology in the CCPI demonstration program, how would the phase I plant be integrated into the state's power generation system? If variances had been given for emissions from the phase I demonstration plant, would they be grandfathered into the extended permitting of the plant or would the problems need to be corrected before commercialization?

Thank you for the opportunity to comment.

Sincerely,

LeRoger Lind
Save Lake Superior Association Board Member
2948 E Castle Danger Rd
Two Harbors, MN 55616

November 5, 2005

Monday, November 14, 2005 11:06 AM

Here is a summary of a phone call I received from Lois and Everett Jenkins, 302 Dorchester Drive, Hoyt Lakes, MN, 55750, PH# 218-225-2660.

Called to voice opposition to the proposed project. Elected representatives focus on jobs but not a healthy environment. They are concerned with the number of projects being proposed for the area now and in the past, including a National Guard training camp. The environment is no longer pristine. DNR has indicated that fish consumption is not safe, but the public needs to be made more aware of this. Minnesota Power has been polluting the area and will finally upgrade their pollution controls. The Mesaba Project would negate the positive effect from upgrading controls at the existing power station. Mercury levels are already above acceptable limits. Public has to use bottled water and purify tap water. Concerned about "carte blanche" approval for transmission lines for the project. Believes that the EIS drafts are weak and wants to know why. DOE and state of MN should be concerned about tourism and beauty of northern MN. The few jobs do not outweigh the environmental consequences.

November 14, 2005

VIA ELECTRONIC MAIL

Mr. Richard Hargis
NEPA Document Manager
M/S 922-342C
U.S. Department of Energy
National Energy Technology Laboratory
P.O. Box 10940
Pittsburgh, PA 15236-0940

RE: Notice of Intent to Prepare an Environmental Impact Statement and Notice of Proposed Floodplain and Wetlands Involvement for the Mesaba Energy Project Integrated Gasification Combined Cycle (IGCC) Demonstration Plant Northern Minnesota Iron Range, Itasca County, MN

Dear Mr. Hargis:

These comments are submitted by the Izaak Walton League of America – Midwest Office and Minnesotans for an Energy-Efficiency Economy. The Izaak Walton League of America (the League) is a national conservation organization committed to protecting fish and wildlife, critical habitat, and air and water resources. The Midwest Office of the League works on energy and air quality issues throughout the Midwest.

Minnesotans for an Energy-Economy (ME3) is a private, nonprofit organization working in the public interest to enhance economic development and improve environmental quality on issues and projects related to our energy system. ME3 works throughout the Midwest region.

Due to the similarity of the Environmental Impact Statement (EIS) requirements under the National Environmental Policy Act (NEPA) and under Minnesota statute, the United States Department of Energy (DOE) has indicated its intent to work with the Minnesota Public Utilities Commission and the Minnesota Department of Commerce to prepare an EIS that fulfills the obligations of both federal and Minnesota law.

Minnesota rules also state, “No state action significantly affecting the quality of the environment shall be allowed, nor shall any permit for natural resources management and development be granted, where such action or permit has caused or is likely to cause pollution, impairment, or destruction of the air, water, land or other natural resources

located within the state, so long as there is a feasible and prudent alternative consistent with the reasonable requirements of the public health, safety, and welfare and the state's paramount concern for the protection of its air, water, land and other natural resources from pollution, impairment, or destruction. Economic considerations alone shall not justify such conduct.”¹

The League and ME3 are submitting comments on the Mesaba Energy Project Integrated Gasification Combined Cycle Demonstration Plant (“the Project” or “Mesaba Energy Project”) due to its potential impact of the air, water, land and other natural resources located within Minnesota and downwind of Minnesota.

Comments on the Necessary Scope of the EIS

The EIS must assess the impacts of the project as proposed, and compare them to the impacts of each reasonable alternative to the project.² It must “present the environmental impacts of the proposal and the alternatives in comparative form, thus sharply defining the issues and providing a clear basis for choice among options by the decision-maker and the public.”³ In defining the scope of the EIS, DOE must first identify each type of impact, including direct, indirect and cumulative impacts, associated with the Mesaba Energy Project.⁴ The EIS scoping decision must also identify the reasonable alternatives to the project that will be analyzed.⁵

These comments identify some of the direct, indirect and cumulative impacts that are of primary concern, and identify a minimum number of alternatives that the EIS should analyze in depth.

I. The EIS analysis of air impacts must compare the Mesaba Energy Project to several alternatives

DOE states in the October 5, 2005, Federal Register notice of intent to prepare an EIS for the proposed Mesaba Energy Project that “the only alternative to the proposed action...is the no-action alternative.”⁶

There are alternatives other than the no-action alternative that must be

¹ Minn. Stat. § 116D.04 Subd. 6.

² 40 CFR §§ 1502.14, 1502.16

³ Id. §1502.14

⁴ See, 40 CFR §§1501.7, 1508.25

⁵ Id.

⁶ 70 Fed. Reg. 58,210 (October 5, 2005).

considered in the EIS in particular because the federal EIS will also serve as the state EIS.

- a. Minnesota law exempts “innovative energy project[s]” from the state’s Certificate of Need process.⁷ It does not, however, exempt the project from the environmental review process under Minn. Stat. § 116C, or from the substantive standard of Minn. Stat. § 116D. 04, subd. 6, cited above. In order to determine whether there are alternative means of meeting the electrical demand that will be served by this plant, alternative generation technologies as well as efficiency and conservation of electrical energy should be examined. Moreover, the Project is not exempt from siting and routing review. According to Minnesota law, Excelsior Energy must “propose at least two sites for a large electric power generating plant and two routes for a high voltage transmission line.”⁸ As such, a wide variety of impacts as outlined in Minnesota law must be included in the analysis of the Project, including but not limited to:⁹
 - i. The “effects on land, water and air resources of large electric power generating plants and high voltage transmission lines and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment.”

At a minimum, emissions of criteria pollutants, mercury, and carbon dioxide (CO₂) from the Project must be evaluated for their effects on public health and welfare, vegetation, animals, etc.
 - ii. The “effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects.”

⁷ Minn. Stat. § 216B.1694, Article 4, Section 1, Subdivision 2, states that an innovative energy project “is exempted from the requirements for a certificate of need under § 216B.243, for the generation facilities, and transmission infrastructure associated with the generation facilities, but is subject to all applicable environmental review and permitting procedures of §§ 116C.51 to 116C.69.”

⁸ Minn. Stat. § 116C.57, Subd. 2A.

⁹ Minn. Stat. § 116.57, Subd. 4 states, in part, that decisions must “be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.”

Both mercury removal technologies and carbon dioxide capture and storage -enabled (CCS) technologies must be evaluated as mitigation measures.

- iii. The “adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted.”

Construction and operation of a new electric generating facility will create adverse impacts in terms of additional emissions of criteria pollutants, mercury, and CO₂. The impacts of these additional pollutants should also be evaluated.

- iv. The “future needs for additional high voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications.”
- v. The “irreversible and irretrievable commitments of resources should the proposed site or route be approved.”

The incremental electricity that would be provided if this plant is approved constitutes “an irretrievable commitment of a resource” that could be met with other forms of generation, including efficiency measures and renewable sources of electricity, or with generation located nearer to the load it might service.

- b. Federal NEPA requirements include consideration of reasonable alternatives to the proposed Project. This includes consideration of projects of differing scale or size and should be included in the EIS.

II. The EIS should examine the emission and deposition of criteria pollutants and the cumulative impacts that would result from the Mesaba Energy Project, and order the use of specific control technologies as a mitigation measure

- a. The use of coal gasification as a technology to produce electricity generally results in lower emissions of sulfur dioxides, nitrogen oxides, particulate matter, and other criteria pollutants as compared to conventional pulverized coal-burning power plants.
- b. The EIS should examine the use of selective catalytic reduction (SCR) and Selexol to further reduce nitrogen oxide emissions and sulfur dioxide

emissions, two harmful criteria pollutants. The combination of SCR and Selexol forms the basis of the ConocoPhillips E-Gas™ reference plant.¹⁰

III. The EIS should examine the emission and deposition of mercury and the cumulative impacts that would result from the Mesaba Energy Project, and order the use of specific mercury control technologies as a mitigation measure

- a. Coal-fired power plants account for 46% of mercury emissions in Minnesota, and are the largest single source of the mercury pollution in the Upper Midwest.¹¹ The Mesaba Energy Project EIS should examine the emissions and deposition of mercury that would be caused by the proposed project, and analyze the environmental, public health and societal cost impacts to Minnesota and locations downwind associated with the additional mercury pollution.

Removal of mercury from the emissions of this coal plant, or prevention of mercury emissions through a no-action alternative, is particularly important to Minnesota, given the economic size of Minnesota's tourism industry, and the importance to Minnesotans of recreational and subsistence fishing. Currently, the mercury levels in many Minnesota fish are so high that they cannot be eaten safely. Minnesota has listed over 1,400 waters as impaired by mercury contamination. This number is limited only by the amount of testing which has been done, since virtually every time mercury levels are tested in fish tissue, they are found to be excessive.

- b. Integrated gasification combined cycle (IGCC) operations can control and capture mercury emissions. Excelsior Energy states that "IGCC technology also removes ninety percent or more of mercury prior to combustion more effectively and at a lower cost than the post-combustion removal technologies under development for conventional coal plants."¹²

¹⁰ Herbanek et al. "E-Gas Applications for Sub-bituminous Coal," presented at Gasification Technologies 2005, October 2005. See www.gasification.org.

¹¹ See Minnesota Pollution Control Agency, "Estimated Mercury Emissions in Minnesota for 1990, 1995, & 2000: March 2004 Update," available at www.pca.state.mn.us/publications/reports/mercury-emissionsreport0304.pdf and Izaak Walton League of America, Midwest Office, 2000 Report, "Mercury in the Upper Midwest" available on the web at www.iwla.org/reports/mercury.html.

¹² See www.excelsiorenergy.com/IGCC_Technology/Rationale/Rationale.htm.

DOE and others have highlighted the mercury removal potential of IGCC technology and have devoted resources to its development.

“Compared with combustion systems, IGCC has a major advantage when it comes to mercury control. Commercial methods have been employed for many years that remove trace amounts of mercury from natural gas and gasifier syngas. Both molecular sieve technology and activated carbon beds have been used for this purpose, with 90 to 95% removal efficiency reported.”¹³

- c. While Excelsior Energy has agreed that mercury *can* be controlled from IGCC plants, they have made no commitments to date to actually install the necessary equipment to control emissions from the proposed facility.

The EIS should study the full range of mercury control technologies that can mitigate the impacts of additional mercury emissions from the Project. For example, research indicates that high levels of mercury can be removed through the use of dual carbon beds in series.¹⁴

- d. The federal Clean Water Act requires the Minnesota Pollution Control Agency (MPCA) to assess state water bodies for elevated levels of mercury and other pollutants. Two-thirds of the waters listed as impaired within Minnesota are polluted with elevated levels of mercury. The MPCA recently completed a Total Maximum Daily Load (TMDL) study, which determined the sources of the mercury pollution and the reduction actions required. This draft TMDL will be submitted to the EPA for approval once the state has examined the scope of public comments on the draft TMDL.

The TMDL demonstrates that in order for fish from Minnesota waters to be safe to eat for all but the highest consumers, a 93% reduction in human-caused emissions from 1990 levels is needed. To achieve this level of reduction, the draft TMDL establishes a target of 789 pounds of annual mercury air emissions from Minnesota sources. Current emissions exceed 2,550 pounds and meeting this goal will require a 76% reduction from 2005 emissions.

The MPCA is moving the state toward the adoption of this reduction goal

¹³ Ratafia-Brown, et al. “An Environmental Assessment of IGCC Power Systems,” presented at the Nineteenth Annual Pittsburgh Coal Conference, September 23 – 27, 2002.

¹⁴ Parsons Infrastructure and Technology Group, “The Cost of Mercury Removal in an IGCC Plant,” prepared for the United States Department of Energy National Energy Technology Laboratory, September 2002.

and has identified “the need to limit future emissions from new and expanding facilities,” as a necessary short-term action.¹⁵ The EIS must examine the potential increase in mercury emissions from the project in light of the goal established by the MPCA for in-state mercury reductions.

According to the Minnesota’s draft TMDL, the most heavily impacted lakes for mercury pollution are concentrated in the northeastern portion of the northern TMDL region.¹⁶ A new source of mercury air emissions located in this region will potentially contribute to even greater levels of mercury in fish tissues in these sensitive northeastern Minnesota lakes. The EIS should examine the impact of the mercury emissions from the project will have on water bodies, including those in the northeast region and in the Lake Superior Basin.

- e. In addition, the process through which bacteria convert mercury to a bio-available form, known as methylation, is accelerated by the addition of sulfate to wetland systems.¹⁷ The Mesaba Energy project will contribute sulfur emissions in the region, which may result in increased sulfate deposition, higher levels of methylation, and increased levels of mercury in fish tissue. The EIS should determine what impact sulfur emissions from the proposed project will have on sulfate deposition in the northeastern Minnesota TMDL region and the Lake Superior Basin.
- f. In addition to the Mesaba Energy Project, there are other additional new or expanding sources of mercury emissions in the northeastern region, including Keewatin Taconite, Mesabi Nuggets and Northshore Mining. The EIS should disclose and assess air emissions from the project itself, as well as the assess the air emissions that will result as an incremental effect of Mesaba Energy in addition to other the other regional projects that contribute air emissions.
- g. The EIS should require detailed air deposition modeling to determine the characteristics of mercury and other pollutant deposition associated with the Project. This modeling will identify the watersheds most at risk, including potentially the Lake Superior Basin.

IV. The EIS should examine the emission of carbon dioxide and the cumulative impact on the climate that would result from the Mesaba

¹⁵ Minnesota Pollution Control Agency, “2005 Mercury Reduction Progress Report to the Minnesota Legislature,” p. 21, October 2005.

¹⁶ Minnesota Pollution Control Agency, “Minnesota’s Total Maximum Daily Load Study of Mercury,” DRAFT, p. 14, May 24, 2005.

¹⁷ Ibid, pp. 8, 29-30.

Energy Project, and order the use of specific control technologies as mitigation measures

- a. We request that the EIS consider, among other environmental impacts, the greenhouse gas emissions impact of the Mesaba Energy Project. The impact of this plant compared to the “no-action” alternative will be to exacerbate a growing problem of CO₂ emissions from coal plants, which are the major cause of the phenomenon of human-induced climate change.
- b. Federal law commits the United States government to return anthropogenic emissions of CO₂ and other greenhouse gases to 1990 levels.¹⁸ President Bush has reaffirmed the federal government’s commitment to “stabilize atmospheric greenhouse gas concentrations at a level that will prevent dangerous human interference with the climate.”¹⁹

Peer-reviewed studies indicate that in order for greenhouse gas concentrations to stabilize soon enough to prevent dangerous climate change, “as much as 98% of the capital stock of U.S. fossil power plants would need to be replaced with state-of-the-art carbon dioxide capture and storage -enabled (CCS) power plants by the year 2050.”²⁰ Considering that the operational life of a coal-fueled power plant is 50 to 60 years long, federal approval of any of the new coal-fueled plants currently being proposed without CCS will have a significant impact on the ability of the federal government to meet its stabilization commitment. Federal law requires the United States government, as a partial means of meeting that commitment, to “[t]ake climate change considerations into account” in its “social, economic and environmental policies and actions.”²¹ As an organ of the federal government, DOE is therefore obligated to factor climate change considerations into its EIS for the Mesaba Energy Project.

- c. Global warming evidence continues to mount. As recently as July 21, 2005, Nobel Laureate Professor Mario Molina, of the University of California at San Diego testified before the U.S. Senate Energy and Commerce Committee that:

¹⁸ United Nations Framework Convention on Climate Change (UNFCCC), Art. 4, Para. 2, Cls. (a), (b); 138 Cong. Rec. 33521-27 (Oct. 7, 1992) (Senate ratification).

¹⁹ Address by President George W. Bush to the National Oceanic and Atmospheric Administration (Feb. 14, 2002).

²⁰ J.J. Dooley, et al., Accelerated Adoption of Carbon Dioxide Capture and Storage Within the United States Electric Utility Industry: The Impact of Stabilizing at 450 PPMV and 550 PPMV, Seventh International Conference on Greenhouse Gas Control Technologies (GHGT7) (Dec. 3, 2004).

²¹ UNFCCC, Art. 4, Para. 1, Cl. (f).

Simply stated, the world is warming.

- It is primarily due to our emissions.
- More warming is inevitable — but the amount of future warming is in our hands.
- Because CO₂ accumulates and remains in the atmosphere, each generation inherits the emissions of all those who have gone before. Many future generations of human beings will wrestle with this issue.
- Modest amounts of climate change will have both positive and negative impacts. But above a certain threshold, the impacts turn strongly negative for most nations, people, and biological systems.

Dr. Molina noted that the likelihood that the average global temperature will rise above 4 degrees Fahrenheit is 80-90%, with potentially catastrophic results.²² He states also that there is now an “overwhelming consensus” that our failure to act to reduce greenhouse gases:

will produce a risk of significant adverse consequences that is far higher than we find acceptable in other arenas. When facing a substantial chance of potentially catastrophic consequences and the near certainty of lesser negative effects, the only prudent course of action is to mitigate these risks. And let us be clear — when we speak of potentially catastrophic consequences in this context we are talking about devastating impacts on ecosystems and biodiversity; severe flood damage to urban centers and island nations as sea level rises; significantly more destructive and frequent extreme weather events such as droughts and floods; seriously affected agricultural productivity in many countries; the exacerbation of certain diseases; population dislocations; etc.²³

- d. A great benefit of IGCC technology is the ability to more easily capture CO₂ emissions from the flue gas stream. Excelsior Energy states that “IGCC technology makes it possible to remove and sequester CO₂, thus offering significant advantages when future carbon constraints require

²² See http://energy.senate.gov/public/index.cfm?FuseAction=Hearings.Testimony&Hearing_ID=1484&Witness_ID=4226

²³ *Id.*

further emission reductions.”²⁴ Note that Minn. Stat. § 216B.1694 subd. 2, which exempts the Project from some Minnesota laws, requires an effort to conduct a demonstration project at the site for carbon sequestration, geologic or terrestrial. The EIS should discuss the feasibility, cost and availability of such carbon removal methods, including forestry methods of carbon removal and sequestration.

Excelsior Energy has not made a proposal to utilize CCS, nor discussed in any detail the Project's ability to do so at the proposed sites in the future. CCS implementation is not automatically feasible at all sites. If it is not feasible at this site, and the removed carbon cannot be transported to a feasible disposal site, then it does not mitigate the environmental impacts of the project.

At a minimum, the Mesaba Energy Project EIS should document how much CO₂ and other greenhouse gases will be emitted over the life of the plant. The EIS should also document the variance in greenhouse gas emissions between Mesaba Energy Project as proposed and the “no action” alternative to the proposed plant.

And, at a minimum, the EIS must also consider the site-specific potential and costs of CCS implementation for the Project. If the EIS demonstrates that the Mesaba Energy Project can utilize CCS technology, said technology should be ordered as a mitigation measure for the CO₂ impact.

V. The EIS should examine the likelihood, costs and means of complying with future carbon regulation

- a. The costs of constructing and operating the proposed Mesaba Energy Project are relevant to several aspects of the regulatory permitting process, particularly in comparing the reasonableness and feasibility of alternatives.

The cost of operating any fossil-fueled power plant is virtually certain to be increased by foreseeable future regulatory limitations on carbon emissions or carbon taxes, due to the widely recognized phenomenon of global warming caused principally by emissions of CO₂ from coal-burning electrical generating plants and motor vehicles.

Governmental response to global warming is occurring worldwide. It is evident that future regulation of carbon emissions will occur in the United States, probably early in the life of the proposed Mesaba Energy Project,

²⁴ See www.excelsiorenergy.com/IGCC_Technology/Rationale/Rationale.htm.

and the cost of meeting those carbon constraints will increase the cost of the proposed plant.²⁵ Such costs should be anticipated and factored into the decision making process, and should be examined and discussed in the EIS.

- i. Just before this summer's G8 summit, the National Academies of Science of all 8 countries, including the U.S., called upon the world leaders to acknowledge that the threat of climate change is "clear and increasing" and urged "prompt action."²⁶
- ii. At the G8 Summit itself, world leaders, including President Bush, pledged "to act with resolve and urgency now to meet our shared and multiple objectives of reducing greenhouse gas emissions, enhancing energy security, and cutting air pollution in conjunction with our vigorous efforts to reduce poverty."²⁷
- iii. This summer, the U.S. Senate adopted a bipartisan resolution finding that greenhouse gases are warming the planet and posing substantial risks. For the first time, a significant majority of Senators called for "a comprehensive and effective national program of mandatory, market-based limits and incentives on emissions of greenhouse gases."²⁸
- iv. Twenty states and the District of Columbia now have Renewable Energy Standards, including those most recently adopted in Montana, Illinois and Delaware.²⁹

²⁵ For a thorough discussion of future costs of carbon regulation, see the comments that ME3, IWLA, and MCEA, recently filed jointly with the Union of Concerned Scientists, in the Minnesota Public Utilities Commission proceeding to evaluate Xcel Energy's 2004 integrated resource plan, PUC Docket No. E-002/RP-04-1752, available on the MCEA web site, www.mncenter.org/mcea/files/documents/RP_COMMENTS_FINAL.pdf

²⁶ This statement was issued by the U.S. National Academy of Sciences and its counterpart academies in Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia and the United Kingdom. It is available online at the website of the U.S. National Academies at <http://nationalacademies.org/onpi/06072005.pdf>.

²⁷ "Climate Change, Energy, and Sustainable Development," Gleneagles Communiqué, July 2005, available online at: www.fco.gov.uk/Files/kfile/PostG8_Gleneagles_Communique.pdf.

²⁸ Sense of the Senate on Climate Change, H.R.6 §1612, Energy Policy Act of 2005. This resolution passed by voice vote after a measure to table it failed by a vote of 54-43.

²⁹ See, www.ucsusa.org/clean_energy/renewable_energy/page.cfm?pageID=47. Minnesota also has a renewable energy requirement for one utility, Xcel Energy.

- v. Several northeastern and mid-Atlantic states are moving ahead with their own regional cap-and-trade system, called the Regional Greenhouse Gas Initiative, that will impose mandatory limits on CO₂ emissions from their power sector.³⁰
 - vi. Massachusetts, New Hampshire, Washington and Oregon have already passed laws limiting power plant CO₂ emissions or requiring them to purchase offsets.³¹
 - vii. There is a widespread consensus that the most efficient way to impose limits on CO₂ emissions is through a cap-and-trade system similar to the one pioneered under the Clean Air Act's acid rain program. Cinergy has announced its support for a carbon cap-and-trade system with an escalating cap on carbon allowance prices.³² PacifiCorp and Idaho Power expect to have to purchase CO₂ allowances in the future, and have gone to some effort to predict their cost.
 - viii. California has taken the lead in recognizing the need for dramatic long-term emission reductions. In June, Governor Schwarzenegger issued an executive order announcing the target of reducing greenhouse gas emissions to 2000 levels by 2010, to 1990 levels by 2020, and to 80% below 1990 levels by 2050.³³
- b. In 2005, the Minnesota legislature adopted new language emphasizing the importance of factoring future environmental regulations into the review of new energy facilities:

“If the applicant is proposing a nonrenewable generating plant, [the commission shall evaluate] the applicant’s assessment of the risk of environmental costs and

³⁰ The website for this initiative, the Regional Greenhouse Gas Initiative, is at www.rggi.org. Members include Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont. In addition, Maryland, the District of Columbia, Pennsylvania, the Eastern Canadian Provinces and New Brunswick are participating as observers.

³¹ “Emissions Standards for Power Plants,” Massachusetts Department of Environmental Protection, 310 CMR 7.29; “Multiple Pollutant Reduction Program,” New Hampshire Revised Statutes Ann. ch. 125-O; “Carbon Dioxide Mitigation,” Washington Revised Code, ch.80.70; Carbon Dioxide Emissions Standard, Oregon Revised Statutes § 469.503.

³² “Cinergy Releases Report on Potential Impact of Greenhouse Gas Regulation,” Cinergy New Release, December 1, 2004. Available online at www.cinergy.com.

³³ Executive Order S-3-05, June 1, 2005.

regulation on that proposed facility over the expected useful life of the plant.”³⁴

Thus, future costs due to regulatory carbon constraints will increase the costs of the proposed Mesaba Energy Project, and will enhance the reasonableness of the alternatives to be studied in the EIS.

VI. The EIS should consider the cumulative impact of recent rules passed to control criteria pollutants from the electric power sector

- a. The EIS should examine the emissions of the Project upon compliance with the Clean Air Interstate Rule (CAIR) as it relates to this proposed new emission source in Minnesota. The need to purchase allowances may make the proposed project less feasible or infeasible, especially given that Minnesota regulators may not accept the Federal Implementation Plan set forth in CAIR.
- b. The EIS must also fully examine the impact of the Project on Class I areas near to and downwind of the potential Project sites, namely Voyageurs National Park and the Boundary Waters Canoe Area Wilderness. Given the long distance that air pollutants can travel, Class I areas further downwind should also be considered.

In the recent hearings before the MPCA concerning the Mesabi Nuggets direct reduction plant to be developed at Hoyt Lakes, a principle concern was the effect of the emissions of that plant on visibility in Northeastern Minnesota, particularly in the BWCA. Current levels of haze do not permit the level of emissions which will be generated by that plant as proposed and permitted, and the company must either purchase offsets from other industries in the area or reduce its own emissions by technology yet to be tested. Thus, since air quality in the area is already impaired and the capacity to absorb an additional burden of pollutants is limited, the EIS for the Mesaba Energy Project should examine the contribution that it will make to haze problems and visibility impacts in northern and Northeastern Minnesota.

Comments on the Notice of Proposed Floodplain and Wetlands Involvement

The EIS must undertake review of cumulative impacts on ecosystems or parts of the environment from *all* the activities, past, present and reasonably foreseeable, that have

³⁴ See, 2005 Minnesota Senate File No. 1368, 3rd Engrossment, Art. 1, section 5 (amending Minn. Stat. § 216B.243, subd. 3).

impacted that part of the environment. For example, impacts to wetlands in northern Minnesota come not simply from power plant siting, but also from extensive mining, from extensive and growing peat mines, from road-building, from logging, and/or from residential development. The overall cumulative impacts to wetlands from all human activities must be examined, not simply an artificially narrow review of the Mesaba Energy Project impacts.

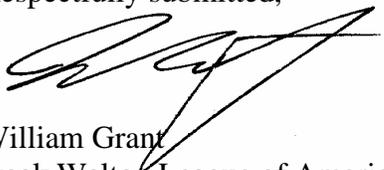
Likewise, cumulative impacts on habitat must be examined from the perspectives of fragmentation and degradation over time from siting of new power plants, as well as from logging, home and other dwelling building, mining (of all kinds, including peat), and recreation. Also, direct impacts on wildlife must be examined in this comprehensive fashion.

Conclusion

The League and ME3 appreciate the opportunity to make comments on the scope of the Mesaba Energy Project EIS. We urge the agencies to continue to extensively explore and analyze all potential environmental impacts from this very significant project. As the first ever coal gasification power plant project in Minnesota, in a part of the state revered for its natural resources, it is critical that the agencies ensure thorough environmental review in accordance with the law.

The League and ME3 look forward to working with the agencies, the project proposer, and all interested parties as this potential project moves forward. Please feel free to contact me should you have any questions.

Respectfully submitted,



William Grant
Izaak Walton League of America, Midwest Office
1619 Dayton Avenue, Suite 202
St. Paul, MN 55104



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November 8, 2005

Mr. Richard A. Hargis
US Department of Energy/National Energy Technology Laboratory
Box 10940
Pittsburgh, PA 15236

Re: Mesaba Energy Project

Dear Mr. Hargis:

This letter addresses the proposed scope of the Environmental Impact Study (EIS) for the above project. The proposed scoping of the EIS appears to do a good job of addressing the effects of the project on our natural environment which are very important to our quality of life in northern Minnesota. In addition I would appreciate your consideration of including the significant social and economic effects as a major EIS issue.

The downturn in employment in the mining and forest products industries in Itasca County over the last two decades is stressing our local economy. Poverty and unemployment rates are significantly above state averages. In fact, Itasca County is recognized as economically disadvantaged as a federally designated HUBZone. The Mesaba Energy Project has the potential to turn this trend around with up to 160 to 180 full time high paying jobs within the company and their high multiplier effect throughout our community. The jobs during construction will further boost our local economy during this time of great economic need.

We are also excited about the additional opportunities provided by Mesaba Energy of producing electricity from state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology on Minnesota's Iron Range. Basic industries requiring significant amounts of electricity have been the foundation of our local economy for a hundred years. Having a reliable and environmentally friendly locally produced source of electricity will enhance our area's competitive advantage for hosting mining and forest products industry expansions and the high paying jobs they provide our community.

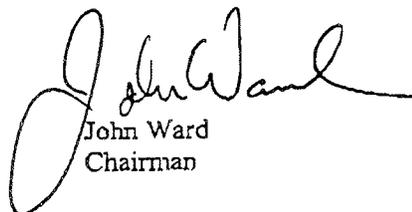
Due to the importance of this project IDC/Jobs 2020 is initiating an Action Team in 2006 with the mission to *revitalize the local economy by providing community support to Mesaba Energy Project north of Taconite.*

Thank you for your consideration.

Sincerely,



Peter McDermott
President



John Ward
Chairman

>>> "Her, Ly" <Ly.Her@courts.state.mn.us> 11/10/2005 11:19 AM >>>

I have some questions and comments regarding the above subject:

- Could this plant **explode** at time of start up? If so, how big of an explosion based on estimated gas to start?
- Alternative power source: Wind mills 1 site of 10 on power lines area could immediately employ dozens of locals and be a 2 month building time. Also instant return of power and creation of no pollution. Low environmental impact statement.
- Why is the plant so close to **residential** property and in a wet land instead of a flat mining area?
- Trains will pollute woods and houses in this area if cars are open. Should be covered.

Thank you for your time.

David Hudek
6228 W Broadway Ave
Brooklyn Park, MN 55428
763-370-9002

From: Erin Jordahl-Redlin [mailto:ejredlin@cleanwater.org]
Sent: Thursday, November 10, 2005 5:04 PM
To: Richard.hargis@netl.doe.gov
Cc: dmckeown@cleanwater.org; 'Rosie Loeffler-Kemp'
Subject: EIS scope comments for Mesaba Energy Project, M/S 922-342C

Clean Water Action Alliance of Minnesota
308 East Hennepin Avenue
Minneapolis, MN 55414
612-623-3666

November 10, 2005

Mr. Richard Hargis
NEPA Document Manager
M/S 922-342C
U.S. Department of Energy
National Energy Technology Laboratory
P.O. Box 10940
Pittsburgh, PA 15236-0940

Mr. Hargis:

On behalf of Clean Water Action Alliance of Minnesota's 60,000 members, thank you for the opportunity to comment on the scope of the Environmental Impact Statement for the Mesaba Energy Project. Clean Water Action Alliance of Minnesota works to ensure that Minnesota has clean and safe water now and for generations to come.

Many of our comments are in support of the comments of Carol A. Overland. Our comments can be divided into the following issues areas:

- Atmospheric resources
- Water resources
- Cultural resources
- Ecological resources
- Floodplains and Wetlands
- Health and safety impacts
- Community resources
- Cumulative effects and Connected actions
- Alternatives analysis

Atmospheric resources

- Identify potential impacts of all phases of the project on important resource areas, including Class I areas (Voyageurs National Park, Boundary Waters Canoe Area Wilderness), as well as state wildlife management areas and conservation easements (Trout Lake Wildlife Management Area, Bowstring Deer Yard Wildlife Management Area, Sugar Lake Conservation Easement, Bass Brook Wildlife Management Area, Bear Island-Deer Lake Island Wildlife Management Area).

- List specific responses for the different potential feedstocks.
- Identify and quantify emission potentials separately for each state of the process, as well as cumulative totals.
- Identify emissions levels for sulfur dioxide, nitrogen oxides, carbon monoxide, volatile organic compounds, PM₁₀, PM₂₅, and mercury.
 - Since one of the potential pollution control benefits coal gasification technology is the ability to capture more mercury in the process instead of releasing it to the air, identify what will be done with the mercury captured by the proposed control technology.
- Specify plan for monitoring fugitive emissions, including compounds monitored for, the threshold for concern, and the notification system.
- Specify plans for monitoring for fugitive particulate emissions, including PM₁₀ and PM₂₅.
- Identify the expected carbon dioxide emissions level and compare this with the level of most existing coal fired power plants.
- Explain how the project is sequestration adaptable, including:
 - Which geographic location would be utilized for sequestration.
 - How CO₂ emissions would get to the sequestration site.
 - What the impact of sequestration of CO₂ emissions is on the aquifer used.
- Address the impact of any amount of mercury deposition into waters already contaminated with mercury.
 - Address how Excelsior Energy plans to reduce mercury emissions from existing sources, to offset its proposed new source of mercury.

Water resources

- Identify potential impacts on surface and groundwater resources and water quality, including effects of water usage, wastewater management, stormwater management, and soil erosion and sedimentation in the Mississippi River and Great Lakes Basins.
- List specific responses for the different potential feedstocks.
- Identify and quantify wastewater separately for each stage of the process, as well as cumulative totals.
- Identify and quantify wastewater contamination separately for each stage of the process, as well as cumulative totals.
- Explain how the wastewater system will avoid past water permit violations (for selenium, cyanide, and arsenic) at the plant upon which the Mesaba project is based.
- Address the impact of any amount of mercury deposition into waters already contaminated with mercury.
- Explain why additional water resources must be identified for Phase II. Identify additional available water resources and means, cost, and feasibility of tapping that water.
 - Discuss whether Phase I should proceed if readily available additional water supply for Phase II is not available.
- Discuss whether, and to what percentage, wastewater is recycled into the system after treatment.
 - For wastewater not recycled into the system, identify the path through the Mississippi River watershed and address the ability of the area to handle this magnitude of wastewater.
 - Identify whether the stated use of 6,500 gallons of water per minute includes recycled water.

Cultural resources

- Identify the effects on historic and archaeological resources.
- Identify the effects on Native American tribal resources, including the impacts of additional mercury pollution on diet and other environmental justice issues.

Ecological resources

- Identify plans to address the impacts on the following state wildlife management areas and conservation easements, including air pollution and mercury bioaccumulation in wildlife.
 - Trout Lake Wildlife Management Area
 - 38 acres in Itasca County; one of the longest known eagle-nesting sites in Minnesota
 - Bowstring Deer Yard Wildlife Management Area
 - 160 acres in Itasca County; forest -wildlife habitat for forest songbirds and important deer winter concentration area
 - Sugar Lake Conservation Easement
 - 78.4 acres in Itasca County; shoreline and adjoining waters are critical fish and wildlife habitat (bald eagles, loons, herons, ducks, terns, mink, beaver, otters, and numerous other birds and mammals)
 - Bass Brook Wildlife Management Area
 - 313.45 acres in Itasca County; shoreline has extensive beds of wild rice, used by waterfowl (Yellow-throated Vireo, the declining Scarlet Tanager, Virginia and Sora rails, and nesting Great Blue Herons) and furbearers (mink, otters, beavers and muskrats); reptiles and amphibians such as blue spotted salamanders, painted, snapping and the eastern spiny soft shell turtles.
 - Bear Island-Deer Lake Island Wildlife Management Area
 - 23.6 acres in Itasca County; contains old-growth white cedar, bald eagle nesting sites

Floodplains and Wetlands

- Identify the impacts of potential carbon dioxide pipeline construction on wetlands hydrology.
- Identify impact of toxic metals bioaccumulation in wetlands wildlife.
- Identify impact of toxic metals uptake by wetlands plants.

Health and safety impacts

- Identify the protection plan for workers from inhalation exposure to contaminated steam.
- Identify the protection plan for workers from exposure to particulates.
- Identify plan to reduce the mercury contamination of area lakes and rivers, as well as to educate residents and visitors of the hazards of overconsumption of mercury-contaminated fish.

Community resources

- The number of jobs created by this proposal has changed several times in different versions of the proposal. Identify how many permanent jobs this plant would create.
- Identify plans to work with landowners who will have power lines going through their land.

Cumulative effects and Connected actions

- Identify the impact of the Mesabi Nuggets iron ore production facility in Nashwauk.
- Identify other proposals of potential pollution sources in the area.
- Identify the impact of Phase II and beyond (second and third potential plants).

Alternatives analysis

- Consider broader alternatives analysis.
- Explain why DOE's environmental responsibility under NEPA is decreased because this is not a federal project, even though DOE funding is involved.
- Evaluate the use of 100% biodiesel for plant startup.

- Evaluate the impacts on a greenfield site, versus a brownfield site.
- Identify any work done by Excelsior Energy to analyze alternative sources of energy to generate electricity, including the cost of using resources found in Minnesota (wind, solar, biomass).
- Explain why the current proposal does not include the development of wind resources, as was included in original proposals.

Thank you again for the opportunity to comment on the scope of the EIS for the Mesaba Energy Project. The people of Minnesota deserve to know the full impact of any proposal, but especially for one of such large pollution potential in an area with many important natural resources.

Sincerely,

Erin Jordahl-Redlin
Energy Campaign Coordinator
Clean Water Action Alliance of Minnesota
308 East Hennepin Avenue
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612-623-3354 FAX
ejredlin@cleanwater.org

November 11, 2005

Mr. Richard A. Hargis
US/DOE/NETL
PO Box 10940
Pittsburgh PA 15236

Subject: Comments and Questions - EIS Meeting, Taconite MN

I am requesting the following comments and questions are included in the scoping process for the proposed IGCC demonstration plant to be sited in Taconite, Minnesota.

Reference Scoping Meeting Taconite on October 25, 2005

After reviewing the limited engineering presentation that was put forth, it is very disconcerting that a project of this magnitude can be reviewed and analyzed with any real concise accuracy. The limited scope of information present leads one to believe they have very little resources to conduct proper engineering of a project of this type. Does Short Elliot Hendrickson have the ability to put together this plan? Do they have previous experience with coal gasification projects? Hopefully, information regarding emissions, waste water, noise and transportation of the coal and electricity was obtained. We certainly were not presented this information adequately at the meeting.

Emission Concerns

A demonstration project in North Dakota captures carbon dioxide - a leading source of green house gases - and pipes it to Canada to pressurize a depleted oil field. The Excelsior Energy project engineer, Michael Wadley, states that the carbon dioxide will be discharged into the air. Are we not trying to control our emission of pollutants that damage our ozone? The Great Plains Group is making recommendations in support of advance technologies that demonstrate carbon capture and geological storage. The bedrock at this site is at such shallow levels, sometimes protruding out of the ground, that carbon capture is inapplicable. So why would a site be established here when other sites would be more conducive to carbon capture and less damaging to the environment. In addition, the Minnesota delegates to the Legislators Forum passed a unanimous resolution acknowledging our regions potential to lead a transition that "relies on clean energy production and sequestration of carbon dioxide". So why are we considering anything other than the sequestration of carbon dioxide in the Excelsior Energy Project if we are really concerned about the environment?

Water Concerns

Excelsior Energy states that 5,000 to 6,500 gallons per minute of water is needed for phase I and up to 10,000 gpm if the second phase is completed. The Canisteo Mine Pit is the closest source of water, which is approximately .3 miles away and an estimated lift requirement of 80 - 100 feet to provide water supply. The Canisteo, in estimation by the Army Corp. of Engineers, is rising at approximately 2,400 gpm. Excelsior Energy makes the claim that they will help mitigate flooding issues for the cities of Bovey and Coleraine. Funding is already in place to take care of this issue through the Minnesota State Legislature. What will happen to this funding?

The Canisteo has become a large recreational body of water being utilized for boating and fishing (stocked by Minnesota DNR with lake trout). Both local citizens and tourists do not want this extraordinary body of water drawn down to unusable levels. The Hill Annex Mine Pit, which is also a state park, is approximately 1 mile from the site and an estimated lift of 100 feet. The water supply pumping stations will be extremely expensive and maintenance laden. The site, due to shallow bedrock, will not produce a large volume of water. So what happens when both the Canisteo and the Hill Annex water supplies are depleted? What will happen to the Hill Annex mine pit boat tour currently being operated by the Minnesota DNR? We request additional studies to determine cause and affect on the depletion of these water resources.

Waste Water

Excelsior Energy claims that approximately 80% of the water intake will be spent during the process of gasification. What happens to the remaining 1,000 gpm of effluent? What are the toxins (and levels) in the effluent? Do we know? How do we treat these toxins?

Excelsior Energy's explanation leaves a lot for the imagination. In their claims, they are going to transport the effluent to Holman Lake. How do they plan on getting it there? This is not clear. Initially, they tested Big Diamond Lake, Little Diamond Lake and Holman Lake for water clarity and quality. Why would they test Big Diamond Lake and Little Diamond Lake if they are piping it to Holman Lake? After they get the effluent (toxic laden?) to Holman Lake, it will enter the Swan River and approximately 20 miles later enter the Mississippi. Currently, the Mississippi River is listed on the National Threatened Water Way Register. How will this additional effluent impact the water shed? The invasive Zebra Mussel species has navigated the Mississippi River as far north as Brainerd. The Mississippi is normally frozen during the winter months north of Brainerd. Will the additional influx of effluent further enhance the environment for the Zebra Mussels? In addition, there is concern regarding the impact of increasing natural lake water temperatures. Will this not add phosphorous and algae bloom in area lakes, some of which currently have up to 25 feet of clarity? We request that further studies into these matters be conducted by the Minnesota Department of Natural Resources.

Land

Excelsior Energy was initially granted funding by the State of Minnesota legislation to be built on a taconite rehabilitation brownfield site that had adequate infrastructure to support the venture. The proposed site is neither a brownfield nor does it have any infrastructure. The site is virgin woods with large areas of wetlands, cedar bogs and ponds. How do they plan on mitigating the damage done to wetlands by rail line, power line and plant infrastructure? When legislation funding was granted for Excelsior Energy it was originally designed to go into the former LTV Mining facility in Hoyt Lakes. They have demonstrated a “bait and switch” tactic to secure funding and ultimately propose a site located in Taconite MN to avoid the stringent environmental regulations in the Lake Superior watershed. Is the Mississippi watershed less important?

Excelsior Energy was able to acquire property rights to 1200 acres of mature woods from a land venture company, RGGGS. By obtaining this property, they only have to tread on a small number of land owners rather than corporations (UPM/Blandin, Potlatch, US Steel and Cleveland Cliffs). The issue of eminent domain against individual property owners, rather than corporations with deep pocket books, is the real reason they chose this site, not due to adequate infrastructure or revitalization of an economically depressed area. Who will pay the costs of property acquisition? Will the taxpayers have to pick up yet another tab? In reality, does a private citizen have any rights against a private for profit corporation being funded by the federal government?

Final Comments

There are so many questions left unanswered, so where does one start? How is Excelsior Energy going to transmit the power and where will it be transmitted to? Have the land owners that will be affected by the transmission been notified? Does Excelsior Energy currently have a major investor? Does Excelsior Energy have a buyer for its power? Do the lobbyists(owners) have the financial capabilities to move forward with this venture? Should not the American taxpayer have been more informed that coal has miraculously, through our government, become a renewable energy? Is this plant a real possibility or just another pork barrel project? We as taxpayers are being asked to fund a private venture with limited chance of success. If this technology is such an environmentally friendly use of coal, why are we not putting the funding into retro fitting coal plants that are currently operating? Why isn't the funding going toward groups such as the “Coal Gasification Work Group” which has more background and specializes in this matter. I would feel a whole lot more comfortable with them moving into my backyard rather than a group of lobbyists.

With the limited amount of information provided at the EIS meeting, there are many questions left to be asked and answered. I am putting my faith in you to go after the issues, seek the truth and be a guardian for the taxpayer before we go down another government boondoggle.

Respectfully submitted by Kurt and Julie Christopherson, probable eminent domain victims of this project.

November 7, 2005

Richard A. Hargis
U.S. DOE/NETL
PO BOX 10940
Pittsburgh, PA 15236-0940

Subject: Comments and Questions – EIS Meeting Taconite, MN

I am requesting the following comments and questions are included in the scoping process for the proposed IGCC demonstration plant to be sited in Taconite Minnesota.

Map

The map displayed at the meeting is not correct. I have to recall memory since no documents were available to the public. Many of the lakes including the lake our property is located on were missing. The highway identified as County 7 was not correctly named. The official name of said highway is Scenic Highway 7. Will the name of the highway be changed with the onset of this project? The map did not identify Scenic State Park. Said park is less than 30 miles north of the proposed power plant site. The Chippewa National Forest is less than 30 miles west of the proposed power plant site.

Traffic

The rerouting of Scenic Highway 7 will significantly increase the traffic. The road our property is on has not been maintained by any local or state government department for the decade we have owned the property. Quite frankly, we pay to snowplow about 2 miles in the winter. The property owners have paid to replace the culvert and all other road repairs. This road, be it a service road or highway will significantly increase the traffic around our property. Will these trains go through Grand Rapids? How far will the traffic back up to accommodate this additional train traffic? Not only will there be train traffic but truck traffic as well. Since up to 900 tons of marketable products will be produced on a daily basis heavy truck hauling will be a constant factor.

Noise

This is a very rural area. In the winter you can hear the silence. The train traffic, additional road traffic and noise from the plant will definitely impact our space. What kind of criteria are you going to use to measure noise? Is it going to be based on OSHA regulations? What if the noise is in the annoying category? Given the current scenario, I think it's reasonable to expect that we not have to tolerate noise that is annoying. In the winter there are no leaves on the trees. The noise will echo for miles.

Light Pollution

As I have noted previously in my comments, this is a very rural area. There is no light pollution. On cold, crisp evenings the northern lights are spectacular to view. There was no documentation provided on the amount of lighting that will be utilized to provide security and operational needs at the proposed facility so again I ask this be reviewed.

Socioeconomic Impacts

The area has the coldest and longest winter in the continental United States. It's extremely remote. How much additional cost is going to be incurred to haul the coal? The trains carrying the coal are fueled by diesel fuel. None of the local public utilities have coal delivered by train due to cost constraints. What additional maintenance costs will be incurred in the Plant and the supporting water and gas pipelines due to temperatures that can dip to 60 degrees below zero? How much additional maintenance will have to be performed on the trucks hauling the marketable product due to winter road conditions? Most highways in the area have road restrictions when the spring thaw hits. What economic factors will occur when the trucks will not be able to haul the marketable product off the site? Will the product be stored on site when the road restrictions prevent heavy truck traffic?

It's imperative that the cost model be analyzed. In June of 2005, the projected cost of the facility was 1 billion dollars. In the NOI dated November 5, 2005, it is now projected to cost 1.975 billion dollars. Since the build out site is on a greenfield with no infrastructure, it is very likely significant cost overruns will be incurred.

The remote location will significantly impact the cost to provide technical support. It is my understanding the Wabash Plant has been sold four times and currently has 25 ConocoPhillips' engineers on site. There is minimal air service to the area since Northwest Airlines and Mesaba Airlines declared bankruptcy. There is no air service to Grand Rapids and it is likely the service to Hibbing will be reduced or eliminated as well.

As a property owner I am unaware of any other available property within the proximity of Grand Rapids that I could relocate to. My brother has driven the Iron Range for 26 years and 3 ½ acres, with 250 feet of sand bottom lake shore facing south within 10 miles of a small town is just not available. In fact, sand bottom lake shore is uncommon in Minnesota and southern exposure is critical to containing energy costs during the long winter months. Any similar property would probably only be accessible by water.

Special Privileges

The NOI stipulates that due to legislation passed by the State of Minnesota in 2003 the project is exempt from obtaining a certificate of need. I attended a Renewable Energy Forum in Northfield Minnesota on October 20, 2005. The Forum was conducted by Ray

Cox a State Representative and Mike Bull the Assistant Commissioner for the Energy Department in the State of Minnesota. Representative Cox coauthored the legislation referred to in the NOI. I specifically asked Representative Cox and Commissioner Bull why the state has passed legislation exempting this project from a certificate of need and granting this private company eminent domain over privately owned property. Mr. Bull repeatedly stated that this project was not exempt from a certificate of need and if the parties could not demonstrate that electricity could be produced at a reasonable cost it would not be permitted to build. On October 24, 2005, I received a letter from Representative Cox. Excerpts from the letter follow and I can provide the letter in its entirety if you request it.

"As you know I, along with many other Legislators, supported the Excelsior coal gasification plan that came before the legislature in 2003. It was to be sited in Hoyt Lakes and make use of existing infrastructure to serve the plan. I know the process produces carbon dioxide that must be contained, but our legislation requires the plant to go through an environmental process which should address the carbon dioxide issue."

"Over the past two years the plant location has changed places, the plan was given a grant from the state renewable energy funds, and the plant configuration has changed. I am not pleased by these changes, but I understand that is sometimes how regulatory process work. I have not seen information on the new plant location until we chatted and you gave me photographs of the area."

Numerous conversations with State Senators and Representatives indicate that this special privilege would probably not have been granted given the proposed location in Taconite.

Visual Effects

I snowshoe this area extensively in the winter. Once you are off the road, the snow is pure white. Since the coal being utilized at the proposed plant is dustier than other types of coal, what visual impacts will this have on the land? The coal dust will cover the snow in the winter and the leaves in the spring, summer and fall.

Coal is a filthy product and the trains hauling this material will blight the area it travels through.

Safety and Health

At the meeting I brought forward my concerns regarding the high voltage transmission lines. My personal health history is not unique on the Iron Range. Those of us raised in the area in the 1950's were exposed to many dangerous chemicals due to the mining industry. When you consider the cumulative effects that result from the incremental impacts of the plant it is reasonable to expect you will consider that not only is our water already impaired from exposure to mercury and other contaminants, but so are we. I want to emphasize the need to address the significant health conditions that already exist

from exposure to past industrial projects particularly those affecting respiratory and neurological systems.

The effect I referred to at the scoping meeting is the Henshaw Effect. I am not a scientist, but a medical professional who has assisted me in my recovery has advised that I need to be very concerned about the magnetic fields associated with the high voltage transmission lines. This was explained to me as; air pollutants of any kind can attach to the charged molecules and when inhaled stick in an individual's lung. This occurs downwind and can be carried for significant distances. Since you noted that you were unaware of this effect I am enclosing several attachments I printed off the Web in my hard copy packet. I am not only concerned about the Henshaw Effect, but all impacts caused by the high voltage transmission lines.

Air Quality

I am requesting a complete inventory of everything that will be synthesized out of the process impacting air quality and how the waste streams will be handled. As referenced earlier in my comments, Representative Cox, the coauthor of the special privileges legislation stated the process to contain the carbon dioxide should be addressed in the environmental process. This proposed facility will likely be the 2nd highest producer of green house gases in the State of Minnesota. The 2nd largest coal burning power plant is about 14 miles west of the proposed site. How could the government even entertain technology that does not address global warming and require containment of the carbon dioxide? It's also my understanding that the facility will be required to participate in a pollution credit plan since the carbon dioxide is not contained. Where will these credits be purchased and at what cost? It's my understanding that the vast majority of these credits are held by the automobile manufacturing industry.

Water Resources and Water Quality

I am requesting a complete inventory of everything that will be synthesized out of the process impacting water resources and water quality. How will each of these waste streams be handled? The air and water concerns are very important to me since 25 ConocoPhillips' engineers continue to be on site at the Wabash plant. The 1600 performance lessons learned from the Wabash plant in the arenas of performance and technological upgrades indicates this is not a stable process. I am concerned that the design engineers are not adequately prepared to deal with significant snowfalls and water runoff. How will a four inch curb contain this runoff water? How will it work at all once there is a heavy snowfall?

Community Impacts

This is identified as a demonstration plant in the NOI. Therefore, it seems more reasonable to build this on site with an existing power plant supported by a branded utility company. The Wabash Plant has turned over four times. Excelsior Energy is not a branded utility company and if they fail and sell out who will operate this facility? I am

very concerned we as members of the community will end up with an absentee landlord in addition to a risky demonstration plant. In fact, I'm not clear on who will operate this facility.

One of the speakers at the scoping meeting stated that everyone gladly moved to expand the mining industry. To the best of my knowledge, the west range has not seen any mining activity since the 1950's and I suspect the individual only has anecdotal information about the relocation of families to accommodate the expansion of the mining industry. I was born and raised on the east range and I personally know many families that were forced to relocate. This was not a minor inconvenience, but a painful experience. The mining company would not allow the impacted parties to move their homes to new lots. My childhood home was lost to the expansion of the mining industry. Many tears were shed over this relocation policy.

Cumulative Impacts

Fourteen miles west of the proposed site is the 2nd largest coal burning power plant in the State of Minnesota. A nugget plant is being permitted less than 2 miles east of the proposed site. With the new stacks at Kee Tac, (Taconite Plant) yet another facility will be burning coal by the end of November 2005 . This facility is less than 7 miles away from the proposed coal gasification plant. The cumulative impact of these numerous heavy industrial projects requires extensive review.

In closing, I would like to note that as of November 6, 2005 no additional information or documentation is available on the Mesaba Project docket at the State of Minnesota EQB web site.

Respectfully Submitted,



Linda Castagneri
808 Berry Street Apt 406
St. Paul MN 55114-1384
651-644-3973

>>> "trtlke" <trtlke@mn.rr.com> 11/2/2005 8:02 PM >>>

Dear Mr. Hargis,

I am writing concerning the coal gasification plant that is proposed for either Hoyt Lakes, MN, or near Big Diamond Lake near Taconite, MN. I think the Hoyt Lakes location would be better for the overall environment and present fewer problems concerning use of eminent domain to benefit a private company.

According to the Excelsior Energy website, discharge water from a plant sited near Big Diamond Lake near Taconite would flow into Holman Lake. Holman Lake has an outlet connected to the Swan River which is connected to the Mississippi River. The company has been quoted in the Grand Rapids Herald-Review of Grand Rapids, MN as saying the discharge water may contain amounts of heavy metals from the process employed to turn Wyoming coal into gas. Several communities draw their municipal water supplies from the Mississippi downstream including the city of Minneapolis. These heavy metals could conceivably turn up in drinking water in levels that would force these communities into expensive treatment options or looking for alternative sources. These communities would then be looking to the federal government for revenue to finance these measures.

At the Big Diamond Lake site, several property owners whose land would have to be bought out, have banded together to do what they have to do to prevent Excelsior Energy from taking their properties by use of eminent domain. This situation brings up a thorny ethical-legal question which may be resolved in the courts.

The Big Diamond Lake site is classic near-pristine northwoods countryside now. The Hoyt Lakes site has seen its landscape already significantly altered by prior mining operations, and discharge waters would not be flowing into a river where so many people depend on drinking water. If the Big Diamond Lake site is chosen, the project will be plagued and set back by endless lawsuits and other environmental litigation and the taxpayers presented with a large share of the legal fees.

Sincerely,
Timothy Zoerb

>>> "Kim Niles" <kim@nilesriver.com> 11/14/2005 10:08 AM >>>

Dear Mr. Hargis,

My name is Matt Niles and I live in Otsego MN and also own a secondary residence on Big Diamond Lake. I searched your website and could not find any transcripts of the meeting held in Taconite MN. on 10/26/05. I did, however, attend the meeting and will have make comments based on recollection of an overwhelming amount of information presented that night.

1. As a property owner directly affected by the Mesaba project, I was never officially notified of the project or the scoping meeting. What is the notification process and were the requirements met? If not, how and when will the scoping meeting be rescheduled and will Excelsior Energy have their information available before-hand and also presented accurately so people can have legitimate questions for the DOE?

2. How can the DOE conduct a public scoping meeting with no information on this project available prior to or after the scoping meeting ?

3. I recall a statement that the DOE will hold the Mesaba project to a lesser standard than would be the norm. Where is this doctrine stating that the DOE will hold Excelsior Energy to a lesser standard than normal?

4. Does a project of this magnitude have funding for legal fees? Will this be provided by the DOE and to whom?

5. Why is this project on Greenfield instead of Brownfield? Why is Brownfield not considered? (I have attached a map showing Mine Dumps and Tailings Ponds just in the immediate area along with pictures of a taconite tailings pond less than 2 miles from the proposed site. I have also some pictures of the proposed site. Please review these and comment why the only undisturbed land in the immediate vicinity is preferred to the Brownfield.)

6. Why aren't alternative sites being presented? There are nothing but reclamation projects waiting to happen throughout the Iron Range.

7. The rail tracks being proposed are washed out just to the west of Taconite in the Bovey/Coleraine area. What are the environmental and economic impacts of upgrading these tracks in this area and along the entire corridor to the source coal, in particular to the west?

8. What are the environmental impacts of the discharge water between Holman lake and the Mississippi river, in particular the potential harm to migrating waterfowl nesting habitat along and around the Swan River or any alternative route the discharge water will take including pollutants, water level changes, and water temperature change?

9. What are the economic impacts to surrounding property values at [less than 1 mile] , [1 to 2 miles] , [2 to 5 miles] , [and 5 to 10 miles]? Will there be moneys for diminished values made available for property owners and by whom?

10. Would an ethanol plant be a reasonable alternative for creating economic growth for the Iron Range and, if so, would the economic and environmental risk be significantly reduced?

Mr. Hargis, I know the area of the project well. Please review the attachments for yourself. Is the best site Excelsior Energy can come up with? I would think that the DOE would want this or any other DOE funded project to succeed. This is supposed to be a model for future projects. It seems to me

Excelsior Energy must need more time to do this properly if they are to succeed long term. The Mesaba project is government funded private enterprise with little, if any, risk to Excelsior Energy and great risk to citizens, the environment, and also future projects providing public funding for new energy technologies.

The future of this country depends on new clean energy alternatives and it is up to you and the DOE to strictly scrutinize these projects. Any hap-hazard approaches to obtain limited results or worse yet, to grab government grants, could result in a huge setback to all new energy technologies. Excelsior Energy is not a power producing company, rather a small group of lobbyists with limited managerial expertise in power generation and probably no experience in siting or building any power plant much less one with such speculative technologies. Therefore, I am looking to the DOE to do the right thing and give the Mesaba project at least as much scrutiny, if not more than, other private or public projects of this magnitude.

Thanks for your consideration of comments 1 thru 10 .

Matt Niles
6988 O'Dean ave ne
Otsego MN. 55330

Thanks!
Kim Niles
(763) 533-6182
(763) 443-3297 (cell)
kim@nilesriver.com
www.nilesriver.com

>>> "Kim Niles" <kim@nilesriver.com> 11/14/2005 11:15 AM >>>

Mr. Hargis,

I have a few additional comments that I would like included in the scoping for the Mesaba EIS. I apologize that I wasn't able to coordinate with Matt's email earlier today. Also, I apologize if these questions are redundant to others already presented.

First, I would like to request a change in public participation of future scoping meetings. I feel the magnitude of this project warrants the necessity for the use of technology as a means for the public to observe and participate in the scoping process. Materials that were made available exclusively for attendees of the meetings should be made available via internet at least 2 weeks prior to the next scoping meeting in February. This will give all interested parties an opportunity to review the materials and formulate appropriate questions and comments. I also feel very strongly that the public meeting should be broadcast live, via internet. This will give persons who are unable to attend the meeting an opportunity to hear the presentations and comments.

I would also like to know how the process will work going forward, once the final ruling has been made. If the decision to fund or not to fund is based on speculative data, what methods will be in place to monitor that information remains accurate. For instance, if the developer indicates the Carbon Dioxide is to be captured or sequestered during the scoping process, and later determines it is cost-prohibitive, would that change in plans cause a renewed scoping period? Or, if during construction the county determines that additional road work will be required, will that change initiate additional EIS scoping? Finally, if expected pollutants exceed stated amounts, what resource will the taxpayers have for on-going testing, and requiring compliance? Under what circumstances can the funding be affected after the final ruling? If Excelsior enters into an agreement with an operating company, what impact will it have on compliance requirements?

What requirements does a power plant of this size have for a mandated secured area in the face of terrorism? Is this area going to be fenced off with security at each entrance and rail spur? Will the security line be placed around the 85 acre area of the actual site, or around the 1000 acre buffer zone? In what proximity to the site can area residents live, walk, ski, or hunt?

What will be the impact of the water quality for local area residents. Will residents be advised not to consume water directly from an ordinary well within a certain radius of the power plant? Who determines acceptable water quality levels or advises the community? Will the water quality be degraded following underground water tables, or the flow of discharged water downstream from the power plant? Can you provide a map of the area indicating the ranges of property affected by the polluted underground water, similar to a topographic map? Will warnings be placed on rivers and lakes downstream regarding consumption of fish due to increased mercury levels? Will people continue to be allowed to swim in Holman Lake at the public beach, or will cumulative effects of the power plant effectively close that area attraction?

What will be the economic impact on marketable values of properties in proximity of the power plant? Will residents be required to disclose the potential of a power plant in the area? If so, in what radius to the power plant will residents experience an inability to sell property at any price or at a reduced price? Will this line follow the Scenic Highway north, the wind direction, the discharge water flow, or the new rail?

Finally, how does the answer to each of these questions differ between Taconite and Hoyt Lakes, and between Phase I and Phase II? How does the outcome of these findings affect the CCPI Program support? Who determines whether the site is in compliance with the terms set by the legislative bill HF0009? Specifically, that the proposed site be **located in the taconite tax relief area on a site that has substantial real property with adequate infrastructure to support new or expanded development.**

Thank you for your time and efforts. Please feel free to contact me if you have any questions regarding my comments above.

Kim Niles

(763) 533-6182

(763) 443-3297 (cell)

kim@nilesriver.com

www.nilesriver.com

Mesaba Energy Project – Comment Sheet

DOE EIS Public Scoping Meeting

Please Check: 10/25/05 Taconite, MN or 10/26/05 Hoyt Lakes, MN

Name:

Representing:

ROB HACHEY

Address:

Email:

ROB@ROBHACHEY.COM

Comment:

Phone Call To R. HARGIS 10/26/05

Questioned whether stacks shown in poster were for Ph 1 or Ph 2 (i.e. 2 stacks for Ph 1 → 4 stacks for Ph 2)

Questioned exemption from Certificate of Need.

Would like info on base elevation of plant and height of structures. Concerned about visual/aesthetic effects

Please submit comments to meeting moderator or send to:

Mr. Richard A. Hargis
National Energy Technology Laboratory
U.S. Department of Energy
626 Cochran's Mill Road
P.O. Box 10940
Pittsburgh, PA 15236-0940

Email: Richard.Hargis@NETL.DOE.GOV
Voice: 412-386-6065
Fax: 412-386-4775
Toll-free: 888-322-7436, ext. 6065

Mesaba Energy Project – Comment Sheet

DOE EIS Public Scoping Meeting

Please Check: 10/25/05 Taconite, MN or 10/26/05 Hoyt Lakes, MN

Name: Richard Bradford Representing: City of Hoyt Lakes

Address: 206 Kennedy Memorial Dr Email: info@hoytlakes.com
Hoyt Lakes MN 55750

Comment:

1. The "Questions and Answers" handout indicated that the project was one mile north of the City of Hoyt Lakes. This may be somewhat misleading in that geographically the City of Hoyt Lakes is quite large (60 sq miles) and the project is well within our city limits. The one mile refers to the residentially developed portion of the city.

2. Are copies of both project site maps available and if so may we receive a copy of each one that was displayed at the meeting?

Please submit comments to meeting moderator or send to:

Mr. Richard A. Hargis
National Energy Technology Laboratory
U.S. Department of Energy
626 Cochran's Mill Road
P.O. Box 10940
Pittsburgh, PA 15236-0940

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