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

MESABA ENERGY PROJECT

PUBLIC INFORMATIONAL

and

ENVIRONMENTAL IMPACT STATEMENT SCOPING MEETING

Minnesota Department of Commerce

Taconite Community Center

Taconite, Minnesota

August 22, 2006; 7:00 p.m.

REPORTED BY:
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1 BILL STORM: Okay, we can get started. Good
2 evening, people, and thanks for coming. My name is
3 Bill Storm, I'm with the Department of Commerce,
4 energy facility permitting staff. My assistant, Jeff
5 Haase, who you've seen as you were coming through the
6 line, is also with the Department of Commerce staff.
7 Tonight, this is the first of a series of public
8 events surrounding the docket that's before the PUC,
9 the siting and routing of the Mesaba Energy Project.

10 Tonight's agenda. I'm going to give you a
11 little wrap-up of the state siting process, what's
12 involved, where the public can participate in it.
13 Once I'm done, I will hand the mike over to Jason
14 Lewis from the Department of Energy. Jason will speak
15 on the DOE's involvement, the clean coal initiative.
16 Once Jason is done, we will turn the mike over to Bob
17 Evans of Excelsior Energy. He will speak about the
18 proposed Mesaba Energy Project. Then the most
19 important part comes, your comments, and that's what
20 we're here for tonight.

21 Power Plant Siting Act. Minnesota Public
22 Utility Commission has the authority to site large
23 electric power generating facilities and to route high
24 voltage transmission lines.

25 The Department of Commerce serves the PUC in

1 an administrative task, and we also do the
2 environmental review. We develop the environmental
3 scoping document and we conduct the environmental
4 review. It may be an EIS, environmental impact
5 statement, or it may be an environmental assessment.

6 Large electric power generating plants and
7 high voltage transmission lines have definitions in the
8 rule. These thresholds, once you meet these
9 thresholds, you then come under the umbrella of that
10 rule. And for power plants it's 50 megawatts, for
11 transmission lines it's 100 kilovolts.

12 There are two processes available to the PUC
13 for permitting large electric power generating plants
14 or high voltage transmission lines. There's the full
15 process, which takes about a year, and there's the
16 alternative process, which takes six months. Both
17 processes involve public participation and
18 environmental review.

19 For large projects it's the full process.
20 Mesaba Energy Project falls under that category. It
21 will be going under the full process for its
22 environmental review. It's for large projects. The
23 applicant must identify a preferred and alternative
24 site. The Department of Commerce prepares an
25 environmental impact statement as opposed to an

1 environmental assessment. There is a contested case
2 hearing, and a contested case hearing is held before an
3 ALJ. And the PUC has up to one year to make a final
4 determination on the application from the time they
5 accept the application.

6 Pipelines. Pipelines are also covered under
7 the PUC's jurisdiction. A pipeline routing permit is
8 required for pipelines designed to carry natural gas at
9 greater than 275 psi. In the rule there is a provision
10 for joint processing, and that means that an applicant
11 can come to the PUC with an application for a site, a
12 transmission route and a pipeline route in one single
13 filing, and that's what's being done here at the Mesaba
14 project. As many of you might be aware, the
15 application for the Mesaba project has been referred to
16 the joint permit application; and that's where the
17 joint comes in.

18 This schematic, as well as the same schematic
19 that's along the wall there, is a schematic of the
20 process. It starts with submittal of the application
21 and it ends with a final decision from the PUC. I'll
22 be running you through each milestone, and I'll do it
23 as quick as I can because I want to get your part,
24 when you get to talk.

25 One thing I want to mention before I go there,

1 is other agencies, the DNR, the Department of
2 Agriculture, the Pollution Control Agency, other
3 agencies that have permitting authority; the PCA with
4 the air emissions, the DNR with water appropriation,
5 MN DOT with access to highways, Department of
6 Agriculture with agricultural lands; those agencies
7 that have what we call downstream permitting authority
8 by rule and statute must participate in our process,
9 and we bring them in as early as possible to comment
10 on the application, on the scope and as we move
11 through the process. And that's just a schematic
12 showing how we all play together.

13 The process starts with the submittal of an
14 application. The rules -- I'm not going to go through
15 them all -- but the rules specify what the application
16 should contain, must contain. And it also provides
17 obligations to the applicant for notification, for
18 public notification.

19 On June 19th, 2006 Excelsior submitted to
20 the PUC a joint permit application, so that started
21 the process. The PUC has 10 working days to review
22 the application and to find it substantially complete
23 or to reject it.

24 In an order dated July 28, 2006 the PUC
25 accepted the joint permit application from Excelsior

1 Energy for the Mesaba Energy Project as complete. this
2 acceptance, and you can see by the day zero, starts the
3 regulatory clock, that one year clock I was telling you
4 about for the full process.

5 As part of that initial finding that the
6 application is complete, another decision the PUC gets
7 to make at that time is whether they're going to assign
8 a citizen advisory task force or not. And in the same
9 order, the July 28th order, where the PUC accepted the
10 application, they also authorized the DOC to set up a
11 citizen advisory task force, and we have done that.

12 Just to give you an idea, these are the task
13 force members. Jeff Haase, he's probably still out
14 monitoring the signing desk, is the chairman of that
15 task force, he's running that task force. We did take
16 the task force on a tour of the West Range site this
17 morning, and we will do the East Range tomorrow.

18 At the time the task force is put together,
19 it's given a charge and a timetable. The charge for
20 the task force is, one, to review the application, the
21 joint permit application, and to find any inaccurate
22 or missing information that might be in that document;
23 Number 2, is to bring to light local concerns or local
24 specific items that should be addressed in the EIS; and
25 lastly, if they can reach a consensus on Site A or Site

1 B, West Range, East Range site, to state that
2 preference.

3 The task force has a timetable. The task
4 force expires upon the completion of the above charge
5 or the designation of the scoping decision, the
6 environment impact scoping decision, by the
7 Commissioner of the Department of Commerce.

8 I'm anticipating that that scoping decision
9 will occur around September 5th for this project. One
10 of the reasons we're here is to get input into what
11 you think should be included in that scope.

12 That brings us to the public information
13 meeting. And as I've said, there's two purposes to
14 this meeting. One is to provide information to the
15 public on the proposal; and, two, to solicit input
16 from the public on what they think should be covered
17 in the environmental impact statement. And as I
18 stated, the Department of Commerce has authority for
19 the scoping decision, the decision of what will be
20 included in the environmental impact statement.

21 I have, I'm sure you heard about 10 times
22 while I was at the desk; one of the documents on the
23 desk was the draft environmental impact statement
24 scoping document. What that is is that's staff,
25 Department of Commerce staff, that's my idea and

1 Jeff's idea of what should be in the environmental
2 impact statement. I provide that to you as a baseline
3 so that you can look at that and see if there's an
4 issue that you're interested in that's not covered in
5 that, and then bring it to light.

6 The purpose of the scoping process is to
7 reduce the bulk of the EIS. I already stated the
8 scoping document is available for you guys.

9 Another aspect of this scoping process is
10 that the public -- there is a provision in the rule
11 that the public can put forth alternative sites or
12 routes, and the rules specify how they have to do that.
13 You submit to the Department of Commerce an
14 explanation of why you think this site or that site or
15 this route or that route is the preferred route, and
16 provide supporting data if you can.

17 Once we complete the public scoping meetings
18 that we're having tonight and tomorrow night, there
19 will be a seven day comment period in which the public
20 can follow up with written comments to me. That
21 comment period will close August 30th. So if you have
22 written comments after you've had time to think about
23 this, review the draft scoping document that I provided
24 you, feel free to e-mail me, snail mail me or fax me
25 your comments, your additional comments. But please do

1 it before the deadline of August 30th.

2 The scoping decision by rule has to, at
3 minimum, contain three things: The issue to be
4 addressed in the EIS, and that's part of why I put out
5 that draft scoping document, so you can see the issues
6 that I'm planning on incorporating in it; the
7 alternative routes or sites that will be addressed in
8 the EIS; and the schedule of the completion of the EIS.

9 Now we're following that flow chart through
10 again. After the scoping decision comes out, the next
11 major milestone is the release of the draft
12 environmental impact statement. The impact statement
13 should be written in plain, understandable language.
14 When the environmental impact statement, the draft
15 environmental impact statement is complete, I will
16 inform those people who signed up on my list, and we
17 call it the project contact list, that it's available
18 and then you can request it, also point to different
19 addresses where it will be. It will be on our website.

20 Once the draft EIS is out and available to
21 the public, we will have another set of public
22 meetings, just like we're having now, so that the
23 people can comment on the draft environmental impact
24 statement. You can comment on if you think that we
25 dropped the ball or we missed an issue, you can bring

1 these comments forward.

2 As we complete the meeting for the draft
3 environmental impact statement and come out of that,
4 we have a comment period again, there's a 10 day
5 comment period after that one, for you to submit
6 comments on the draft environmental impact statement.

7 We then move into the contested case hearing.
8 If you remember, the previous slide showed that the
9 full process has to have a contested case hearing, and
10 that contested case hearing is administered by an
11 Administrative Law Judge.

12 During the contested case hearing, the final
13 EIS is usually completed, and the final EIS consists
14 of the comments on the draft, an agency, Department of
15 Commerce, and the applicant's response to those
16 comments that are raised in the draft environmental
17 impact statement.

18 As we come out of the contested case hearing,
19 the ALJ will assemble the record and prepare a report
20 with recommendations. The report will come back to my
21 office and then on to the PUC. The report, as I said,
22 will have comments and recommendations on granting the
23 permit, site selection and any appropriate permit
24 conditions that the ALJ saw was fit after reviewing
25 the record.

1 The final decision. Once the public hearing
2 is over, the Public Utility will consider the entire
3 administrative record and make its final determination.
4 That record consists of the application, the
5 environmental document, the EIS, public comments and
6 other documents that were entered into evidence during
7 the proceedings.

8 The PUC at that time will basically make
9 three determinations. One, is the EIS adequate and is
10 the record adequate. Two, they will select a site.
11 And three, they will issue a site permit, site and
12 route permits combined. It's a joint permit
13 application.

14 When they issue the site permit, they can
15 attach conditions to that permit, they can recommend
16 conditions to that permit.

17 I'm not going to go through this. It's a big
18 slide. But the rule does specify those factors that
19 the PUC has to consider when they're evaluating the
20 whole record, when they're evaluating the application
21 and the whole record.

22 After the PUC makes a decision, there's a
23 judicial period for review, in which the aggrieved
24 party may appeal the decision, and that is in
25 accordance with Chapter 14.

1 So that's the process. That brings us to the
2 end of the process.

3 What I want to show you now is we track this
4 docket, this siting and routing docket we track on our
5 website, and if you want to keep up with what's going
6 on with the project, you can go to our website. All
7 the documents, from the application, the scoping
8 decision, the draft environmental impact statement,
9 your comments, other agency comments, will all be on
10 this web page, and they're almost all linkable. You
11 can link them, and they're in .pdf form.

12 Just to remind you, the docket we're dealing
13 with today is the joint permit application from
14 Excelsior Energy on the Mesaba Energy Project. The
15 docket number is here. You can search the website, go
16 to the previous slide to find the website that tracks
17 dockets. You can also track the dockets on the PUC's
18 edockets website by using the "06-668" banner.

19 I'm going to let Bob talk about the project,
20 because I want to move along here, but there are three
21 slides here that show basic information about the
22 project. To sort of wrap up my time here, I'll talk
23 about the logistics of what we're going to do.

24 Once the three speakers are done speaking,
25 I'd like you to -- I encourage everybody to comment.

1 That's what we're here for, to get your comments. But
2 keep your comments on point, and try to limit your
3 time, be polite to the next person behind you. If at
4 the end there's additional time and you feel you
5 haven't covered your full issue, we'll give you a
6 chance to come back.

7 As you heard me say probably 10 times out
8 there at the desk, there are blue pre-registration
9 forms, and that's what I'll be calling from. When I
10 start -- once I get through the blue forms, if there
11 are people who haven't filled out blue forms and they
12 want to speak, we'll bring you up to speak.

13 There is a transcript being prepared of this
14 meeting and of your comments. I will post it on our
15 website once I get it, in a few days. This will be
16 part of the record.

17 When you take the mike -- and Jeff Haase will
18 be assisting me with the mike -- when you take the
19 mike please state your name clearly for the court
20 reporter. I want to remind you that if you're not
21 comfortable speaking, there are comment sheets that
22 you can fill out and drop them in the drop box, or
23 there's information where you can fax them or snail
24 mail them to me. Remember your comments are due by
25 the 30th, and this is who you send your comments to,

1 me.

2 So that's all I have tonight. I'm going to
3 turn it over to Jason Lewis from the Department of
4 Energy to speak about their involvement in the process.
5 Then we'll go to Bob Evans after that, and then we
6 will get to the important part.

7 JASON LEWIS: Thank you, Bill. My name is
8 Jason Lewis. It's my pleasure to represent the United
9 States Department of Energy here this evening, and to
10 give you a feel for the clean coal power initiative
11 and how the Mesaba Energy Project fits in the Office
12 of Fossil Energy's research and development
13 demonstration program.

14 The mission, the overall mission of the
15 Department of Energy is to promote the national
16 economic and energy security of the United States.
17 Sounds pretty simple. It's also to promote scientific
18 and technological innovation in support of that
19 mission. For the Office of Fossil Energy, the mission
20 is focused on ensuring reliable, clean and affordable
21 fossil energy supply, which is our traditional fuel
22 resource. Currently that resource supplies 85 percent
23 of the nation's energy. The Energy Information
24 Administration projects that that percentage will
25 remain constant through at least the year 2030.

1 With respect to the Office of Fossil Energy,
2 how does the nation proceed and evolve from the
3 existing fleet of coal based power facilities to more
4 efficient, more environmentally sound facilities?

5 Well, we do that through a comprehensive strategy of
6 advanced research in the fundamental energy science
7 and innovative concepts. We take the most promising
8 of those and do prototype development and
9 demonstration. And then finally we do public-private
10 partnerships at the commercial or utility scale
11 demonstration.

12 The clean coal power initiative as established
13 by congressional legislation is the Office of Fossil
14 Energy's capstone major demonstration program. Its
15 principal purpose is to provide federal co-funding to
16 a recipient, to accomplish public support, or, in
17 other words, what's in the best interest of the
18 government, and of the nation, the United States. In
19 the case of CCPI, it's to commercialize new and
20 improved clean coal technologies to provide greater
21 efficiency and more environmentally sound power supply.

22 The program is a 10-year program that
23 authorizes the Department of Energy to co-fund two
24 billion dollars. It requires a minimum of 50 percent
25 non-federal cost share on the part of the recipient

1 and other sources, and there is a programmatic
2 emphasis on coal gasification.

3 CCPI is not a grant program, nor is it a
4 federal acquisition program for a federal asset. It
5 is not a tax credit program. It is not a federal loan
6 guarantee program. And it's not a permitting program.
7 All those are other legislative processes quite apart
8 from the clean coal power initiative.

9 There have been two rounds of solicitations of
10 what the Department envisions will be four rounds over
11 this 10-year period, of projects that actually go
12 forward.

13 In January of 2003 there were eight projects
14 selected in Round 1, two of which have subsequently
15 been withdrawn from the program. And as you can see
16 on the slide, the non-federal cost share is greatly in
17 excess of the minimum 50 percent.

18 In October of 2004 there were four projects
19 selected in Round 2 of the program. One has
20 subsequently been withdrawn. As you can see on the
21 slide, the non-federal cost share is very much in
22 excess of the minimum of 50 percent required.

23 The Mesaba Energy Project was one of the
24 Round 2 selections, and we are currently co-funding
25 the preliminary design and environmental information

1 gathering that the federal government requires in order
2 to do its environmental analysis in accordance with the
3 National Environmental Policy Act.

4 The selection process is a competitive
5 process. Each proposal is evaluated under technical
6 evaluation criteria that involves system efficiencies,
7 environmental performance, the feasibility of the
8 project, the commercialization potential, the business
9 and financial plan, the ability to repay the DOE
10 federal cost share, and other programmatic criteria.

11 There are currently 11 major clean coal
12 demonstration projects in the program portfolio. Three
13 of them, including the Mesaba Energy Project, deal in
14 coal gasification.

15 In summary, I'd like to leave you with the
16 following: The clean coal power initiative is a
17 legislatively mandated program whose objective is to
18 expedite the development and commercialization of
19 clean coal technologies for the expressed purpose and
20 use in new and existing coal based electric power
21 generating facilities.

22 Mesaba Energy Project was selected with a
23 vigorous competitive process from among many other
24 proposals.

25 And finally, as was stated in a recent report

1 from the United States Environmental Protection Agency,
2 "Integrated Gasification Combined Cycle is one of the
3 most promising technologies in reducing environmental
4 consequences of generating electricity from coal."

5 And speaking personally from a professional
6 perspective, I think it is the future of coal based
7 power generation. That's all I have, Bill. Back to
8 you.

9 BILL STORM: Okay. I'll hand it over to Bob
10 Evans from Excelsior Energy.

11 BOB EVANS: Good evening. My name is Bob
12 Evans, I'm vice-president of environmental affairs
13 with Excelsior Energy. I want to introduce other
14 representatives from Excelsior tonight.

15 We have with us Tom Micheletti, who is
16 co-principal of the firm. We have Jim Milkovich, who
17 is vice-president of technical services and fuel, in
18 the back. We have Gordon Gray, who is a chemical
19 engineer with the company. We have Pat Micheletti,
20 who is director of public affairs.

21 Also representing us from outside of
22 Excelsior is our legal counsel, Byron Starns, from the
23 firm of Leonard, Street & Deinard. Byron is working on
24 two Public Utility Commission cases, of which this is
25 one. We have Chuck Michael from the firm of Short,

1 Elliott, Hendrickson. SEH has been involved in the
2 project since its inception. We have Gloria Chojnacki,
3 also from SEH. We have George Johnson from SEH
4 somewhere in the group, and we have John Wachler in
5 the group from Barr Engineering. I don't think I
6 omitted anyone.

7 We have four purposes in our presentation
8 tonight. First, if there's anyone out there that isn't
9 aware of project and what it's about, we're going to
10 let you know what that is. The second thing is, the
11 last time we were here involved in a presentation like
12 this, Rich Hargis from the Department of Energy
13 received many comments to the effect that there wasn't
14 much information upon which to base a decision about
15 the project.

16 Since then we filed more than 2,000 pages of
17 what we think is information that's based on credible
18 scientific inquiry, and we're very interested in
19 hearing where we may have missed something or where
20 there's an inaccuracy we might have made. These are
21 things that we want to find out because we want the
22 public to have the right information upon which to make
23 decisions.

24 Upon distributing that information, we know
25 that there are a lot of questions about environmental

1 impacts about the project and about its health impacts
2 or health risks associated with it. We intend to try
3 and put some context on those risks tonight.

4 Finally, we've talked about our rationale in
5 the past for preferring the West Range site located
6 nearby as our preferred power plant site location. We
7 want to reiterate some of those reasons.

8 I think Jason really took away a lot of the
9 gusto that I was going to talk about in terms of IGCC
10 technology. We can't talk about this project without
11 talking about Integrated Gasification Combined Cycle
12 technology. It is simply superior to any other coal
13 based technology, no questions asked.

14 The air emissions from this facility are
15 state of the art. Nothing else can touch them for
16 across-the-board performance in terms of emission
17 profile. We have less emissions than a brand new
18 traditional coal-fired plant. And we have on some
19 slides in the back a description of how we compare to
20 existing facilities that are some of the best in the
21 state, and we outperform them by a great degree.

22 Everyone is concerned about mercury. This
23 power plant is going to surprise everyone in terms of
24 its mercury performance. We have talked about in the
25 past 90 percent plus removal efficiency. We intend on

1 doing much better than that. We're cautious in terms
2 of what we can promise until after our testing, but
3 we're sure that this is going to knock the socks off
4 everybody that's concerned about mercury.

5 This technology also provides the basis for
6 lowering carbon dioxide emissions through its high
7 efficiency, relative to other plants. It also
8 provides the feasibility for removing carbon dioxide
9 that other technologies don't have. In our design we
10 anticipate providing room for that equipment, and
11 later, when some regulation comes up that requires us
12 to make those reductions, we'll be ready to do that.

13 For those of you who may have seen or looked
14 at a slide or looked at some material in the back and
15 saw a little jar with sulfur in it or a black glassy
16 material, those are the by-products that are produced
17 in large portion from this plant, and they're saleable.
18 Not many plants can make that claim. We can. Both
19 products, as we call them, have market capabilities.
20 This technology also will minimize water consumption.

21 Jason has said it all in terms of IGCC and the
22 support that technology is getting from the Department
23 of Energy. I'm not going to repeat those comments.
24 This is a stepping stone to the larger part of DOE's
25 support for this. I think Minnesota is in a remarkable

1 position to do something for the state and for the
2 nation, in terms of this project and its support
3 thereof.

4 On the slide we said this is probably one of
5 the most important things that Minnesota can do. It's
6 well-known that most of Minnesota's pollution comes
7 from outside the region, and to the extent that we can,
8 the state can commercialize, help commercialize IGCC
9 processes, it's an advancement in terms of lowering
10 incoming pollution.

11 Finally, we've got some pretty sophisticated
12 partners in this process. ConocoPhillips, I don't
13 think we have to talk about what they do. Everybody
14 probably goes by a ConocoPhillips gas station.
15 They're one of the Number 1 refiners in the country.
16 Siemens is one of the largest suppliers of turbines in
17 the world, and Fluor is a renowned architectural
18 engineering firm specializing in the public power
19 industry.

20 The project, how it works, I'm just going to
21 go quickly through this. We had a posterboard that
22 showed some of these processes. But we essentially
23 grind coal up, put it into a gasifier with pure oxygen,
24 which we produce from air on-site through an air
25 separation unit. We heat that up, and pyrolyze the

1 coal to create a gas called syngas. That gas is hot.
2 It goes through some heat exchangers to produce steam
3 that turns a steam turbine, that turns an electric
4 generator.

5 Once that gas is cooled, water has contacted
6 it, it removes some of the strong acids that are
7 present in the syngas, and they include hydrochloric
8 acid, HCL. Once the water contacts that, it turns into
9 salt, dissolves, and some of the other metals that
10 might be volatile get captured; like lead chloride,
11 for example, that's a volatile metal that gets caught.

12 That water stream that is caught gets treated,
13 and eventually made into a filtered cake by evaporation
14 of water. That water that comes in contact with
15 coal-related elements in the syngas is not discharged
16 from this facility. Our only discharge is cooling
17 power blowdown, which basically comes -- it's water
18 basically that has been evaporated, leaving a higher
19 concentration of the salt that dissolves solids that
20 were there in the first place.

21 Once we get through treating the syngas with
22 this brisk spray of water, it goes through another
23 column, it collects the weak acids. One of those is
24 hydrogen sulfide. We turn that hydrogen sulfide into
25 sulfur, elemental sulfur, pure, and we have a picture

1 of a rail car that will transport that sulfur from our
2 facility to the market.

3 In between we send the syngas through a sulfur
4 impregnated activated carbon bed to remove mercury, and
5 this is what allows us to get such great performance in
6 terms of mercury.

7 I have encircled on the slide where we're
8 leaving room to incorporate CO2 removal equipment.
9 We're working with what's called the (inaudible) CO2
10 reduction partnership for CO2 management options for
11 the plant. And that's a study that will go over a
12 two-year period.

13 The project itself is two phases. First
14 phase is a 606 megawatt, net, coal-fired electric
15 generating plant. It's going to be fuel flexible,
16 which is rare in terms of the breadth of fuel that
17 we'll be able to use. We'll be able to use
18 sub-bituminous coal, bituminous coal, petroleum coke
19 and blends thereof.

20 We expect to start construction of the
21 project sometime in the first quarter of 2008, and
22 have it in service by the final quarter of 2011.

23 Phase II is identical to Phase I in terms of
24 its size. We expect to start construction on it in
25 2010 and be in service in 2013.

1 The impacts of the plant. Bill has talked
2 about the review that is going to be done by various
3 agencies. We produced a joint application and
4 environmental supplement that the Department of
5 Commerce will use. We have submitted applications to
6 the Pollution Control Agency as far as air emissions
7 are concerned, as far as our wastewater discharges are
8 concerned, and we have submitted a permit application
9 to the Department of Natural Resources to appropriate
10 water. We have one permit left to file, and that's
11 associated with wetlands mitigation. We'll have to
12 obtain that permit from the U.S. Corps of Engineers.

13 We covered a lot of information in the
14 application. You can see from the four bullets what
15 we looked at. We think that's quite a few of the
16 impacts. But as I said, if there's anything that we
17 missed, we want to hear about it.

18 In terms of inputs and outputs, the two phase
19 facility that we have would use a maximum of about six
20 million tons of coal a year. That's a lot of coal.
21 The materials that we produce in the red, and the
22 amounts that we show, are the things that we have on
23 the back table, sulfur and slag. Both again have
24 usable markets.

25 This ZLD salts; ZLD stands for zero liquid

1 discharge. That's the material that I talked about
2 where we evaporate water from the total dissolved
3 solids that go through and contact the coal derived
4 materials. That gets evaporated, forms a salt. And
5 we're talking about probably producing four and a half
6 thousand tons of that in a year's time. We think that
7 that's a better approach than trying to treat it and
8 put it in the river. We expect that that material
9 will probably be landfilled in a hazardous wasteland.

10 As far as air emissions, we talked about how
11 low they are. That's a big number that you see for
12 CO2, but it's one of the best that you can envision
13 for a coal-fired power plant of this size.

14 The material that is listed there in terms of
15 HAPs, stands for hazardous air pollutants, and for a
16 1212 megawatt coal-fired plant, it's phenomenal to have
17 hazardous air pollutant emissions that would be less
18 than the threshold that constitute a major facility as
19 far as hazardous air pollutants go. We would not be a
20 major facility with those emissions.

21 Just summarizing, this is really exceptional
22 environmental performance. The operation across this
23 broad range of fuels we expect to give us a lot of
24 flexibility, not only in our operation, but avoid some
25 potential problems with supply that might come up

1 through strife, through inclement weather or whatever,
2 but it gives us a lot of flexibility.

3 I think we've already talked about the next
4 two; solid waste, minimization of water consumption,
5 minimizing that. What we haven't talked about is,
6 because we clean the syngas prior to its combustion,
7 that allows us to reduce the footprint of the facility
8 and the size of the facility components.

9 We talk about health risks and how we want to
10 put those into context. We're looking at two different
11 types of standards or guidelines that we'll use in
12 trying to show you tonight how this facility stands
13 versus those thresholds.

14 In terms of National Ambient Air Quality
15 Standards, those are standards that are designed to
16 protect sensitive groups within the population from
17 adverse health effects. There is a study that is
18 ongoing that is supposed to occur every five years;
19 sometimes it takes longer. But in general the
20 National Ambient Air Quality Standards are continually
21 being updated with new information.

22 We also rely on the Pollution Control
23 Agency's air emission risk analysis protocol. We
24 work with them in terms of deriving some of the
25 information that we are going to present. Using those

1 methodologies, we use the worst case facility
2 emissions. We use the models that are prescribed by
3 the agency in the manner in which they prescribe their
4 use, and as well those methods are designed to protect
5 very sensitive individuals.

6 The process. There was a slide in the back
7 that talked about risk assessment processes. It's
8 complex, but basically we identify chemicals of
9 potential concern, and we have a lot of them that we
10 looked at for this project. We figure out how they
11 are dispersed through the ambient air. Use what's
12 called DOE's response information to understand, given
13 that concentration, what kind of an effect that would
14 create. And then we use parameterizations and models
15 that give us a result in terms of lifetime cancer risk
16 or a non-cancer hazard index.

17 The first thing I talked about was National
18 Ambient Air Quality Standards. And what we are
19 showing here is the ambient air quality standards for
20 sulfur dioxide. There's 1 hour, 3 hour, 24 and annual
21 standards. Tall bar on the left is the value that is
22 set to protect the sensitive groups in the population
23 that I mentioned as far as adverse health effects.
24 The bottom, blue, is the maximum impact that full load
25 two unit Mesaba plant would create. We think that

1 what this shows is that there's significant margin,
2 even if I was to show the background ambient
3 concentration, there is ample margin for protection
4 within the community.

5 This is the same thing with respect to
6 particulate matter finer than 10 microns in aerodynamic
7 diameter. There's a 24-hour standard and an annual
8 standard that are set. Again, you can see the
9 concentration of the standard versus the facility
10 itself. On the left-hand side we show carbon monoxide,
11 and people aren't that hepped up about carbon monoxide,
12 but there is a standard for it, and we wanted to show
13 how we perform relative to that standard. And you see
14 the same thing over and over; that the emissions from
15 this facility are very low, and they're far below the
16 thresholds for protection.

17 This graph is one which we looked at, cancer
18 risks from the plant. And again, this was with
19 standard models prescribed by the Pollution Control
20 Agency. I have to say that we have not -- the agency
21 hasn't gone through their complete review of this
22 information yet. They are looking at it. We worked
23 with them to develop the techniques that we've used,
24 the chemicals that we've analyzed, and we think that
25 it's fair for us to show these at this point in time.

1 What you see on the far left in yellow is the
2 risk that comes out of the models as far as the Mesaba
3 project, the full two units are concerned. The PCA
4 threshold of acceptability is shown in the next bar in
5 green. And acceptable threshold for groups of

6 chemicals is a lifetime cancer risk of 1 in a
7 population of 100,000. The Mesaba Energy Project, the
8 risks that come out of the models are 1 in a million.
9 So we are less than that threshold.

10 To kind of put this into context, I've added
11 three kinds of other risks. The risk in red is, and
12 you can see the website this is taken from, is the
13 national average risk that EPA believes come about as
14 a result of radon in homes. That radon risk is about
15 75 out of 10,000 individuals. The limit that that
16 risk was set at is 1.25 picoCuries per liter.

17 If you look at the EPA's website, what you'll
18 find is that there's a map with Minnesota in it, and
19 the area around St. Louis County and Itasca County the
20 radon concentration is suggested to range between 2
21 and 4. So we think that this says something about the
22 normal kinds of risks that someone might not understand
23 that they're facing in terms of where this project's
24 emissions place it relative to that risk.

25 The risk in gray is a risk associated with

1 drinking chlorinated water. Those of you who have tap
2 water from systems, there is a risk in the chlorination
3 process. That is about, I think, 4 in 100,000, but
4 that's still higher than the risk that Mesaba has.

5 Of interest to me -- and we've looked at this,
6 we've given you the website to check this out -- but
7 U.S. ambient air and Minnesota ambient air and Itasca
8 County are all summarized in the report that is listed
9 here, and they have higher lifetime cancer risks than
10 someone that was on ground level that was breathing
11 pure air with just Mesaba emissions as they are diluted
12 by and reach ground level.

13 I mentioned another comparison that we have
14 in terms of health impacts. Our health risk is
15 long-term non-cancer. We could compare the results of
16 Mesaba with that risk. There's a hazard index, and
17 that is the sum of some formulas that we can show you
18 later. But in general, the acceptable risk posed by
19 the PCA is that if you're below a hazard index of 1,
20 that your risk on anything is something that is
21 acceptable. And you can see the long-term non-cancer
22 risk associated with Mesaba project is very, very low
23 relative to those other items.

24 We also looked at mercury in fish. We took
25 Diamond Lake as the lake that was closest and of

1 interest. We didn't have information on Big Diamond
2 Lake in terms of fish, so we used the biggest fish
3 that we could find in the closest, nearest lake. And
4 somebody is here that can tell you which lake that was
5 if you're interested. But it turns out to be a
6 northern pike, and it's the 10 percent highest size
7 pike.

8 What you see is that from use of the PCA
9 methodologies at least, that increase -- the hazard
10 portion or hazard index for that is .06. Remember
11 that an acceptable index is 1. The current levels of
12 that fish that we found were very high, so we're not
13 trying to minimize the fact that there is some
14 additional risk, but I think as you can see, it's
15 very, very small.

16 Water quality, we know that that's an item of
17 interest within the community. I think probably
18 people have heard that one of the good things about
19 this project -- or we hope you've heard at least -- is
20 that we intend to take water from the Canisteo pit and
21 from the Hill-Annex mine pit complex, and by virtue
22 of our use of that water, lower the flood potential
23 for the communities around the pit.

24 As far as Hill-Annex goes, we hope that our
25 use of that water will help the DNR and the state park

1 there expose some of its historical -- keep some of its
2 historical mining practices from going underwater, at
3 least so that they don't have to pay for it.

4 Other sources include the Lind pit and the
5 Prairie River. We don't anticipate using the latter
6 two in the first two phases of the project. As far as
7 the second phase goes, we have to find out exactly what
8 happens once we start to withdraw water. But we
9 anticipate that the water flow in will be higher as
10 the levels are (inaudible). And the DNR is not going
11 to let us -- and Bob is nodding his head -- is not
12 going to let us draw that water level down to a level
13 that is unacceptable.

14 In terms of our inputs and outputs, we used
15 -- this is for the two phase plan. We take in a lot
16 of water and we consume a lot of water in a power plant
17 of this size in terms of having to cool the very pure
18 water that we use for steam to drive the turbines. But
19 in terms of this area, these pits, we don't perceive
20 that that's necessarily bad to withdraw water since
21 there's a water level problem.

22 The discharges -- I'll go back up. The
23 discharges we expect to go to the Canisteo pit and
24 Holman Lake. We know that there is concern over
25 rising mineral content in the Canisteo pit. There are

1 ways that we can address that that we will undoubtedly
2 be covering with the Pollution Control Agency in the
3 permitting process.

4 Comparing, we want to try -- and I'll just
5 reiterate how we got to where we are with respect to
6 the West Range as our preferred site.

7 One of the things we look at in terms of a
8 good power plant site is that we can acquire -- have
9 the potential to acquire large blocks of industrial
10 land with a minimal amount of purchases. What you see
11 on this slide, and maybe you can't -- I just will --
12 it's not real clear in terms of the footprint of the
13 facility, but it's outlined where my little pen point
14 is pointing. All of that land within our footprint is
15 industrially zoned land, and that's something that we
16 think is very beneficial in terms of not having to
17 minimize any -- the idea that we would have to acquire
18 something by eminent domain.

19 This is -- the slide that I'm showing now is
20 a larger regional zoning picture. There's a lot of
21 residential land through which you can see that some
22 of our infrastructure will traverse. We're going to
23 be very reasonable in terms of where we put this
24 infrastructure.

25 We talked with several people tonight about

1 their concerns about the locale, their location
2 relative to those infrastructure elements. We want to
3 hear from everybody that's on or near something so
4 that we can try, to the extent that we can, to work
5 around your concerns. And I know that Bill would be
6 very concerned about that as well.

7 We looked at, in terms of comparing these
8 sites, we looked at a number of different elements in
9 our joint application. We talk about, for each of
10 those various infrastructure elements, what kinds of
11 right-of-way we would require that would cause some
12 kind of a permanent impact; that is, where grass would
13 have to be mowed, where trees couldn't grow, those
14 kinds of things.

15 The East Range. I think, if I didn't mention
16 before, we think that we've got two very good sites in
17 terms of these, the East Range site in Hoyt Lakes and
18 the West Range site just north of Taconite.

19 The East Range has a lot of good points about
20 it, otherwise we wouldn't have brought it into this
21 process. But they don't outweigh the advantages of the
22 West Range site. These are just a listing of some of
23 the positive attributes about that site, and it's not
24 meant to be all of them.

25 I think there are fewer people that are

1 located nearby the plant. Some of the interconnections
2 with the infrastructure that would serve the plant are
3 closer. There are fewer residents to those located
4 near the road at least element. Because some of the
5 residences are further away, there's less impact in the
6 evening as far as noise is concerned. We made actual
7 background noise measurements, and we find that none of
8 the residences that we monitored had a problem with the
9 standard, noise standard.

10 Two residences on the West Range located
11 nearby County Road 7 do have some instances where the
12 nighttime noise standards are violated. We have to
13 deal with those situations in terms of mitigation. So
14 we don't think that that's a defining factor.

15 We believe that there's probably going to be
16 shorter length of train crossings in serving the East
17 Range site. For the West Range we know that there's
18 going to be a number of different grade crossings in
19 Grand Rapids, and we anticipate that at 25 miles an
20 hour, that the length of time concerned would be about
21 three to four minutes for the in-coal train, and for
22 one phase we would anticipate probably four to five
23 unit coal trains per week. That gets doubled when we
24 add the second unit.

25 We can control traffic to a certain extent by

1 adding turning lanes, taking certain precautions on the
2 existing County Road 7. And I think if Minnesota Steel
3 were to be built -- I think that that's becoming more
4 and more likely as time goes on, and we're excited
5 about that -- that that will be a significant amount
6 of traffic that gets added that we're going to have to
7 -- that we and the county will have to deal with.

8 In terms of the West Range site, we have
9 shorter transmission lines that are required. We're
10 about nine miles from the Blackberry substation, of
11 which six would be a new corridor. That's
12 significantly shorter than the two lines that we would
13 have that would each be about 35 miles long on the
14 East Range. We have a natural gas pipeline that's
15 probably 13 and plus .2 miles in length, as compared
16 with probably 35 miles or thereabouts for the East
17 Range site.

18 There are fewer residents within the
19 transmission line close to the corridor. We know that
20 there are people that are close, and again, we're going
21 to try and work with those people. But there's a lot
22 fewer residents close by the transmission line that
23 goes to the Blackberry substation and the natural gas
24 pipeline.

25 On the East Range site we're located closer

1 to Class 1 areas, the Boundary Waters Canoe Area. The
2 model showed we have more visibility impacts -- we
3 believe that both sites are permittable, because those
4 visibility impacts -- you have to see the data to get a
5 feel for this. Most of the instances we think are
6 affected by natural precipitation. But just the same,
7 we have to satisfy the federal land managers that that
8 closer site is -- the number of instances where we
9 have a visibility impact are going to be mitigated.

10 One of the big issues with the East Range
11 site is that it's located on the Lake Superior Basin
12 watershed. That causes a lot of issues with respect
13 to permitting. To solve some of those issues we've
14 had to add some pretty sophisticated equipment that
15 requires significant auxiliary power, and that cuts
16 back on the power we can supply to our customer, and
17 it also requires us to create more solid waste that
18 would have to be landfilled.

19 The contents of the water on the East Range
20 site is higher in solids, and with the higher degree
21 of solids comes more and more solids if we evaporate
22 that would have to be landfilled. That is about
23 24,000 tons maximum on the East Range site. So the
24 Lake Superior Basin watershed causes some real
25 difficulties as far as permitting is concerned.

1 We have a very good rail picture on the West
2 Range site. There are four and a half miles of rail
3 in this area of the Iron Range where two rails
4 suppliers can supply a single customer. That's
5 located close to the site where we proposed the West
6 Range site, and that's a very big benefit.

7 The fact that we are, what we think is helping
8 solve a flooding threat, we think we're being part of
9 the solution rather than just a part of the problem.

10 The longer transmission lines of the East
11 Range site cause additional power loss, and all of
12 those things add to increased operating costs for the
13 East Range site relative to the West Range site.

14 It's important to note that anyplace -- most
15 places in St. Louis County, unfortunately, or on the
16 Iron Range, are located in the Lake Superior Basin
17 watershed. So it's not just Hoyt Lakes.

18 Just some additional things we wanted to
19 mention. We don't have to talk about performance.
20 We've talked about that. We've talked about human
21 health risks being low and acceptable, the flood
22 control that we offer, the fact that we're only
23 discharging non-contact cooling waters. We have a
24 large block of industrial land. Noise impacts can be
25 mitigated, and we would do that.

1 One thing is the transmission lines that we
2 would use will be taller; they'll be single pole
3 structures. You'll be able to see them from further
4 away. They will be bigger, higher voltage lines, but
5 as you can tell from the joint permit application, the
6 electromagnetic fields associated with those lines are
7 within acceptable limits. Any wetlands that we take
8 and would cause an impact, we're going to have to
9 mitigate those.

10 I think the last two points are important
11 ones, and that's we're going to comply with all the
12 rules and regulations that are out there and that are
13 applicable. And in any instance where we have some
14 landowner concerns, we're going to treat landowners
15 fairly.

16 In terms of the next steps, we're going to
17 continue to work with state agencies and interested
18 citizens. We want to know what your concerns are, we
19 want to try and address those to the extent that we
20 can. We have to submit the wetlands permit
21 application. We're always -- and I guess this is just
22 repeating what I've already said. We're always
23 looking for constructive input regarding what we may
24 have left or what we might be able to do with respect
25 to a route.

1 We're going to hold monthly meetings to
2 identify and discuss issues of concern in the
3 community. We'll meet with anybody to talk about
4 those issues and concerns. We think that the more
5 people know about this project, the better it's going
6 to look to them. And, you know, we're just not blind
7 optimists, we know that it's a good technology. We'll
8 continue to provide information to the permitting
9 agencies, and we'll continue to collect data for the
10 sites. With that....

11 BILL STORM: Thank you, Bob. Okay. I want
12 to turn it over for questions. Before I do, I want
13 you to please limit your comments and your questions.
14 I can't guarantee if you have a question, that you're
15 going to get an answer tonight. But I can guarantee
16 that the question will be on the record, and I will
17 follow up with you and try to get you an answer to the
18 best of my ability.

19 When I call your name, stand up, my assistant,
20 Jeff Haase, will bring the wireless to you. State your
21 name, spell your last name if it's difficult -- I
22 apologize, I'm going to be brutalize these names -- and
23 where you're from. So state your name, spell your last
24 name, where you're from, and don't speak until you get
25 the mike.

1 Jean Beech, if you could please stand up, and
2 Jeff will come to you. State your name, spell your
3 last name, where you're from.

4 JOAN BEECH; My name is Joan Beech, and the
5 last name is B-e-e-c-h. I live in rural Bovey. I
6 would live maybe three to four miles away from the
7 Mesaba plant if the crow flew from our house to that
8 plant. I have three comments.

9 First of all, it's about time that we had
10 this kind of a hearing. As we start looking at the
11 process of citizen participation, it has been very
12 obvious that as we drive up and down the road in this
13 little community, that there are people serving and --
14 especially the people who are involved residentially.
15 Sometimes you say, well, did anybody -- does anybody
16 ever talk to you about serving or what's going to
17 happen to your (inaudible), and usually the response
18 is no one has talked to us. So to have informational
19 meetings is important, but I think to have citizen
20 input is also important, and we thank you all for being
21 here. To see the numbers is just incredible.

22 My concerns about environment and health
23 concerns, first of all, is why this site? What makes
24 this site better than the others? And we've gotten
25 some of those answers. This is pristine forest land.

1 And there are no infrastructures, but yet this is
2 looked at as perhaps the primary site. And so that
3 would be my concern. Why this site in the midst of a
4 county that has hundreds and hundreds of very pristine
5 lakes.

6 My second environmental concern is about
7 mercury emissions. We know that when it comes to
8 clean coal technology, this perhaps is one of the best
9 of the technologies. However, knowing how lethal and
10 toxic mercury is, that it never goes away, and that
11 there are cumulative effects, we need to have much
12 more information and we need to be guaranteed that
13 this will not harm pregnant women, children, and the
14 population. (Applause).

15 BILL STORM: Thank you, Joan, for your
16 comments. Next Peggy Mikulich.

17 PEGGY MIKULICH: Hello. My name is Peggy
18 Mikulich, M-i-k-u-l-i-c-h. I live on the Scenic
19 Highway. The plant is 400 feet from our house, and I
20 have quite a few concerns. The major one is, what is
21 this going to do to the well water? We have a well,
22 and with mercury, as the previous lady stated, mercury
23 does not go away. Will this contaminate our well? And
24 as far as mercury, when you cool the stacks on the
25 plant with water, where is this water going to go? My

1 understanding, it's going to go back in the Canisteo
2 possibly, and what is that going to do to that? Are
3 you going to have to close that to the public? I mean,
4 that's contaminated water.

5 Noise. And the transmission lines, where are
6 those going to be running? I mean, my understanding
7 also of that is that if you live within 400 feet of a
8 transmission line, your chances of cancer go up 70
9 percent. I would like to know if that is correct. I
10 mean, I have young kids. I mean, what is going to
11 happen to all the animals in our backyard. There are
12 wetlands back there that need to be addressed. Are you
13 going to rebuild the wetlands?

14 BILL STORM: Thank you, Peggy. (Applause).
15 Next Greg Chester.

16 GREG CHESTER: My name is Greg Chester. I'm
17 from Cass Lake. My concern is if I had two billion
18 dollars, where would I spend it to produce energy?
19 I'm going to compare -- my position here is more of a
20 comment than a question. I'm going to compare the
21 Excelsior project here with that of Maple Ridge in
22 Loudonville, New York. I went by that particular
23 project a couple weeks ago and saw these 320 foot
24 towers with 130 foot blades circling around, and they
25 are elegant, just elegant.

1 One of the farmers up there said he hated the
2 area. He'd lived there since he was a baby and always
3 cursed the wind. Now when he goes out into his
4 backyard going to the barn, he gives thanks.

5 Right now this project, this plant costs two
6 billion dollars. They're expecting to build 195
7 towers there for between 450 and 550 million dollars.
8 Here they're going to produce, what is it, 606
9 megawatts. There they hope to produce 320 megawatts.
10 This will take about 10 years to build. They're
11 putting theirs up -- they're actually producing
12 electricity now. They started a year and a half ago.
13 So within three years they'll have all -- they project
14 to have all 195 towers producing electricity.

15 This project will have about 3,000 workers
16 approximately building it. They have about 400 there.
17 At the end this project will have 107 workers, and
18 they'll have about 30.

19 Now, here's where it gets interesting. That
20 project is going to supply 8 million dollars to the
21 local towns and villages in the area, 8 million
22 dollars, and 1.2 million dollars to the local
23 landholders, the farmers and what have you in that
24 area, about \$10,000 to \$15,000 per wind generator on
25 their property. Some people have about six to eight

1 wind generators on their property.

2 Now, if we were to extend that out to 2
3 billion dollars, the amount of electricity produced by
4 that one plant would be 1,280 megawatts. The amount
5 of money in that community would be 32 million dollars
6 per year. Projecting that out for 10 years, that's
7 320 million dollars. You can build a lot of school
8 with that, and a lot of other things. For the farmers
9 in the area, 4.6 million dollars. And projecting that
10 out over 10 years, 40 million dollars to those people.

11 Now, in regard to fuel, this plant is going to
12 take about 110 carloads per day. That's (inaudible).
13 But it's a lot of money, and it's going out of the
14 state. The fuel for either the small project, 195 wind
15 generators, is going to be free. And if they spend 2
16 billion dollars, the wind is still going to be free.
17 And the amount of pollution from these is zero.
18 (Applause).

19 BILL STORM: Matthew Militich.

20 MATTHEW MILITICH: I'm not quite 57 years old.
21 I was born and raised in Grand Rapids, Minnesota. My
22 name is Matthew Militich. I've lived on my place for
23 27 years. It's not for sale at any price, for any
24 money ever. I love it. I built my house there. When
25 it burned down, Greg Stevens, who is here tonight,

1 helped rebuild it.

2 When Bob spoke, did you notice that every time
3 he talked about what was supposed to happen, he said
4 "when." He never said "if." Isn't that a huge
5 assumption? When it will happen, instead of if it
6 happens. I thought that this was supposed to be input
7 from us to decide whether or not this is a good idea.
8 (Applause). You know, the problem with the water in
9 the Canisteo pit, et cetera, was caused not by people
10 like you and me, but by the industry that used it in
11 the first place.

12 We were told for about 20 years that our enemy
13 was the government, that we've got to get government
14 out of people's lives, that they've got to stop
15 regulating things. It looks like the government is
16 pretty well in bed with the energy companies here,
17 doesn't it? (Applause).

18 Using the term clean coal is about like using
19 the term virtuous pornography. Coal is not clean.
20 You can't just come in here and change our whole way
21 of life and expect that we're just going to agree with
22 this because of your soft promises. We've heard soft
23 promises over and over and over again. And the people
24 who support these people who want to do this, if
25 they're up for election, had better watch out, because

1 next time around I'll run if I have to. (Applause).

2 BILL STORM: Thank you, Matthew. Bob
3 Malovitz.

4 BOB MALOVITZ: I'm Bob Malovitz. I live in
5 Grand Rapids. My question is the same one I asked the
6 last time I was here. Why would an energy company in
7 their right mind want to build a powerhouse in
8 Minnesota away from the coal fields? And I have a
9 little experience, I worked on the coal gasification
10 plant out in North Dakota. That plant cost 4.2 billion
11 dollars to build. I don't think it ever got off the
12 ground that it makes a profit. And lately I heard that
13 there's a lot of contamination and pollution around
14 that plant out in North Dakota. So I advise everybody
15 to hope that this plant is built in North Dakota. As
16 far as the technology, I think the technology is
17 probably there. But I think it shouldn't be built in
18 the State of Minnesota. (Applause).

19 BILL STORM: Thank you, Bob. Bryan Ross.

20 BRYAN ROSS: My name is Bryan Ross, R-o-s-s.
21 I live approximately 1700, 1800 feet from where the
22 coal site is going to be on the Scenic Highway.

23 A couple questions I have is the water
24 temperature. When it goes back into Canisteo pit, is
25 it going to raise the water temperature? We've had a

1 lot of global warning, as they say, around here, and
2 the water temperatures over the past several years
3 have gone up one and a half degrees, which turned
4 prime walleye lakes into prime bass lakes now. It is
5 warming the water up. Also Hill Lake or Holman Lake
6 is a very good swimming hole for a lot of kids and
7 families. What is going to happen to that?

8 Noise is a concern. Again, I live right on
9 the Scenic Highway. How are you going to reduce the
10 noise that's going to be happening through here?

11 A couple other questions I have. You have
12 eight stacks is what I was told, approximately 150
13 feet high, 20 foot in diameter. Is that for both
14 phases or is that going to be just for one phase? And
15 if one of these processes becomes plugged, when it's
16 cold, it does happen, what happens to the gas through
17 the scrubbers when this is exhausted through these
18 stacks? (Applause).

19 BILL STORM: Thank you, Bryan. Kurt.

20 KURT CHRISTOPHERSON: My name is Kurt
21 Christopherson. Christopherson is
22 C-h-r-i-s-t-o-p-h-e-r-s-o-n. I am one of landowners
23 on Diamond Lake. I also happen to have 100 acres of
24 land across the road that butts up to Dunning Lake. I
25 am what you might call the poster child for eminent

1 domain on this issue. As conveniently, when I found
2 out about this project initially, Excelsior Energy
3 failed to point out I had a railroad going through my
4 land. Well, after I talked to them, yes, that's a
5 possibility.

6 Then conveniently last October 25th when we
7 had another meeting in Taconite here, I found out our
8 local commissioners and county officials decided to
9 put County Road 7 through my land. As of right now
10 nobody has talked to me about this. So as I said, I'm
11 the poster child for eminent domain.

12 But I would like to get into a few
13 environmental issues here. This plant, this
14 (inaudible) all wrong and kind of knockoff the Wabash
15 River plant in Terre Haute, Indiana, this plant is
16 going to be four times the size, roughly four times
17 the size of the Terre Haute plant when it's done,
18 Phase I, Phase II. The plant in Wabash River has
19 routinely never met its selenium, arsenic or cyanide
20 discharges into the water.

21 The question is here, it's going to go back
22 to the Canisteo Mine pit through the cooling tower
23 (inaudible), could possibly contaminate the wells.
24 That's in their own environmental docket, states that.
25 You get a paper copy. After the meeting you want to

1 talk to me, I can probably give you the section to
2 find it. It states possible groundwater contamination.
3 In the slides over there I watched they didn't talk
4 about how much mercury this is going to give off. I
5 never seen the total. But in the CAMP brochure I read
6 54 pounds of mercury a year this project is going to
7 give off.

8 I found from Bob -- Bob Evans has done a very
9 nice job. You did a nice job, Bob. But he also
10 stated earlier, cautious, let's be cautious about this.
11 This is after testing. This is going to be the first
12 facility of this size built here in the United States.
13 Yes, we better be very cautious. When we watch what's
14 going to happen to our groundwater possibly, if -- they
15 like to say "when."

16 You know, I found it interesting, talk about
17 Hoyt Lakes and the Lake Superior watershed, but yet
18 they're going to use a different technology here
19 because Lake Superior is a little more stringent.
20 This is going to be a little more costly if they have
21 to do it the other way. So that's one of the main
22 reasons they picked this site. (Applause).

23 I would assume some of the Croatian, Serbian
24 gentlemen back there is a -- they're make-up is
25 different from the people over on the North Shore,

1 because they don't have to use the same requirements
2 here.

3 The other thing is, when this process -- IGCC
4 process sounds good, and, I mean, it looks good, but it
5 was designed for carbon capture. This project doesn't
6 have any designs of carbon capture. Bob talked about
7 in a couple of years after some studies they might look
8 at it, they might implement it, they might, might,
9 might. Carbon capture is the future. But why aren't
10 we looking at doing it now? There are ways to address
11 it, he says. (Applause).

12 And on a final note, on a final note I was
13 interested in reading an article by Neil St. Anthony
14 in the Star-Tribune. Mr. Micheletti quoted a price
15 per kilowatt in that article to Neil. He also quoted
16 the plant 1.5 billion for Phase I, and then they were
17 talking 1.97 billion. The price of copper a year ago
18 was \$1.20 a raw pound. As of this morning it closed
19 at \$3.48 a raw pound. Where are these numbers derived
20 from? Have they been updated? If you don't update the
21 price of steel, the price of copper and all the prices
22 of commodities along with the construction, this
23 project is going to continue to grow in price.

24 Every one of us buys electricity, other than
25 (inaudible). He happens to be right in the heart of

1 this project. He doesn't have any electricity on his
2 land. He's all solar, wind power.

3 But what's kind of ironic is we were quoted a
4 price in the paper of 6.3. (Inaudible) least cost
5 resource? Well, this plant ends up costing four
6 billion, three and a half billion? What is it going
7 to cost all of us? It's going to be a dramatic
8 difference.

9 Again, thank you for listening to me. Keep
10 in mind the elections are coming up. Some of your
11 officials have spoke for it, and other officials have
12 spoke somewhat against it. Keep that in mind. Keep
13 that in mind if you're voting for county commissioners.
14 Take a look at the project. Read the CAMP literature,
15 read the MnCoalGasPlant literature and also read the
16 Excelsior docket, and go through and find this. You
17 will find that this information -- this information
18 can't -- and (inaudible) is derived right from the
19 docket.

20 And again, I am the poster child for eminent
21 domain, so get a look at my face here. Thank you.
22 (Applause).

23 BILL STORM: Thank you, Kurt. S.L. Foster.

24 S.L. FOSTER: Thank you. I have a concern
25 over this. I've been on legislative committees. I'm

1 all for working people. But I think the regular
2 environmental impact concession should be studied a
3 hell of a lot more than they are studied.

4 I have one comment coming from the power plant
5 down there by Aitkin. The lady was telling me that
6 Cedar Lake, they are allowed one walleye a week because
7 of the mercury pollution. But if they are a pregnant
8 woman or woman to become pregnant or a child, they
9 recommend one walleye a month. They do not even allow
10 their children to swim in Cedar Lake because it's
11 polluted. I would like them to take and check all the
12 different power plants in the area and see if they
13 have the same impact on the environment that's
14 happening down there. That is unacceptable. Thank
15 you. (Applause).

16 BILL STORM: Thank you, Mr. Foster. Dave
17 Dahl.

18 DAVE DAHL: My name is Dave Dahl, D-a-h-l. I
19 reside on the St. Louis County-Itasca County line
20 about 20 miles southeast of here, in the Goodland area.
21 I value brook trout fishing on the Canisteo Lake so
22 much that I wanted to come here tonight and ask that
23 the lake trout fishery be given due diligent
24 consideration in the EIS process. Lake trout lakes
25 are not made every day, and in our own backyard we

1 have a large lake trout lake.

2 It's difficult to see in the scoping docket
3 outline whether the topic of lake trout falls under
4 the heading of surface waters or parks and recreation
5 or biological resources. So my conclusion is that the
6 topic of lake trout may fall through the cracks in the
7 review process, and it may warrant its own heading in
8 the review.

9 As a fisherman I would ask that the lake trout
10 fishery in the Canisteo be given the same due diligence
11 in review as if this lake were Burntside Lake or Trout
12 Lake north of Lake Vermilion or Brouha Lake in Itasca
13 County, or any of the other lake trout lakes in
14 northeastern Minnesota.

15 My eight-year-old son says that I'm a
16 fisherman and that he's a catcherman, and I hope that
17 continues to be the case. I hope that whatever
18 direction this project takes, I hope that it protects
19 the cold water, deep water fishery for lake trout
20 that's in our own backyard. Thank you. (Applause).

21 BILL STORM: Thank you, Dave. Peter
22 McDermott.

23 PETER McDERMOTT: Peter McDermott,
24 M-c-D-e-r-m-o-t-t. I'm with the Itasca Economic
25 Development Corporation, and I'd like to make some

1 comments. I first would like to say that I've
2 listened to all the comments tonight, and I'll be here
3 to listen to all the other ones, and I make these
4 comments in the context of a healthy community because
5 I think everybody in this room or most everybody in
6 this room lives in this community and wants the best
7 in a balanced, healthy way for our community, and these
8 comments are made in that context.

9 And I ask that the Department of Commerce, the
10 Minnesota Pollution Control Agency, DNR and Department
11 of Agriculture, MN DOT and the Corps of Engineers take
12 all the citizens' input seriously and address these
13 issues. And I heard Bob Evans say, and I've heard Tom
14 Micheletti say it also, that the landowners that would
15 be affected would be treated fairly, and we're holding
16 you to those comments.

17 Within that context, I'd like to say that
18 it's my understanding that the June 23rd draft document
19 that was on the web, and I guess it was handed out
20 tonight also, is going to consider the socioeconomic
21 impacts that will be from this part of the scoping of
22 the EIS, which I appreciate. In reviewing those
23 socioeconomic impacts, please include the research
24 report from the UMD School of Business and Economics
25 entitled the Economic Impact of Constructing and

1 Operating an Integrated Gasification Combined Cycle
2 Power Generation Facility in Itasca County, dated
3 April 2006.

4 The Itasca Economic Development Corporation
5 commissioned this research study on the economic
6 impact on Itasca County to supplement the study
7 published last September, which focused on the economic
8 impact on the Iron Range in total.

9 Itasca County poverty and unemployment rates
10 are significantly higher than the state averages. In
11 fact, Itasca County is recognized as an economically
12 disadvantaged as a federally designated (inaudible).
13 Mesaba Energy Project has the potential to turn this
14 trend around. The economic impact during construction
15 will boost our local economy during a time of great
16 economic need.

17 Going to the UMD report, Value Ed, which is
18 the measure of impact of the industry's contribution
19 to the local community, including wages, rent,
20 interest and profit, will be very significant. In
21 fact, the Value Ed in 2010, peak construction year, is
22 estimated at 229 million dollars. This is
23 approximately 22.5 percent of the economic base of all
24 the current industries operating in Itasca County,
25 which is about one billion dollars. The annual impact

1 ongoing of operations is estimated at 242 million
2 dollars, or approximately 24 percent of this same base.

3 We're also, in the economic development field,
4 excited about the additional opportunities provided by
5 Mesaba Energy producing electricity, be state of the
6 art IGCC technology, on Minnesota's Iron Range. Basic
7 industries requiring a significant amount of
8 electricity has been the foundation of our local
9 economy for 100 years. As a reliable and
10 enviromentally friendly, locally produced source of
11 energy, we'll enhance our area's competitive advantage
12 for hosting mining and forest products industry
13 expansion, and the additional high paying jobs it will
14 provide to the community. Thank you. (Applause).

15 BILL STORM: Thank you, Peter. Michael
16 Andrews.

17 MICHAEL ANDREWS: I'm Michael Andrews,
18 A-n-d-r-e-w-s. I reside in Blackberry, and I work for
19 Itasca Economic Development Corporation, but I'm
20 speaking personally on this. I grew up about a mile
21 from this proposed plant, and I went to school -- I
22 was in the first class that entered this facility
23 right here in grade school. And I went on, got my
24 degree, and I had to go away from this area because
25 there weren't any jobs. This grade school was closed,

1 Balsam, Coverdale. We have Phillip Murray, we've got
2 a school in Marble. There are a lot of schools that
3 are gone right now. We don't have enough good quality
4 jobs in this area.

5 And sure we want a clean environment, so it
6 has to pass all the permitting and so forth. But I
7 think it's a shame that kids that grow up here have to
8 go away to get a good job.

9 When I graduated at Greenway, we had over 190
10 in my class. Right now there's less than half that.
11 And this is a great place to grow up. We had the
12 mines here. It was industrial. I used to walk to
13 Diamond Lake. That's an industrial area. You get
14 your clothes dirty when you walk on that road. It is
15 not a pristine area. Yes, we used to catch good fish
16 there, and it was a world class fishery, but there are
17 a thousand other lakes in Itasca County that are also
18 world class. That's all I have to say. (Applause).

19 BILL STORM: Thank you, Michael. Amanda
20 Nesheim.

21 AMANDA NESHEIM: I'm Amanda Nesheim, that's
22 N-e-s-h-e-i-m. I live in northern Itasca County,
23 rural Brookheart. And I highly question the validity
24 of the full review process that was stated because
25 Excelsior Energy has been exempted from the certificate

1 of need. I question this especially since Xcel
2 submitted an additional load report to the Public
3 Utilities Commission in July of this year, stating
4 that they only would require an additional 375
5 megawatts of energy by 2015. And I just don't
6 understand how Excelsior Energy's site that they are
7 going to -- they cite 5600, 6100 megawatts as
8 additional need by 2015, when Xcel Energy is stating
9 375. To me that's too big of a discrepancy to exempt
10 Excelsior Energy from a certificate of need.
11 (Applause).

12 The other question I have concerning Minnesota
13 Statute 216B.1694, Subdivision 2, Paragraph 2, the
14 paragraph states "Once permitted and constructed, is
15 eligible to increase the capacity of the associated
16 transmission facilities without additional state review
17 upon final notice with the Commission."

18 My question is, does that mean that Excelsior
19 Energy can expand operations at this site with no
20 governmental oversight, review or public input? And
21 will Excelsior Energy be able to build all six plants
22 that they propose to build here if they can't find
23 other suitable sites? (Applause).

24 BILL STORM: Thank you, Amanda. Charles
25 Decker.

1 CHARLES DECKER: Thank you. My name is
2 Charles Decker, D-e-c-k-e-r, from Hibbing. I come
3 over from Hibbing basically to present my opinions on
4 this project and a few thoughts, more of global
5 comments rather than the articulate things that I just
6 heard from the residents who live around here.

7 The first thing I'd like to say is that you
8 have to look at this project I think to some extent as
9 risk versus reward. What are the rewards, what are
10 the risks?

11 Well, the rewards as I see them, and I hear
12 from the economic development gentleman just now, the
13 man that says he went to school here and wonders why
14 everybody else can't go to school here. They
15 anticipate that this project will add a couple thousand
16 people working in the construction, but then that will
17 slow down to 100 to 120 people finally when the project
18 is complete and it's ongoing. That to me is not really
19 a lot of reward. But, of course, there would be
20 spinoff for other jobs and so on, and I recognize that.

21 Then the other side of it is, what are the
22 risks? Well, I was going to mention I am a physician
23 over in Hibbing. I've been in practice there, family
24 medicine, for 36 years, so I have some ideas on health
25 and risks and benefits on that issue, I think.

1 I must say Mr. Evans' presentation was
2 extremely interesting and also very articulate. It
3 presented a one-way street, I think, as to how things
4 were projected. I thought it was rather interesting,
5 there was air pollution issues, and one he had were
6 cancer risks, and he actually had people in Itasca
7 County breathing the ambient air had a higher cancer
8 risk than those breathing the air about the Mesaba
9 Energy plant. So maybe that adds up, that if you work
10 at the Mesaba Energy plant, you lower your cancer risk
11 actually. I think that study should be looked at.
12 (Applause).

13 But aside from the toxins -- and they're very
14 concerned with toxin to people that have to live around
15 the plant, only 400 feet, 1200 feet and so on, they're
16 talking about well water and children's health and so
17 on. I guess I don't see anything going on except
18 eminent domain. They're going to lose their
19 properties. What else is going to happen to those
20 properties? Are they going to ensure that there's well
21 water for a person a few hundred feet from that plant?

22 Now I just have three other issues I'd like to
23 mention -- two others really. That was the first one,
24 health and the environment. The second one is maybe
25 this plant is going to be a white elephant. The man

1 that worked at the North Dakota plant, I think he
2 basically mentioned the concerns there. What do I
3 say? I don't mean that I want this plant to be a
4 white elephant, nor do I want Mr. Micheletti and his
5 team to fail in this project. It's really a mammoth
6 project that's taken a lot of effort. And we heard
7 the federal government man expand on the issues that
8 the federal government will fund it for 50 percent, up
9 to 2 billion dollars, as I understand it. But there
10 still needs a lot of other money to be spent, to come
11 from somewhere.

12 And the points I would like to make is that,
13 one, on this issue, the white elephant, this
14 technology, I don't think is a cinch. I'm not aware
15 it is. The federal government man stated -- and I
16 understand his position, he's talking about that it's
17 a cinch. But as I understand it, the two plants, one
18 in Indiana and one in North Dakota, are less than half
19 the size of the plant that's proposed for here, and
20 they have had a checkered background, both in
21 technology and financially. And it's my understanding
22 that they only operate about 60 to 65 percent
23 production at the current time. So they're not totally
24 successful, although they're all older plants.

25 Then, of course, I mentioned the financing of

1 this plant. But it concerns me a little bit if there's
2 so much money around, the government's projecting to
3 put up 50 percent of the bill, why does Xcel Energy
4 have to be going after hard money from villages,
5 looking for infrastructure, looking for guarantees of
6 millions of dollars from little towns that don't have
7 the money; Bovey, Nashwauk and so on?

8 Another thing I would like to mention is
9 Mesaba Energy, they're a brilliant group of people, I
10 recognize that. I looked at their CDs here, and I
11 heard Mr. Evans talk. But they have no experience in
12 building a plant like this, designing it and building
13 it.

14 Now, I know they have Fluor, ConocoPhillips
15 and Siemens on board, who are respectable, I'm sure.
16 But the truth is they really haven't built a plant like
17 this. And if I were going to -- if I sent a patient
18 out to have heart surgery, I sure don't send them to a
19 general practitioner over in Virginia for surgery.
20 (Applause).

21 The last thing just on this item is the cost
22 of this, like Mr. Christopherson mentioned, the cost
23 of the kilowatt hours; that this is not going to be
24 cheap with the state of the art removal of pollutants,
25 which, by the way, isn't 100 percent removal. I think

1 everybody should understand that there's 6 million tons
2 of coal coming into that plant per year, and even if
3 they remove 90 percent of the pollutants, there's still
4 going to be 10 percent, and that's a lot of pollution.
5 But the point I was going to make is the kilowatt hour
6 costs for this plant I think are going to be costly.
7 Who are they going to sell this power to?

8 And the last thing I just wanted to mention is
9 that I'm kind of surprised I'm actually at this meeting
10 here, because I don't think this meeting should be in
11 Taconite. I think this meeting should be down in the
12 metropolitan area where the power is going to be
13 shipped. (Applause).

14 Or to put it another way, I don't think the
15 plant should really be built here, although I can
16 understand the economic benefits and so on. I'm
17 sympathetic towards those. But why build the plant up
18 here, build a bunch of power lines to run it, to run
19 the power, which is all going to be sold in the
20 metropolitan area anyway? Build it down in the
21 metropolitan area or build it (applause) (inaudible).

22 Then I would just like to comment, I did read
23 in the paper several months ago Mr. Micheletti said
24 he's doing this project for the good of the people of
25 the Iron Range. And I thought, gee, why not just do it

1 for the good of the people where the power is going to
2 be used. Thank you. (Applause).

3 BILL STORM: Thank you, Charles. David Hudek.

4 DAVID HUDEK: Hi. Thanks for this opportunity
5 to speak. I'm one of the landowners at Diamond Lake.
6 As all of you have heard, we have environmental
7 concerns. Myself, I built this house I love, and I
8 love to fish. Like the gentleman next to me said,
9 there's very few pristine fisheries, and Diamond Lake
10 is one of them. The University of Minnesota does
11 water clarity tests on this, and also on Dunning Lake.

12 One of my concerns is with the rail lines
13 being in close proximity, with under a thousand yards
14 of these coal trains going by this lake, what's going
15 to happen with the blowoff dust from these rail cars?
16 (Applause).

17 BILL STORM: Thank you, David. G. Newstrom.

18 G. NEWSTROM: I'm going to pass.

19 BILL STORM: Robert Crowe.

20 ROBERT CROWE: I'm Rob Crowe, spelled
21 C-r-o-w-e. Actually I live in Hill City. I was
22 raised in Grand Rapids. I'm a contractor in the area.
23 I'm also president of Northern Minnesota Builders
24 Association, although I'm not speaking for the
25 association at this time.

1 I was raised northeast of Grand Rapids. My
2 dad owned a 40 that actually every pipeline and
3 highline in the area crossed that 40, and I know what
4 a hassle that was. Every time we went across, he had
5 a fight with Minnesota Power or the gas company. But
6 once it was done, it was done. We're still struggling
7 with that, so I understand all the things that happen.

8 But I do know electricity is very important to
9 us and our nation, everyone -- I wouldn't say everyone
10 in the world, but it's becoming more important. Usage
11 is constantly increasing. Minnesota imports
12 electricity. We don't produce enough here.

13 As a builder, I find in my projects, my new
14 homes, we used to put a 100 amp entrance, now we're
15 putting 200 amp entrances, plus another box for 150 amp
16 dual fuel, 100, 150 amps. This increases electricity
17 usage. Most of my new homes I'm putting in electric
18 dual fuel. It's a very reasonable way to heat our
19 homes.

20 I don't really want to try to depend on the
21 windmill or solar panel in January to produce power to
22 heat that home. I'd just as soon they have a reliable
23 source of electricity. Where is our power coming from
24 for these new homes, for this electric heat?

25 I just made a trip down to Kentucky and

1 Paw Paw, Illinois, they have a big windmill farm.
2 5 o'clock in the afternoon I went through. Those
3 windmills were all stopped. There wasn't enough wind.
4 It happens.

5 I guess I prefer a project like this one. It
6 looks like these people are using the best possible
7 technology to cleanly produce reliable electric power.
8 It's produced right here on the Range. I have no doubt
9 the MPCA is going to be looking closely at any
10 emissions or discharges from this plant, as well they
11 should. I've worked in industrial situations, and
12 you've got to make sure that you're up to snuff
13 because that's the MPCA's job. They're looking out
14 after our interests.

15 In conclusion, I believe it's imperative to
16 have continued prosperity of this area to pursue
17 projects like this. I commend Excelsior Energy for
18 their efforts to produce clean electric energy in the
19 west Range area. Thank you. (Applause).

20 BILL STORM: Thank you, Robert. I apologize
21 in front for this one. Walter Petrusic.

22 WALTER PETRUSIC: Walt Petrusic, Pengilly,
23 Minnesota. Many of my concerns have already been
24 mentioned. But emissions, both air and water, I live
25 approximately eight miles as the crow flies, and I'm

1 sure all the stack emissions will reach me.

2 Communities such as Taconite here and the
3 county are putting up a lot of money. If thing goes
4 belly up, such as Cohasset, who's going to pay that
5 bill? The taxpayer is. (Applause).

6 I'm also concerned about the process, because
7 there are cleaner electricity producing plants out
8 there. Why don't they use the cleaner, more up-to-date
9 process instead of coal? (Applause).

10 Stack heights, I'd like to see that stack
11 height increased so that we disperse it over a larger
12 area. (Applause).

13 BILL STORM: Thank you, Walter. Jim Merhar.

14 JIM MERHAR: Good evening. I represent the
15 Iron Range Area Consulate for the White Earth
16 Reservation. (Applause). Here's one of the issues,
17 these wetlands, the mercury, mercury is deadly in the
18 water. And I talked to Mr. Hargis from the EIS for the
19 government, and they know all about these treaties.
20 What we want is clean water and clean, clean air. We
21 don't want to be breathing all this garbage.

22 As far as the wetlands, it's impossible to
23 make a new wetland by going and digging another one.
24 All this water here comes from the Divide up here. Is
25 goes through a filtering system. As it goes through

1 that system it stays clean. And if you pollute it,
2 you're not going to be here, or your grandkids and the
3 grandkids after them. So think about it. They might
4 have clean technology, but they're not perfect. And
5 when they do something, they pay the fine. They don't
6 care about what happens.

7 I did talk to Mr. Micheletti -- and this is
8 just kind of a joke here. He was trying to give me
9 some cookies. So I want to make him laugh a little
10 bit, too, because that's good humor.

11 But as far as the energy project, nobody has
12 went through the tribal chairmen unless they have to
13 under these treaties, and the treaties are forever. So
14 Mr. Micheletti said he would go and meet with them.
15 Well, we'll give him the tribal chairmen's addresses,
16 phone numbers, and we do expect you to comply.
17 (Applause). That's all I have to say. Thank you.

18 BILL STORM: Thank you, Jim. Ron Gustafson.

19 RON GUSTAFSON: Ron Gustafson,
20 G-u-s-t-a-f-s-o-n. I'm a homeowner on Diamond Lake. I
21 have a question and a comment I'd like included in the
22 scoping process. And the first question is two of the
23 brochures or handouts given by Excelsior tonight states
24 on the sale of electricity long-term contract with
25 Northern States Power. It's my understanding that a

1 purchase of power agreement has yet to be determined.
2 So is there a customer for this power as of today? Yet
3 their documentation says there is.

4 My other comment is on safety. And we're all
5 concerned about safety. If this plant is built, I ask
6 that the scoping process should require the applicant
7 to produce an extensive, comprehensive and actual
8 safety process and program for review by the
9 environmental scoping process. And I base that on the
10 fact that this company has no safety history or
11 experience with operating and managing a high risk
12 demonstration plant. Thank you. (Applause).

13 BILL STORM: Thank you, Ron. Linda
14 Castagneri.

15 LINDA CASTAGNERI: Well, I've got a few
16 papers to shuffle around so I'm going to come up front.
17 My last name is spelled C-a-s-t-a-g-n-e-r-i. And I,
18 too, am a property owner on Big Diamond Lake, and I
19 was born and raised in Hibbing, Minnesota. And to
20 reference the gentleman who talked about how dirty it
21 was to walk over to Diamond Lake, I was born and raised
22 in Hibbing, and we were proud of the red dirt under our
23 feet. We were. It paid our bills. It fed our
24 families, and it was represented by a great industry,
25 an industry that provided the community with some of

1 the best schools. I attended Hibbing High School,
2 it's probably one of the best schools that was ever
3 built in this country. So I would never, ever
4 discount the red dirt under my feet.

5 But I am here tonight requesting that my
6 comments be incorporated into the scoping process.
7 And I am requesting the scoping process include a
8 detailed analysis verifying the broad base statements
9 made by the applicant that will possibly impact the
10 community. And I'm going to identify those
11 specifically as addressed in the applicant's joint
12 application, and I'm going to read those.

13 Specifically, Paragraph 1, Line 1 through Line
14 3 of Section 7, Page 410. "The applicant does not
15 expect any industry to be adversely impacted by the
16 construction and operation of the IGCC power station
17 at the west Range site. Area tourism and recreation
18 areas will not be adversely impacted by the project."
19 So what I am requesting is a thorough review of that
20 broad based statement.

21 Paragraph 4, Lines 8 through 11 on Page 410
22 reads -- the earlier part of the paragraph references
23 the residents to be affected by construction and
24 operation. "Construction of these two transportation
25 elements, that being Highway 7 and the railroad, would

1 likely take place over a two-year period, interrupting
2 the residents' normal daily activities. Thereafter,
3 increased levels of construction traffic will be
4 ongoing over several years as construction of Mesaba
5 One and Mesaba Two reach peak levels." I'm requesting
6 that those broad based comments be thoroughly analyzed
7 and reviewed.

8 Now I'm going to speak about core values. Mr.
9 Evans talked about landowners being treated fairly.
10 And I've been very involved with this process since it
11 started last October, when we first met here, and there
12 are many things that I have witnessed that I need to
13 speak about tonight.

14 The first thing that I need to speak about is
15 that I have not been notified about the fact that on
16 one of these orange dots on the map I am identified in
17 this document as a receptor. That's how I'm
18 identified. Now, if that's what Excelsior Energy deems
19 as being a core value that they want to espouse, I want
20 this process to review that.

21 Again, we have come to this meeting tonight
22 without the proper notification that we need to
23 prepare. I'm going to tell you that on these sheets
24 of paper, if I was to start to read them off to you,
25 are listed all the receptors. There are receptors

1 within 100 feet, 300 feet, 500 feet, et cetera. So,
2 again, what are the core values of Excelsior Energy?

3 Landowners will be treated fairly. Okay.

4 Well, let me tell you that we attempted to intervene
5 in the power purchase agreement regarding this project.
6 I am not opposed to the fact that Excelsior Energy
7 might disagree with that. But, again, I ask, what are
8 the core values of a company that had their legal
9 counsel petition the Administrative Law Judge to
10 prevent us from participating? (Applause).

11 I have also testified in several senate
12 meetings. I'd like to talk a little bit about those.
13 They had to do with changing language. In other words,
14 the law already had the language that Excelsior Energy
15 requested in it, but due to the change of venue and
16 selection, they now had to have certain words struck
17 out.

18 Again, I can understand that they might have
19 a position different than mine. But I am here to tell
20 you that when the senator asked the general counsel of
21 Excelsior Energy if it was a deal breaker if they
22 didn't strike out of that law not building it on a
23 former mining site and having infrastructure on-site,
24 I am here to attest to the fact that the general
25 counsel of Excelsior Energy did not respond.

1 So these are the comments that I would like
2 entered in on my behalf. And as a resident that owns
3 property, I would like to make an official petition to
4 the State of Minnesota and the Department of Energy
5 that those of us who are directly impacted and who are
6 going to be living next to these railroads and these
7 power lines, be given some information so we know what
8 kind of decision we need to make on our behalf. Thank
9 you. (Applause).

10 BILL STORM: Thank you. Ronald Rich.

11 RONALD RICH: Thank you. It's a hard act to
12 follow. I appreciate being able to speak. I'm the
13 rocket scientist some of you may have heard about who
14 lives on Swan Lake, too. I also am in the area where
15 I've had to purchase this power in Minneapolis.

16 I represent somewhat Swan Lake Association.
17 I've also worked in the power industry for several
18 years. We have advanced technologies to measure,
19 control and improve efficiencies of coal based and
20 other power plants. We've had 22 acres on Swan Lake
21 in the family for 107 years.

22 I was willing to be pretty open-minded on
23 this project as I started coming into it. It was
24 always the nagging issue of, they're actually going to
25 take that CO2, redo something with it, put it

1 somewhere safe, and it's going to be a model plant.
2 As time went on, the problem has always been with me,
3 because when I was at Princeton doing studies, climate
4 models 35 years ago, CO2 issues were a big issue.
5 Going higher and higher and higher. They're doing that
6 now. Global warming you've heard about. CO2 by itself
7 is a bad issue.

8 The problem I'm really having now is you
9 cannot make coal the fuel any more in this society.
10 Minnesota on this particular project has a chance to
11 take this technology and convert it to a renewable
12 resource. Whether it's the same technology they're
13 using now -- they can use biomass, and we actually
14 have local resources to do that. Add much more to the
15 economy. That's an option.

16 Option is just not to approve the project, do
17 wind energy with storage. We actually have the pits to
18 do pump energy storage. We can do technologically very
19 good things.

20 I used to be the alternative energy director
21 for the State of Minnesota. I wrote a plan in 1980
22 that covered different types of alternatives. The
23 Range had very many, many resources and choices. The
24 physics doesn't change. This particular technology is
25 technology that should no longer -- it was invented a

1 long time ago. (Applause). The actual misuse is
2 really what's happening to our climate.

3 I still have a few minutes, so I still want
4 to get this on the record. Mr. Commissioner, I really
5 hope this gets in here as an issue. We should not be
6 approving coal based power plants in Minnesota or
7 anywhere else anymore. Clean coal is a myth. It puts
8 out CO2 -- (applause). It puts out CO2 no matter what
9 happens. The joke is they're going to CO2 sequester.
10 No technology has ever been evaluated or proven that
11 will successfully CO2 sequester any type of CO2 volume.
12 And if we ever looked at the amount of gases that are
13 being put out, the most we could sequester by biomass
14 and wetlands, which is the study that's being proposed
15 here, is 1 percent of the total emissions.

16 The earth is growing more and more used to
17 coal. Our problem is that other countries like Europe
18 are using the same technology with biomass to produce
19 a renewable resource and a renewable electricity. The
20 problem that we're seeing, and I'm working in this
21 industry, too, India, China and the United States,
22 what a great group, are using this technology and
23 using coal. Coal does not belong in the use of energy
24 anymore in the United States. All fossil fuels are
25 bad. Coal happens to produce the most CO2 per unit of

1 energy produced.

2 We have a lot of it. Our current government
3 loves it. But the problem is a hundred years ago it
4 was only 200 parts per million, which is a measure of
5 the amount of concentration of CO2. Right now we're
6 feeling a little bit sluggish because the ventilation
7 here is a little slow. It's about 800 to 1,000 PPM
8 CO2. Above that number we kind of fall asleep.
9 There's no fresh air anymore.

10 UNIDENTIFIED SPEAKER: That was the plan.
11 (Laughter and applause).

12 RONALD RICH: Forty years ago we increased 30
13 PPM. That was 1966. We're burning a lot of coal.
14 320 parts per million. 20 years ago, 1986, we were at
15 340. We increased 20 PPM in only 20 years. Well, the
16 last 10 years we increased 25. We're now at 385.
17 With China, India and the U.S. together increasing
18 their use of coal, we're going to be at 500 parts per
19 million very soon. Ventilation systems in buildings
20 will no longer keep up. You won't be able to breathe
21 fresh air.

22 This issue is so critical. You've seen --
23 well, you've heard about Al Gore's presentation on
24 climate change and global warming. The CO2 amount
25 alone is proven and measurable, and this plant will

1 produce 1 percent more in the United States than we
2 would have had before, because they're not sequestering
3 it, and they have no technology to do so.

4 So my request -- and at some point it may
5 become a demand because I'll get angrier and angrier
6 -- it's time for Minnesota to consider alternative
7 energy and not use our renewable funds to pay for coal.
8 (Applause).

9 I just want to slip one more comment in. I
10 did not see a lot of cumulative effect studies between
11 Minnesota Steel and Mesaba Energy. If they both go,
12 there will be no water resource left here. They'll
13 overpump the entire amount of water available.
14 (Applause). Thank you very much.

15 BILL STORM: Thank you, Ron. Carol Overland.

16 CAROL OVERLAND: Good evening. For the
17 record, Carol Overland, O-v-e-r-l-a-n-d. I am from
18 Red Wing, Minnesota. That is (inaudible) here, but it
19 is a home to a thousand megawatt power plant, and
20 that's how I got involved in this personal property
21 tax issue. But that's for another venue.

22 I am here representing MnCoalGasPlant.com. I
23 also work in (inaudible). (Inaudible) in the power
24 purchase agreement we are official intervenors.

25 As far as the siting issue, I want to make

1 sure that everyone in the room knows that it is
2 considered as part of the EIS the impact of the
3 (inaudible) provision on this project. Anyone who
4 lives under a 230 -- well, 200 kilavolt or more lines
5 proposed has the option to have the condemner buy out
6 the entire parcel rather than just a little piece.

7 Now, most people don't want a transmission
8 line over their land. But it's important that you
9 know that (inaudible) time comes around, that you do
10 have options. And this, you know, has a significant
11 economic impact. And that's something that the EIS
12 must address.

13 Under Minnesota Rules 4400.3150, economic
14 impacts are important, socioeconomic impacts, and this
15 is one that should be addressed.

16 Second, regarding the -- and I know Mr.
17 Micheletti and I have very different opinions about
18 this. But the last Thursday map -- there was a
19 presentation, a map, about the transmission necessary
20 for this line. And it failed deliverability on the
21 east site. I knew that quite some time ago. Finally
22 now, yes, the west site also fails as well.

23 Now, another problem is that in the G5 --
24 it's called the G519 study that they have to do to see
25 if this can be interconnected. What will happen is if

1 they want to connect this and keep the stability of the
2 system, they have to cut 675 megawatts of wind out of
3 southwest Minnesota, they have to take the Big Stone
4 generation of about 600 megawatts that's in South
5 Dakota, and keep that in North Dakota, even though
6 it's in South Dakota in the first place, (inaudible),
7 to Minnesota, it can't get to where it wants to go.
8 And then they also will be cutting the Minnesota Power
9 generation in this area and cutting the capacity of the
10 Arrowhead line by 50 megawatts. This is what's
11 proposed in the G5 study. This is essentially what
12 they have to do to be able to interconnect.

13 Now, the socioeconomic impacts of that are
14 huge. If you look at (inaudible) on 675 megawatts of
15 wind per year, that's gigantic. This is something that
16 we want to deal with. So that's something that we need
17 to look at.

18 And, you know, do we need this power? No.
19 But that's a whole another issue for a whole another
20 day. The legislature did approve that by ordering a
21 power purchase agreement as an entitlement, and that's
22 what we're, you know, addressing at the PUC right now.
23 They also did say that it isn't needed because it
24 bypasses (inaudible).

25 We have plenty of power. If you're concerned

1 about whether we have power or not, whether we need
2 this or not, take a look at the 2005 reliability
3 assessment report. Just plug that into the internet,
4 do a Google, look at it, and you'll see (inaudible)
5 very high. We don't need this power. And if you
6 don't believe that, you can take a look at -- Global
7 Energy has a great, what's it called -- it's on my
8 blog, which is legalectric.org, and it's -- Global
9 Energy has put out a series of documents about energy
10 planning, and a particularly good one is about the
11 midwest. If you plug in Global Energy, in quotes, and
12 then midwest, you'll come up with a really good
13 overview of where our electrical system is today.

14 Those are just some things (inaudible).

15 Thank you. (Applause).

16 BILL STORM: Thank you, Carol. David Griggs.

17 DAVID GRIGGS: My name is David Griggs,
18 G-r-i-g-g-s. I'm a local resident of Bovey. I am a
19 husband and a father of a three-year-old, and my wife
20 is pregnant and due in March. I'm a pharmacist by
21 trade.

22 My big concern with this originally came
23 about when I found that a gas line might be going
24 through my property, and that bothered me; because
25 once that happens, you can't do anything with that

1 land. You basically can grow grass on it.

2 When I talked to my neighbors about it, a lot
3 of them are lifetime residents from here. I'm not. I
4 grew up in St. Paul and escaped in 1988. Went to
5 school in Bemidji, then went on and got my doctorate
6 in pharmacy from the U of M in 1995, and came here
7 because it's a beautiful place to live. And it's a
8 privilege to live here. And clean. (Applause). But
9 the argument I kept hearing in favor of this is jobs.
10 Jobs, jobs, jobs. We need jobs, we need good jobs,
11 and this plant will provide them.

12 I called the human relations person at the
13 Wabash facility, and I said what do you have to do to
14 work there, because I want to know who's going to work
15 at this plant, because it's implied that it's going to
16 be local people.

17 Out of 105 positions they have at the Wabash
18 facility, about 15 require college experience. All
19 the rest require either previous experience in a power
20 plant or in a refinery. And I said, even, you know,
21 labor jobs that don't require much? The human
22 relations person said yes, because it's such an
23 advanced facility, we can't have somebody that's not
24 familiar with that working around the equipment, for
25 safety reasons.

1 I just want to know who's going to work here?
2 Is it going to be local people? Are we qualified? Do
3 we have the population that's qualified, or are we
4 going to be bringing people in from the metro area and
5 farther out to run this thing?

6 It's supposed to be advanced. I don't see
7 how they can just jump start this plant with 107 local
8 people. I want a commitment that we're going to hire
9 local residents. I want to know if it's going to be
10 union jobs, because there's no mention of that
11 anywhere.

12 Who's going to build this? (Applause).
13 Fluor, Siemens, ConocoPhillips, they're all outstate
14 companies. It looks to me like it's fairly advanced
15 technology. Are local contractors going to have the
16 capability or knowledge or equipment to build this
17 thing, or are they going to have to import it and
18 bring these people in?

19 So ask yourselves that. Ask who's going to
20 work here and who's going to build it? Is it going to
21 be our people here or is it going to be somebody from
22 somewhere else? That's all I have to say. (Applause).

23 BILL STORM: Thank you, David. Kristen
24 Anderson.

25 KRISTEN ANDERSON: Hi, my name is Kristen

1 Anderson, and I'm from Bovey; I live in Trout Lake
2 Township. Some of my questions and concerns were
3 already asked by other people, but I do have a couple
4 more.

5 The IGCC technology for Excelsior Energy
6 received Department of Energy funds for renewable
7 energy. So my question is, what part of IGCC
8 technology is renewable energy? I don't really
9 understand that. (Applause).

10 In their research they compare themselves to
11 a regular pulverized coal plant, which is a very dirty
12 technology. If they are in fact a renewable or
13 alternative clean energy, wouldn't it make more sense
14 to compare themselves to other renewable or clean
15 energies so that we have something else to look at?
16 (Applause).

17 I'm also concerned because the stack height
18 in the proposal was lower for what looks to be
19 aesthetic reasons. And I'm concerned about that
20 because when you lower the stack height, you increase
21 the concentrations of particulates of other pollutants
22 that fall in an area close to the power plant.

23 So I am wondering how you plan -- if you
24 could just have a more detailed description of how
25 that lower stack height affects the people and the

1 water, plants and animals around Taconite, the Range
2 area downwind of this plant. And as far as aesthetics,
3 does it make a huge difference to have a little height
4 to a plume or -- you're going to see a plume anyway,
5 just as a reminder. So to me that's not necessarily
6 more aesthetically pleasing.

7 Also on a lighter note, I guess, Bob Evans
8 mentioned that "Any wetlands we take, we will have to
9 mitigate." So finally, I leave you with, I'm just
10 wondering how you mitigate a mallard duck. Thank you.
11 (Applause).

12 BILL STORM: Thank you, Kristen. That takes
13 us through the preregistered speakers. If you'd like
14 to speak, hold your hand up, I'll call on you one at a
15 time, Jeff will approach you, state your name, spell
16 your last name, and state where you're from. Since
17 Jeff is back there, we'll start right behind you, Jeff.

18 DAVID LICK: My name is David Lick. The last
19 name is L-i-c-k. Itasca County is blessed with a
20 thousand lakes. It seems to me that it's the wrong
21 place for the particular plant. But I realize that
22 the technology to make electricity is cutting edge.
23 And I don't mean to belabor the point, but if it's
24 clean coal, you've got to sequester the carbon dioxide.
25 You get rid of the carbon dioxide, you're probably

1 making it as possibly clean as you can. But without
2 sequestering it, it's still not clean coal.

3 The other thing I'd like to ask that the
4 study look at is the area of the Range has always been
5 friendly to industry. Water has always been looked at
6 as a raw material to make industry run. Well, if you
7 look at the price of oil now and you start comparing
8 the price of water, the price of water probably is
9 more valuable than oil.

10 The other thing is, with the water that we
11 have in this county, you have to look at every
12 conceivable possibility of letting the resource go
13 backwards. And when I look at other corporations that
14 have used the county's land, such as Embridge Energy,
15 in the last five or six, and maybe it's even eight
16 years, there's been three oops. One of those oops
17 occurred out by Itasca Community College when a line
18 broke. The next oops was a wetland over by Cohasset
19 where the oil line broke and it went into a wetland,
20 and I do believe that the people who were living there
21 ended up leaving the area.

22 Now, being the type of person I am, accidents
23 happen to me because I'm fairly accident prone; and I
24 guess my question becomes, when you're hauling
25 elemental sulfur as a product to go to market from the

1 generating plant, and the car derails into a wetland,
2 and the water mixes with the sulfur, I think you make
3 H2SO4. How do you clean that up? Or is it one of
4 those situations where, doggone it, we need some help
5 on this?

6 So if you could, I would like to know how you
7 mitigate that situation, when those heavy-duty
8 industrial accidents could possibly take place?
9 (Applause).

10 BILL STORM: Thank you.

11 PHIL COLLINS: My name is Phil Collins,
12 C-o-l-l-i-n-s. I'm from the area of Pengilly, just
13 north of the Swan Lake bridge. I didn't fill in a
14 blue card because I hadn't planned on saying anything.
15 I came here this evening primarily to get information
16 because I'm sort of neutral on the project. I don't
17 know enough about it to be for it or against it.

18 I heard a very nice sales pitch from the
19 gentleman from Xcel, and I have a lot of questions as
20 a result of that. When they kept saying we will lower
21 the percentage, how much is it lowered, and how many
22 pounds or tons or whatever will be reduced?

23 And in relation to water, we're using, quote,
24 "less water." How much is less? That's like saying
25 how much is more. And to me, I'm a neutral citizen,

1 if you will, and you had a factor in the final slide
2 that said you provide this information to allow
3 informed citizens to make a decision. I don't have
4 enough information to make a decision at this point.
5 And I think there's a lot of things you need to flesh
6 out to give us specifics rather than general terms.
7 (Applause).

8 DAN MOLAND: My name is Dan Moland,
9 M-o-l-a-n-d. Okay. I was listening to all this that
10 was going on here about lights and everything like
11 that. Well, Trout Lake, you know, they're talking
12 mercury; well, here they just got that finally cleaned
13 up, you know. And now they're going -- you know,
14 trying to (inaudible) road is what this -- where we're
15 talking on here. This is over by Diamond Lake.

16 Now, that road -- I used to go down there and
17 fish that when I was a kid. I don't know if you
18 believe this, but when I'd go down and fish that, it
19 was open to the public, and just like that -- I mean,
20 you could drive right down. And, you know, a few
21 people bought around the lake, and all of a sudden
22 they dug it up, and you can't get to the lake anymore.
23 People made sure of that.

24 And so all I wanted to know is what route the
25 pipeline or the lines are actually going to take. You

1 know, I live in Blackberry, so I'm just curious.

2 (Applause).

3 BILL STORM: Right here.

4 DEBBIE TESTER: My name is Debbie, last name
5 is Tester, T-e-s-t-e-r. I didn't sign a card because
6 I wasn't going to talk, either. I came here just for
7 information as well, just like you, pretty open-minded.
8 And the question I have that I think is -- I forgot to
9 tell you I'm from by Hibbing. I live a little bit
10 southwest of Hibbing, kind of near EVTAC, maybe 10
11 miles from it.

12 But as a community, we have a couple things
13 that you really need to think about as projects like
14 this get started, are being pushed through. I, too,
15 escaped the Twin Cities five years ago, came up here.
16 I live in a dreamland and pristine world. It's
17 wonderful. I never want to go back. And I would be
18 just devastated if somebody came and said we're
19 putting a power plant next to you and you have to move.
20 No matter how much they pay me, it wouldn't be enough
21 to compensate.

22 So the question is, is the reward of a few
23 jobs, 100, maybe 150, maybe some construction in the
24 beginning, worth the risk? And I didn't know what the
25 risks were other than, you know, I heard mercury and

1 things like that. But it looks like there's risks to
2 health, to wetlands, to the environment, to the
3 lifestyle, to losing your land to eminent domain,
4 safety, air and water emissions, railroads going
5 through people's lands. Good paying jobs, possibly
6 not for people who aren't qualified for; I never
7 thought about that until just now.

8 And also the one thing that really bothered
9 me the most when I was listening to the presentation,
10 keeping my mind really open, is the term acceptable
11 risk, for cancer, for anything else. (Applause).
12 They're trying to (inaudible) that 1 percent risk for
13 someone I love is not acceptable. So to me there is
14 no acceptable risk.

15 So there are a lot of issues that's going to
16 be talked about and hashed out before a project like
17 this should be allowed to go through. Thanks.
18 (Applause).

19 BILL STORM: Thank you.

20 JANE KINGSTON: Jane Kingston,
21 K-i-n-g-s-t-o-n. I'm a fourth generation property
22 owner on the east side of Trout Lake. There are just
23 a couple of things that I'd like to ask that go beyond
24 what I know are very voluminous statutes, rules and
25 limitations, and I know that Excelsior is here because

1 they're complying with all those rules and
2 requirements.

3 I worked for five years out of 20 plus years
4 for U.S. Steel as an environmental engineer at Minntac,
5 for Nick Brascugli, who was a great Micheletti
6 relative, and so I have more than a passing
7 understanding of the whole process, and was responsible
8 for implementing and maintaining water, hazardous waste
9 and air quality permits. So I realize that when you're
10 doing these demonstrations and fact presentation, that
11 you're doing it as it applies to the power generation
12 industry, but I still see mining, and I would really be
13 interested to see what the impacts are as they compare
14 to a taconite plant.

15 I also was looking for the power line route.
16 I believe this gentleman asked about that. And I
17 didn't see it. I'm not saying it wasn't there, but I
18 just didn't see it. So I'd be interested to see what
19 the route is between the proposed plant and Blackberry.
20 And I think that's it. Thank you. (Applause).

21 BILL STORM: Thank you for your comment.

22 PATTY MINGO: My name is Patty Mingo,
23 M-i-n-g-o. This is to Mr. Micheletti. I'm originally
24 from Edina, Minnesota. I've been up in Grand Rapids,
25 for 14 years, sir. I understand that you are from the

1 Iron Range, and I want to know why you live on Lake
2 Minnetonka, moved away from the Range, and why you
3 don't have a job on the Range? And why don't they
4 build this plant on Lake Minnetonka? Do you have a
5 problem with that? (Applause). Smile and with all
6 your heart, can you honestly answer why it's not being
7 built on the lake that you like to boat on?

8 BILL STORM: Ma'am, please address your
9 comments to me.

10 PATTY MINGO: Thank you very much.

11 BILL STORM: Thank you.

12 NATALIE MENKE: My name is Natalie Menke,
13 M-e-n-k-e. I'm from Hibbing. And I don't understand
14 a lot of the process, but something was said tonight
15 that was kind of glossed over that I wondered about.
16 They said that they expect landfill and hazardous
17 waste facilities kind of somewhere, and I don't
18 understand what that was alluding to.

19 Does that mean something is going to be
20 carried over our land to a hazardous waste facility?
21 What is it? What's happening? And it sounds like
22 they don't even know for sure where it's going. So
23 I'm just questioning the statement. (Applause).

24 BILL STORM: Thank you.

25 SAM MILTICH: My name is Sam Miltich. Last

1 name is spelled M-i-l-t-i-c-h. And I came to this
2 meeting with my mind already made up about this
3 project.

4 I read the material that I received from CAMP.
5 I think it's not just necessarily an economic issue.
6 And I would like to address this to Mr. Andrews and Mr.
7 McDermott, because I understand what it's like to be a
8 young person in northern Minnesota. I live here, I
9 live about seven miles from here on Clearwater Lake in
10 Warba Township. And I've chosen to live here, and come
11 hell or high water, I'm going to stay here because I
12 like it. There's a reason I like it. I like to fish,
13 I like to hunt. People are friendly. I've lived here
14 most of my life.

15 I keep hearing issues about jobs. And for me
16 it has nothing -- it doesn't have anything to do with
17 jobs necessarily but more with the moral issue of --
18 in terms of value of land, which is rarely brought up.
19 That's something that can't be quantified in dollars,
20 can't be quantified in jobs. It's something that has
21 been here far longer than we have, and will be here
22 far longer than we will be here on this earth. And --
23 sorry, I'm a little nervous.

24 And to think of this project just in terms of
25 jobs is, quit frankly, short-sighted. There's better

1 jobs to be had. And for the politicians sitting in
2 this room, I would say be more creative, because
3 that's what we elected you to do, and, quite frankly,
4 this is not creative at all. It's not a clean energy
5 resource, obviously. I mean, anyone who's been
6 sitting here knows this. I mean, it's just quite
7 obvious. We all know the impact that it's going to
8 have on us personally.

9 So we know about the personal effects that
10 it'll have. For the most part they're going to be
11 negative. That's just on a personal setting. Take it
12 from a personal setting and put it on a grander scale
13 in terms of the land itself, and the things that we
14 can't quantify in dollars, because I'm sick and tired
15 of hearing just about dollars. Politicians, you're not
16 going to convince me with just money, because that's
17 what this is about. That's what industry has always
18 been about.

19 My question is about the jobs. For whom?
20 Whom is it going to benefit? It's not going to benefit
21 me, it's not going to benefit most of the people in
22 this room, so I'm not buying it. Thank you.

23 (Applause).

24 BILL STORM: Thank you.

25 JANE O'LEARY: Jane O'Leary, O-'-L-e-a-r-y.

1 I live south of Grand Rapids. I moved here about four
2 years ago, and I thought I found a real gem of an area
3 in Minnesota. I think it's beautiful, and I
4 particularly appreciate that it has clean air, because
5 I lived in western North Dakota during the coal
6 development time. I was 60 miles from the nearest
7 coal gasification plant, and I, like many other people
8 in my mid 30's, developed chronic asthma. To this day
9 I take an inhaler medication every day.

10 This is such a clean area. That plant was a
11 mini plant, it sounds like, compared to what you're
12 going to do. Maybe you have improved the emissions.
13 Maybe you haven't. It was economic development there,
14 and it's economic development here.

15 I really think that people need to consider
16 the health issues. I probably live 20 miles now from
17 the plant. A lot of you are a lot closer. And talk
18 about an expensive illness asthma is. You only go to
19 the doctor once a year, you never have to go to the
20 emergency ward. If you don't have a good co-pay, it's
21 going to cost you \$100 a month for your inhaler and
22 more for your pills. I think it's something that
23 needs to be addressed. (Applause).

24 BILL STORM: Thank you.

25 GARY BURT: My name is Gary Burt. I don't

1 know if anybody's mentioned this yet or not, but there
2 was a great article in the March issue of National
3 Geographic titled The High Cost of Cheap Coal. In the
4 article it stated that at present all of the coal
5 plants in the United States produce over two billion
6 tons of carbon dioxide. That's as much as every car,
7 every truck, every train, every plane that is running
8 in the United States at present.

9 And just recently, I think it was about two,
10 three months ago, there was an article in the Duluth
11 paper, and I don't have the exact date, that said
12 scientists now believe that the vegetation on this
13 planet cannot keep up with the carbon dioxide that is
14 being produced. And we want to put more coal?

15 Even if we sequester the CO₂, you're talking
16 about CO₂ that's going to be needed to mine the coal.
17 And you're talking about CO₂ that's going to be needed
18 to transport the coal. And that's not just once.
19 That is every day. And you're also talking about CO₂
20 that's going to be needed to transport whatever other
21 compounds are going to be used to burn the coal.

22 So it's not just the plant. It's everything
23 else. It's the whole process that produces carbon
24 dioxide. You know, we haven't even started dealing
25 with the other compounds that are, you know, that are

1 put into the environment in the process.

2 If we build, say, some wind generating power
3 plants, we will have some CO2 that's going to be used
4 to get the parts here and put them up. But once

5 they're up, that's it. We don't have to do it again.
6 With coal you have to do it again and again and again.
7 And the people that are going to be benefiting from
8 this want this to happen again and again and again.

9 Somebody here just mentioned the alternative
10 risk factor. Well, there's a way of thinking, it's
11 called NIMBY, N-I-M-B-Y, not in my backyard. Do you
12 think if the people that built land mines had to put a
13 land mine in their backyard where their kids were
14 playing, do you think they would build them? Of
15 course not. Anything that's dangerous doesn't go in
16 their backyard, it goes in our backyard. And we're
17 the ones that have to take or have to face the,
18 quote/unquote, "acceptable risks." (Applause).

19 GREG CHESTER: I'm talking a little bit more
20 here. My name is Greg Chester, and I spoke earlier.
21 C-h-e-s-t-e-r. There were a couple issues that were
22 brought up that I figure I need to help elucidate on.
23 I mentioned earlier that this plant, if it's built,
24 would have 107 jobs. If we spent the same amount of
25 money on wind generation, that would produce 120 jobs.

1 So quite a few more jobs. Plus as David pointed out in
2 the back, the jobs at this plant would require great
3 specialization. With wind power, I talked to some of
4 the people there, and they said we need a well
5 qualified electrician.

6 One of the comments was made that wind does
7 not always blow and we have problems when it's not
8 blowing, especially in the winter. But wind is blowing
9 somewhere all the time. So that with enough wind
10 generators dispersed widely enough, we can cover a lot
11 of our needs. Plus there are renewable energy backups
12 that we can use.

13 There's the problem of bankruptcy, and I think
14 that's very, very serious. It was brought up before.
15 I'm looking at the economics of this project, and I'm
16 very, very concerned about that, especially with our
17 public money in it.

18 The treaty situation is very, very serious.
19 We're not -- you know, those are not just idle things
20 that we can forget about. They are alive today, and we
21 need to take those very, very seriously and talk with
22 the elders of the Ojibwa people.

23 Lastly, I'd like us all to look at this
24 picture in the front of the room. That photograph was
25 taken right over here in Bovey. It's probably one of

1 the most popular pictures in the world, next to
2 pictures of Jesus and the Last Supper. This one is
3 very, very popular. And I think it's very meaningful
4 for us tonight. I think that we ought to follow his
5 example and pray, and think about this very, very
6 seriously. Thank you. (Applause).

7 SAM MILTICH: My last name is M-i-l-t-i-c-h.
8 I spoke earlier. Just one other thought occurred to
9 me. The people who told us we didn't need government,
10 by so telling us became government, and were pretty
11 ready to have energy companies involved in their
12 energy policies. So the energy policy that's in place
13 that provides the kind of money that we're talking
14 about, billions of dollars, is available to private
15 for-profit businesses.

16 A little earlier it was suggested by a
17 spokesman for the Itasca Development Corporation that
18 -- at least it seemed to me that there was an implied
19 either/or, either we accept this plant or we don't
20 have economic development. If we put the same kind of
21 money into sustainable development for our community,
22 for this community, I think we'd be far better off,
23 and we wouldn't need this other thing in our yard.
24 (Applause).

25 JOANNE KAYE: My name is JoAnne Kaye from

1 Tamarack. I took these figures when the graphs were
2 up there. I'm concerned about the water. I added
3 them up, and it turns out to be 10,110 gallons per
4 minute that the plant will be using. How long does it
5 take to empty a lake? (Applause).

6 MR. STORM: Thank you.

7 CHRISTA BERG: I'm Christa Berg, B-e-r-g,
8 from rural Bovey. And I just had to pop up because I
9 had a similar question about the water. It didn't add
10 up to me because as you draw the water out of this pit,
11 and you're evaporating -- it goes through the cooling
12 tower, and it's evaporating out; it seems to me you
13 come up with two things, less water and more
14 mineralization of water.

15 I'm just thinking about my water in my
16 bathtub or whatever, if it sat there for two weeks and
17 evaporated, it would have a heavy mineral content.
18 How does that affect the machinery, and is there a way
19 to deal with that; and if not, don't you have to draw
20 more water out continuously?

21 Someone had mentioned something about if the
22 water levels get too low, they'll do something about
23 it. But what was that something that will be done if
24 the plant closed down if the water levels in those
25 lakes are too low? Where do they go to find more

1 water to use? Because I can't see how it could
2 function without enough water. (Applause).

3 BILL STORM: Thank you for your comment.
4 Anyone else want to speak?

5 PHIL COLLINS: Phil Collins, C-o-l-l-i-n-s. I
6 live in Pengilly. I spoke before. I would just like
7 to make one additional comment. Someone was talking
8 about the acceptable risk in regards to cancer. Well,
9 for a person who was diagnosed three weeks ago with
10 transitional cell carcinoma of the bladder, there ain't
11 no acceptable risk. (Applause).

12 RONALD RICH: Ron Rich, I just have one more
13 request. Is it possible to extend the comment period
14 one month? We have one week to get the rest of our
15 comments in. Given the volume of comments we're
16 hearing here and the amount of material we have to
17 wade through, it seems extremely short. I intend to
18 do about a 12 pager, but there's a lot more comments I
19 could do, and I can't make it in time. So I would
20 like to see if that's a possibility? Just a request.
21 (Applause).

22 BILL STORM: Thank you for your comments.

23 PEGGY MIKULICH: I'd just like to make one
24 more comment.

25 BILL STORM: Name, last name spelled, please.

1 PEGGY MIKULICH: Peggy Mikulich. I talked
2 earlier, too. M-i-k-u-l-i-c-h. I was just -- the
3 thought occurred to me, you're going to put out 160
4 tons of sulfur a day, and you have mercury for
5 hazardous waste and such. Where are these holding
6 places going to be? Because I realize that you will
7 be using some of the waste to sell out into the public
8 to use. I'd like to know where all these stockpiles
9 are going to be placed and how that -- you know,
10 they're sitting on the ground. What is this going to
11 do to the ground? (Applause).

12 BILL STORM: Any additional comments?

13 SKIP SULLIVAN: My name is Skip Sullivan,
14 S-u-l-l-i-v-a-n. I live on Nashwauk Lake about seven
15 or eight miles north of where the plant is going to be
16 -- might be. I would like to see included in the EIS
17 a comparison of the effluents from this project and,
18 say, Minnesota Steel & Iron.

19 We have the iron ore here. You can't find it
20 elsewhere. But this power plant can go somewhere else.
21 And I would also like to see a comparison of the -- the
22 benefits I think would be much greater for this plant,
23 this technology if you replace an existing power plant
24 that is an obsolete design. So inside Minnesota I'd
25 like to see a comparison of this plant replacing the

1 current power plant. (Applause).

2 BILL STORM: Again, thank you for your
3 comment. Anyone else wish to comment? I want to
4 remind you that the comment period ends on the 30th.

5 RONALD RICH: Unless you consider an
6 extension.

7 BILL STORM: Unless we consider an extension..

8 RONALD RICH: And when we will know?

9 BILL STORM: If we do something like that, it
10 will be posted on our website. And I want to remind
11 you that we are taking a transcript of this. What I
12 will do is go over the transcript, try to pull out
13 questions and comments. The questions I will put
14 together a narrative, and that will be posted on our
15 website, response to the questions. The comments will
16 be taken under consideration for our scoping decision
17 as we move towards finalizing that scoping decision.

18 RONALD RICH: When would that be posted?

19 BILL STORM: The scoping decision?

20 RONALD RICH: No, no.

21 BILL STORM: The transcript?

22 RONALD Rich: Yeah.

23 BILL STORM: Probably will be a couple weeks.

24 RONALD RICH: So it's after the comment period
25 closes anyway?

1 BILL STORM: The transcript to be posted?

2 RONALD RICH: Yeah. So we can't comment on
3 what's missing? Can't you extend it some? Can we get
4 that decision done quickly?

5 BILL STORM: It's not my call at this moment
6 to make. All I can do is say I will consider your
7 request.

8 RONALD RICH: Okay. Again, when would you
9 think that might be, that one item, the extension, yes
10 or no, might be posted?

11 BILL STORM: I don't know. I'm going to have
12 to look and see what's involved with increasing that.
13 If I have to go back to the commission and get approval
14 to increase that comment period.

15 RONALD RICH: Okay.

16 PATTY MINGO: What happens if you don't have a
17 computer?

18 BILL STORM: If you don't have a computer,
19 the library services are a resource for you to use.
20 If you signed in and you'll be on my project contact
21 list, if I'm making a notification to somebody, like
22 I'm going to extend the -- not me, but we're going to
23 extend the comment period, I would notify everybody on
24 the project contact list. So if you signed up, you'll
25 get it via snail mail if that's all you provide.

1 Okay. I really want to thank you for coming.
2 It's real important to have your input into this
3 process. We will be here again -- tomorrow night we'll
4 be at the Hoyt Lakes Arena. Thank you.

5 (Hearing concluded at 10:00 p.m.)

6 *****

7 REPORTER'S CERTIFICATE

8 I, Kathleen M. Undeland, do hereby certify
9 that the foregoing pages of typewritten matter to be a
10 true and correct transcript of my stenotype notes taken
11 on the date indicated.

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