Inv nergy

December 13, 2004

Honorable Kathleen Sheehy
Administrative Law Judge
Office of Administrative Hearings
100 Washington Square, Suite 1700
Minneapolis, MN 55401

Re: Site Permit for Large Electric Generating Plant
EQB Docket No. 04-85-PPS-Cannon Falls EC
OAH Docket No. 3-2901-16230-2

Dear Judge Sheehy:

Invenergy Cannon Falls LLC has reviewed previously submitted comments and would like to add some additional clarification to the record.

A concern was raised that the facility could become a dual fuel plant. While the plant is capable of burning fuel oil, permit restrictions will be placed on the operation of fuel oil. The Minnesota Pollution Control Agency (MPCA) is considering a permit which would limit each unit's operation to 3,680 hours on natural gas. When combusting fuel oil, the plant will be limited to 669 hours of operation. Invenergy would like to clarify that these numbers are not additive. Each hour of operation on fuel oil removes 5.5 hours of possible natural gas operation. For example, if each unit runs 669 hours on fuel oil in a given year, there will be no possible hours of operation on natural gas (669*5.5 = 3,680).

Contamination of the groundwater and negatively impacting the local streams and rivers was also a concern. As previously stated in the Site Permit Application, the large fuel oil tank will have a tank within a tank design. With this design, any leaks from the interior (primary) tank wall would be captured by the exterior (secondary) tank wall. In addition, all underground fuel oil piping will be double-walled and have leak detection; transformers and lube oil storage tanks will have concrete containment; and the fuel oil unloading area will have secondary concrete containment. Additionally, a National Pollutant Discharge Elimination System (NPDES) Stormwater Permit will regulate stormwater leaving the site. The stormwater system will be designed to capture sediment and limit the stormwater discharge rate to prevent negative effects on the rivers, streams, and surrounding properties.

Finally, a concern was raised over the approval of the transmission interconnection. The permit currently under review does not authorize the siting of new transmission assets. The installation of new transmission assets will be covered by a separate permit

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submission to the Environmental Quality Board. It will not be possible to submit the application for the transmission siting permit until the Midwest Independent System Operator (MISO) has completed the interconnection study and has identified the needed transmission upgrades.

We hope our responses are helpful to you in preparing your report and recommendation.

Sincerely,

Joel Schroeder

cc: Bill Storm – Environmental Quality Board
Jim Bertrand – Leonard, Street & Deinard
Julie Spapperi – URS Corporation