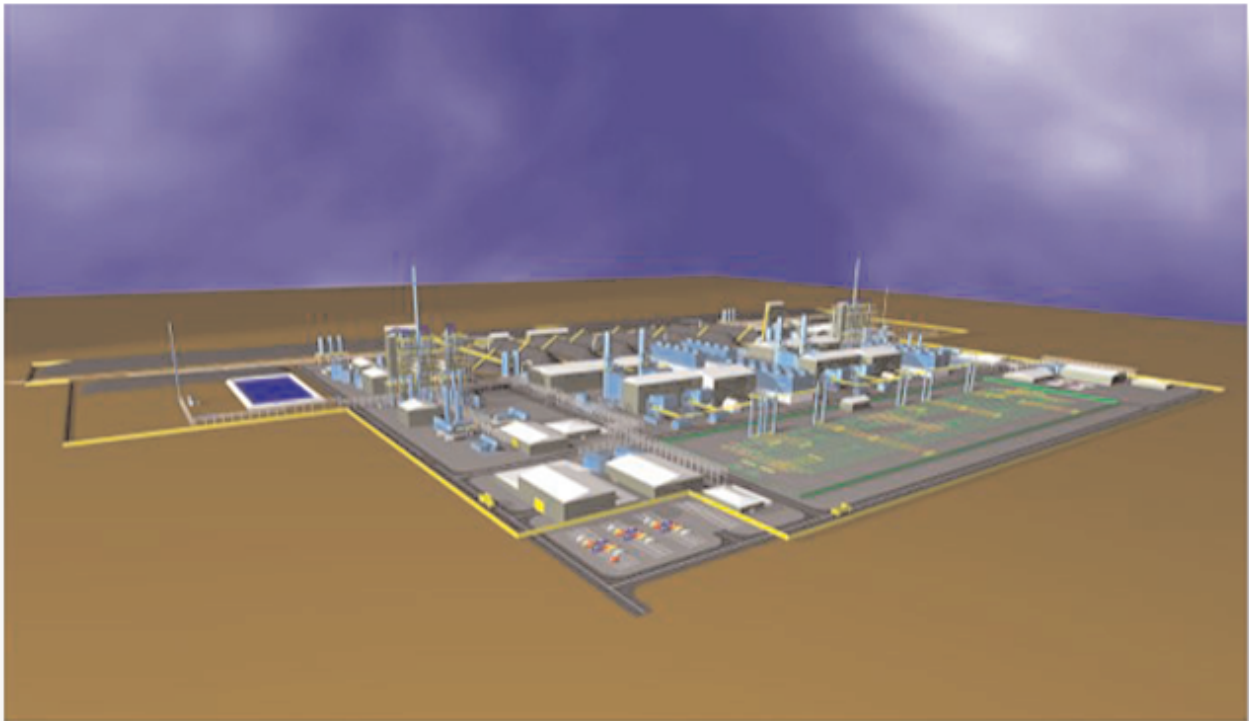


**U.S. Department of Energy
in cooperation with
Minnesota Department of Commerce**

MESABA ENERGY PROJECT

FINAL ENVIRONMENTAL IMPACT STATEMENT VOLUME I

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



NOVEMBER 2009



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



COVER SHEET

Responsible Federal Agency: U.S. Department of Energy (DOE)

Responsible State Agency: Minnesota Department of Commerce (MDOC)

Cooperating Agencies: U.S. Army Corps of Engineers (**USACE**) and U.S. Department of Agriculture (**USDA**) Forest Service

Title: Mesaba Energy Project, **Final** Environmental Impact Statement (DOE/EIS-0382)

Location: Taconite Tax Relief Area of northeastern Minnesota; Itasca and St. Louis Counties

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Abstract:

This **Final** Environmental Impact Statement (EIS) provides information about the potential environmental impacts of the proposed Mesaba Energy Project, a coal-based Integrated Gasification Combined Cycle (IGCC) electric power generating facility that would be located in the Taconite Tax Relief Area (TTRA) of northeastern Minnesota. Excelsior Energy Inc. (Excelsior) proposes to design, construct, and operate the Mesaba Energy Project in two phases; each phase would nominally generate **600** megawatts of electricity (MWe) for export to the electrical grid, **1,200** MWe total. DOE's Proposed Action is to provide a total of \$36 million in co-funding, through a cooperative agreement with Excelsior under the Clean Coal Power Initiative (CCPI) Program, for the design and one-year operational demonstration testing period for Phase I. The total cost of Phase I is currently estimated **in the cooperative agreement** at \$2.16 billion. This EIS addresses the impacts of both phases of the Mesaba Energy Project as connected actions, even though only Phase I would be co-funded under the CCPI Program. DOE may also provide a loan guarantee to Excelsior pursuant to the Energy Policy Act of 2005 **for Phase I of the proposed project. Approval of the loan guarantee is also considered a major Federal action subject to NEPA review.**

Because the proposed facility is considered a Large Electric Power Generating Plant, the Project is subject to the Minnesota Power Plant Siting Act (Minnesota Statutes Chapter 216E), which requires the preparation of a state-equivalent EIS. The EIS requirements under the National Environmental Policy Act (**NEPA**) and the Minnesota Power Plant Siting Act are substantially similar, and DOE has prepared this EIS in cooperation with the MDOC to fulfill the requirements of both laws.

The *Federal Register* "Notice of Intent to Prepare an Environmental Impact Statement and Notice of Proposed Floodplain and Wetlands Involvement for the Mesaba Energy Project Integrated Gasification Combined Cycle (IGCC) Demonstration Plant Northern Minnesota Iron Range, Itasca County, MN" was published on October 5, 2005 (70 *FR* 58207). DOE held public scoping meetings on October 25, 2005, in Taconite, MN, and on October 26, 2005, in Hoyt Lakes, MN. MDOC held public scoping meetings at the same two locations, respectively, on August 22 and 23, 2006. This EIS evaluates the environmental consequences that may result from the Proposed Action at two possible sites (West Range and East Range Sites). Excelsior's preferred site is the West Range Site in the City of Taconite in Itasca County, MN. The East Range Site is Excelsior's alternative site in the City of Hoyt Lakes in St. Louis County, MN. This EIS also analyzes the No Action Alternative, under which DOE would not provide cost-shared funding to demonstrate the Mesaba Energy Project **or a loan guarantee for the project**, beyond that required to complete the NEPA process.

Public Participation:

DOE encourages public participation in the NEPA process. Comments were invited on the Draft EIS for a period of **63** days after publication of the Notice of Availability in the *Federal Register* on November 9, 2007. DOE considered all comments to the extent practicable. DOE conducted formal public hearings jointly with MDOC to receive comments on the Draft EIS in Taconite, Minnesota, on November 27, 2007, and in Hoyt Lakes, Minnesota, on November 28, 2007. An informational session was held prior to each hearing for the public to learn more about the project. The public was encouraged to provide oral comments at the hearings and to submit written comments to DOE and MDOC by the close of the comment period on January 11, 2008.

Changes from the Draft EIS:

Vertical lines in the left margin of a page indicate where text in the Draft EIS has been deleted, revised, or supplemented for this Final EIS, except for Volume III, which contains the public comments on the Draft EIS and DOE's responses. Additionally, revised and supplemental text in the Summary and Volumes I and II are shown in boldface text (as in this paragraph). Sections that include revisions are also identified in the Table of Contents.

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