

PUBLIC MEETING
on the
DRAFT ENVIRONMENTAL IMPACT STATEMENT

for the
MESABA ENERGY PROJECT
PUC Docket: E6472/GS-06-688

hosted by
Minnesota Department of Commerce
and
Department of Energy

held at
Taconite Community Center
Taconite, Minnesota
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P R O C E E D I N G S

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 fossil energy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 human environment.

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

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

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

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

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

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

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

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

Commenter 1 – Ross Hammond

19

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

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

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

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

24 First person, Ross Hammond.

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

Responses

Commenter 1 – Ross Hammond

20

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

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

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

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

Responses

Comment 1-01

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

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

1-01

Commenter 1 – Ross Hammond

21

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

1 clarify which is correct.

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

1-02

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

1-03

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

Responses

Comment 1-02

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

Comment 1-03

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

Commenter 1 – Ross Hammond; Commenter 2 – LeRoy Flug

22

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

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

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

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

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

25 LINDA CASTAGNERI: My name is Linda

Responses

Comment 2-01

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

Commenter 3 – Linda Castagneri

23

1 Castagneri. L-i-n-d-a C-a-s-t-a-g-n-e-r-i.

2 I'm going to start with referring to my

3 initial comments that I submitted on November 7th,

4 2005, to the Department of Energy, regarding safety and

5 health. And I am here tonight not just about my lungs,

6 but about the lungs of everyone who lives here.

7 I have lost a portion of my lung due to an

8 unknown tumor, and as I talked about in 2005, for those

9 of us who were born and raised in this part of the

10 state, we were exposed to many chemicals. And I asked

11 and requested that very specific items be considered.

12 And in reviewing the draft EIS, I, too, agree that the

13 most important things need to be addressed, and I do

14 not feel or agree that they have been addressed in this

15 draft Environmental Impact Statement, particularly

16 regarding respiratory health, which I referenced many

17 times in my comments, nor are they taken into any sort

18 of really in-depth study.

19 When I look at Table S-6, it talks about the

20 electric magnetic field, and it says, "The electric

21 magnetic field exposure from utility lines would fall

22 below the 2 kilowatt, monthly kilowatt volt minimum

23 limit at the edge of the right-of-way. There would be

24 no permanent residence located in areas exceeding

25 that," period.

3-01

Responses

Comment 3-01

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

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

Commenter 3 – Linda Castagneri

24

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

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

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

Responses

Comment 3-01 (cont'd)

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

Commenter 3 – Linda Castagneri

25

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

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

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

3-02

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

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

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

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

Responses

Comment 3-02

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

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

Commenter 4 – Ron Gustafson

26

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

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

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

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

4-01

Responses

Comment 4-01

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

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

Responses

Commenter 4 – Ron Gustafson

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

1 sometime.

2 Appendix 2A also states that "Carbon capture,

3 advanced turbines will not be available by the Mesaba

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

5 would result in substantial capital cost, reduce plant

6 efficiently and increase cost of electricity by as much

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

8 Appendix 2A.

9 There are no geological reservoirs capable of

10 sequestering CO2 in the State of Minnesota. The cost

11 to move CO2 via pipeline will significantly increase

12 the cost of electricity. And Excelsior seems to hang

13 their hat on the CO2 sequestration to pipe into oil

14 fields to improve their production of oil. And as

15 stated by the Department of Energy, carbon dioxide

16 injection for enhanced oil recovery, or EOR, are

17 economically-driven operations to increase oil

18 production, not necessarily scientifically-driven to

19 prove the technical feasibility of sequestering carbon.

20 "Excelsior has not established a detailed

21 design for carbon capture or sequestration." A direct

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

23 interestingly enough, two ALJs, administrative law

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

25 Utilities Commission.

Commenter 4 – Ron Gustafson

28

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

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

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

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

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

25 Who specifically are the customers? Are there

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

4-02

4-03

Responses

Comment 4-02

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

Comment 4-03

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

Commenter 4 – Ron Gustafson

29

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

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

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

4-04

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

Responses

Comment 4-04

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

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

Responses

Commenter 4 – Ron Gustafson

30

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

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

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

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

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

Commenter 4 – Ron Gustafson; Commenter 5 – Bob Norgord

31

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

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

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

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

8 BOB NORGORD: My name is Bob Norgord. B-o-b
9 N-o-r-g-o-r-d. In the EIS they talk about the Nashwauk

10 PUC suppling gas to the Excelsior project. As per
11 Minnesota Session Laws 1997, Chapter 21.SF504, I'll
12 read it to you here. "An act relating to local
13 government permitting the City of Nashwauk to own and
14 operate a gas utility. Be it enacted by the
15 legislature of the State of Minnesota: The City of

5-01

16 Nashwauk may construct and use one gas distribution
17 line connecting an area recently acquired by the city
18 and not currently served by a natural gas utility, with
19 a natural gas pipeline serving the region, solely for
20 the purpose of operating this gas line and distributing
21 gas to customers located in the recently acquired
22 area," which means that Nashwauk can't supply the gas
23 for the Excelsior project, which in turn means that
24 Excelsior will have to put in their own line. Their
25 preferred route parellels the preferred route of the

Responses

Comment 5-01

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

Commenter 5 – Bob Norgord

32

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

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

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

5-02

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

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

Responses

Comment 5-02

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

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

Commenter 5 – Bob Norgord

33

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

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

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

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

5-03

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

Responses

Comment 5-03

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

Commenter 5 – Bob Norgord

34

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

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

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

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

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

5-04

Responses

Comment 5-04

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

Commenter 5 – Bob Norgord

35

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

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

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

25 Putting this information along with the fact

Responses

Comment 5-05

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

5-05