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RIPPLE IN STILLWATER

Ripple in Stillwater is the sole creation of Stillwater, Minnesota, writer Karl Bremer. It covers whatever captures the author's muse at the moment. You can reach Ripple in Stillwater at saintcroix-at-aol-dot-com, or you can follow me on Twitter @kdbremer. If you're wondering about the name of this blog, go [here](#).

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TUESDAY, AUGUST 30, 2011

Campaign cash and army of lobbyists keep 'clean coal' boondoggle afloat for a decade



By Karl Bremer

The Duluth News-Tribune recently published an excellent two-part series by reporter Peter Passi on the Excelsior Energy “clean coal” pipedream that’s been vacuuming up millions in tax dollars from the federal government and State of Minnesota for the better part of the past decade with little to show for it except for a well-paid husband/wife ownership team.

What the newspaper neglected to examine was the role that over \$325,000 in state and federal political campaign contributions and lobbying expenses have played in keeping this project on life support for so many years.

The Excelsior Energy boondoggle, according to the News-Tribune’s investigation, has hauled in more than \$40 million in taxpayer dollars on the false promise of providing 2,000 MW of

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electricity. But it has yet to turn one spade of dirt on its proposed \$2.1 billion power plant on the Iron Range or create one single job outside of the company's battalion of lobbyists, consultants and lawyers.

Excelsior Energy is into the state Iron Range Resources and Rehabilitation Board for \$9.5 million. It got \$10 million from the Minnesota Public Utilities Commission Renewable Development Fund. And the U.S. Department of Energy shoveled in another \$22 million. Yet the owners of Excelsior Energy have put up a miniscule \$60,000 for their project and at the same time have reaped combined annual salaries that now are estimated to be \$600,000.

The News-Tribune series documented the scandalous political history of Excelsior's proposed project and the unwavering support it's received from most of the state's Iron Range legislators—including the 2008 legislature's action to shield many of the company's financial records from public scrutiny. Its owners have quit predicting when the plant will ever be built. And the newspaper rightfully is asking what happened to all the money, and why haven't our elected officials throwing tens of millions of dollars in public funds at this private enterprise demanded more accountability?

Part of the answer lies in the political influence Excelsior Energy's co-owners Tom Micheletti and Julie Jorgensen appear to have bought over the past decade through at least \$123,775 in political contributions and more than \$200,000 in lobbying expenses. It's a scenario we've seen before: A private company forms to promote a dubious enterprise, hires politically connected lobbyists, sucks up millions in government grants, hands out boatloads of campaign cash to politicians who keep the government money flowing to enrich a handful of lobbyists and consultants—and then the cycle repeats itself over and over.

The Excelsior Energy money has gone to Republicans and Democrats alike: George W. Bush, Barack Obama, Norm Coleman, Amy Klobuchar, Lori Swanson, the Democratic Congressional campaign Committee, the National Republican Senatorial Committee, the Minnesota House DFL Caucus, the Minnesota House Republican Campaign Committee.

Often, the money was handed out to both sides in the same year. For example, On January 22, 2002, Micheletti gave \$2,500 to the House DFL Caucus. Three days later, he cut another \$2,500 check to the Senate DFL Caucus. Then on January 28, 2002, he turned around and gave \$2,250 to the House Republican Campaign

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Committee.

Last year, Micheletti gave \$500 to DFLer Mark Dayton's gubernatorial campaign on July 12 and \$500 to Tom Emmer, Dayton's GOP opponent, on July 16.

Similarly, the Excelsior Energy Inc. PAC in 2010 gave \$250 each to Dayton and Emmer, \$650 to the state DFL legislative caucuses and \$550 to state GOP caucuses.

Norm Coleman was the big winner of the Excelsior Energy Campaign Cash Sweepstakes with a total haul of \$14,600 from the Micheletti-Jorgensen household between 1998 and 2008.

According to a November 2003 Public Citizen report, Coleman was key to Excelsior Energy securing federal loan guarantees:

“In September (2003), the two Republican congressmen in charge of the energy bill conference committee, New Mexico Senator Pete Domenici and Louisiana Representative W.J. “Billy” Tauzin, unilaterally inserted language into the energy bill at the behest of Minnesota's GOP Senator Norm Coleman to provide \$800 million in federal loan guarantees to one company, Excelsior Energy. The \$800 million loan guarantee is apparently designed to help secure Senator Coleman's vote in favor of the energy bill. The federal assistance to Excelsior Energy was included in neither the House nor Senate versions of the energy bill, adding to the growing list of provisions that a handful of Republican conferees have inserted to appease special interests.”

Despite Public Citizen's characterization of this as an exclusively Republican boondoggle, Democrats have had an equal hand in keeping the money flowing to Excelsior Energy.

Most individual state campaign contributions from Micheletti and Jorgensen were targeted toward DFL Iron Range legislators in districts where the proposed sites for the project are located. The exception is District 3A Rep. Tom Anzelc (DFL-Balsam Township), the only Iron Range lawmaker who has opposed the project. Anzelc has received no direct contributions from the couple.

Senator Tom Bakk (DFL-Cook), an Iron Range legislator who has long been the project's biggest shill, made out the best among state lawmakers with a total of \$3,750 in campaign contributions from Micheletti and Jorgensen from 2002-2008. The Excelsior Energy Inc. PAC kicked in another \$500 to Bakk's 2009

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The Excelsior Energy co-CEO couple placed their biggest bets on legislative caucuses of both parties.

Between 2001-2010, Micheletti and Jorgensen together donated \$9,850 to the House DFL Caucus, \$7,700 to the House Republican Campaign Committee, \$10,950 to the Senate DFL Caucus, and \$8,500 to the GOP's Senate Victory Fund.

Excelsior Energy's efforts were aided by a cadre of lobbyists in the state, from four in 2005 to nine in 2010. The company currently has eight lobbyists registered with the state.

Besides Tom Micheletti, the longest-serving Excelsior Energy state lobbyist is former Iron Range State Senator Doug Johnson, who chaired the powerful Senate Tax Committee until he retired in 2003. Johnson ran for governor in 1998, and Micheletti donated \$500 to his campaign. He has been lobbying for Excelsior Energy since 2005.

Excelsior Energy has had between three and five lobbyists registered with Congress between 2003 and 2009, including Norm Coleman's former chief of staff Erich Mische in 2006-2007. The company currently has no federal lobbyists registered. In 2006 and 2007, Excelsior Energy's federal lobbyists reported spending \$120,000 and \$80,000, respectively.

The News-Tribune investigation found that Excelsior Energy has already spent nearly \$20 million in state funds and soon will deplete more than \$22 million in federal tax dollars. It has only \$1.9 million remaining in unobligated federal Department of Energy funds available, and may be on its last legs, the newspaper reported.

However, there should be no confusion about where at least some of the money has gone, or how Excelsior Energy's well-compensated husband-and-wife CEO team carried so much political support for their phantom power plant. They did it the old fashioned way—with campaign cash, politically connected lobbyists and self-serving politicians.

It's a formula that's always worked.

Posted by Karl Bremer at 1:45 PM



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Labels: [boondoggle](#), [campaign cash](#), [Excelsior Energy](#), [lobbyists](#), [Norm Coleman](#)

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It's apparent why you won an award for best use of public records. Untangling this web of political payoffs and making it understandable was a daunting task masterfully done.

Although CAMPers have been aware of much of this information for some time, we've been unable to get any media attention for it. Bless the bloggers!

An interesting footnote - I understand that last Friday Tom Micheletti and Julie Jorgensen, along with Sen. Tom Bakk, attended Sen. Dave Tomassoni's annual fundraiser at his cabin on Side Lake, where Micheletti also has a cabin - all very cozy.

Charlotte Neigh, Co-Chair
Citizens Against the Mesaba Project
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August 31, 2011 9:28 AM

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