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## Our View: Taxpayers have right to answers on Excelsior

What happened to our more than \$40 million? And what's with the speculation that the dreamers of a coal-gasification plant on the Iron Range may come asking us for more cash?

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And what's with the speculation that the dreamers of a coal-gasification plant on the Iron Range may come asking us for more cash?

Those are among questions outraged taxpayers could be asking — and ought to be asking — in the wake of a News Tribune investigation over the weekend into Excelsior Energy, which, after nearly a decade of planning, meetings and drawing from the public tap has yet to get off the ground and “has yet to move a shovelful of dirt to build its would-be 2,000-megawatt, \$2.1 billion power plant,” as the newspaper’s Peter Passi reported.

Not only that, “Despite receiving virtually all of its backing from the public trough, the company’s spending records, including its officers’ paychecks, remain under wraps,” meaning a secret from all of us taxpayers footing a bill that stands at more than \$40 million and counting, the News Tribune found.

“At the end of the day, this is a project that has not hired one full-time worker on the Iron Range. Only lawyers, lobbyists and professional meeting-attenders have gotten jobs,” Rep. Tom Anzenc, D-Balsam Township — and, disappointingly, the only Iron Range legislator who has ever really questioned the project — said in the two-day series.

Elected officials’ embrace of Excelsior can be understood. Seasoned, proven energy professionals brought the idea in 2001, right after LTV Steel Mining Co. closed; they promised hundreds of jobs, millions in investment dollars and a way to better use the nation’s domestic coal reserves without harming the environment.

Among the project’s problems, however has been the lack of a buyer for its power. Well-

established Xcel Energy seemed a logical customer. But, like Minnesota Power, it objected to the project, warning it would drive up its customers’ rates. The Minnesota Public Utilities Commission apparently agreed, refusing repeated pleas from Excelsior to compel Xcel to buy its power.

Nonetheless, elected officials and others with their fingers on the public purse strings haven’t been shy about dumping our money into it. Excelsior owes

\$9.5 million to the Iron Range Resources and Rehabilitation Board. It was supposed to start making loan payments 13 months ago but was given an extension to 2017. The company also received \$10 million in state aid through the Minnesota Public Utility Commission’s Renewable Development Fund, despite objections from environmental groups about a plant designed to run on fossil fuel. The U.S. Department of Energy contributed another \$22 million intended to cover half of the preliminary design costs, the investigation found.

And how much have Excelsior’s owners pumped into their own company? Only \$60,000, according to public records. Meanwhile, their combined annual salary has risen to an estimated \$600,000.

“Tracing where all Excelsior’s public money went and how it has been used is not easily accomplished, particularly after state lawmakers voted to restrict public access to Excelsior’s financial statements,” Passi reported. “Before 2008, reports the company is required to submit to the IRRRB as part of its loan agreement had been publicly available.”

Even then, what was reported often was incomplete.

And now Excelsior risks running out of steam entirely if it cannot attract additional investment from the public or private sector soon, as Monday’s story indicated.

Questions abound: Why

didn’t elected leaders demand more spending scrutiny? Why has Rep. Anzenc been largely alone in waving a red flag? Why did state lawmakers vote to hide from the funds-providing public financial information? Why has there been no effort in the Legislature to provide more transparency, especially during the shutdown when every penny was being squeezed?

And, perhaps most pressing of all to taxpayers, what happened to our more than \$40 million?

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