

Plumbers & Pipefitters Local #11, Zone 2 - Detroit Lakes Office

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Durant C. Thoen, Sr.

Business Agent

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2006 DEC 29 AM 8:30
ADMINISTRATIVE
HEARINGS

December 21, 2006

The Honorable Steve M. Mihalchick
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis, MN 55401

Dear Judge Mihalchick:

Plumbers & Pipefitters L.U. 11 Zone 2 supports the Mesaba Energy Project because it will create quality jobs in Minnesota and provide a boost to the state economy. According to a University of Minnesota-Duluth study, the project will create 1,000 full time, direct construction jobs and over 100 permanent, high-paying jobs.

The economic activity associated with the operation of the plant will create an additional 270 jobs in the state as money circulates through the economy. In particular, the ongoing maintenance of the plant will regularly employ many people in the construction trades. As such, investing over \$1.5 billion on the Mesaba Energy Project will provide large economic benefits for the state.

Rather than outsourcing quality jobs to other states with weak environmental regulations, it is better to construct power plants that will serve Minnesota in Minnesota. Therefore, Plumbers & Pipefitters L.U. 11 Zone 2 and other unions in the state support the construction of the Mesaba Project's coal gasification plant, which will provide significant environmental improvements.

With all of the employment and economic benefits associated with the Mesaba Energy Project, L.U. 11 Zone 2 strongly supports approval of the Mesaba Energy Project.

Sincerely,



Durant C. Thoen, Sr.
Business Agent
Local 11, Zone 2
Detroit Lakes, MN

DCT/jcs

From: Verna Bossen <twinlake@uslink.net>
To: Verna Bossen <twinlake@uslink.net>
Sent: Tuesday, December 26, 2006 10:38 AM
Subject: Excelsior Energy

To Whom it may concern!! I,m 81 years old and live on land I own on Lower Twin Lakes near Marble, Mn. and land surrounded by Swan River. The lake here has a Iron Ore bottom and well water is red when settled and Manganese in it. I have to have a water softener. Originally the land surrounding the lake was owned by U.S. Steel [probably planned a mine!] and a small amount by my grandfather Wm. Poppe and now inherited by me. He was a logger! U.S. Steel would have had a mine here if it had been allowed. Wm. Poppe owned the land before on Trout Lake which he sold for the Washing Plant which polluted Trout Lake! U.S. Steel then rented out the plots of land on lower Twin & later sold them! Russell Barke was the surveyor for U.S. Steel and now lives in Chisholm. When the CAMP organization first came out with their complaints I didn't think much about the plans for Excelsior Energy plant as they were fussing about gas lines and we have been driving over them for years and didn't know it! When I saw the article in the Grand Rapids paper about the meetings I changed my thoughts. I wondered why there hadn't been a referendum by the taxpayers before! I,m a member of Lake Country Power and went on their bus trips to the Coal Creek Plant in N.D. and the one to southern Mn. on Wind Power. We also toured the Elk River Plant. I understand that plants we have now have extra power that can be used if needed! I knew a fellow that worked for a mining company before & he said that all the water here is connected underground so all could be polluted I'm interested in geology & how the glaciers etc. formed this country. Perhaps some of the geologists should be in on the plans! I Think We Are Getting a Dictatorship in This country now when our County Commissioners and a few legislators can Decide how the taxpayers money should be spent!!!

1. Why should Xcel Energy be told they have to do what a Few people say? I,m sending a copy of this to Xcel too!!! 2. Which Stock Market is getting all of the taxpayers money that Mchelittis are investing?? 3. I've heard comments that they will get to keep all the money given to them now if the plant doesn't go thru. Probably True! 4. Taxpayers Referendum!! As you can see that I,m not too smart on the computer & my writing isn'too good!

Sincerely,

Verna Bossen

Will EXCELSIOR ENERGY BE HIRING
IMMIGRANTS TO BE THEIR LABORERS

RECEIVED
2006 DEC 29 AM 8:38
ANDREW HAYNE
MARATHON

12/26/06

Bruce Johnson

From: tom viren [virenberg@hotmail.com]
Sent: Saturday, December 23, 2006 12:16 AM
To: Bruce.Johnson@state.mn.us
Subject: OAH Docket No. 12-2500-17260-2 & MPUC Docket No. E-6472/M-05-1993

To Administrative Law Judges Steve M. Mihalchick and Bruce Johnson:

Regarding OAH Docket No. 12-2500-17260-2 & MPUC Docket No. E-6472/M-05-1993, Excel vs. Excelsior Mesaba Project.

The purchase agreement is not in the public because there are cleaner ways to produce the energy. Clean technologies already exist in the form of solar, wind, and hydroelectric power that produce zero emissions. There is no reason to build, or force Excel to buy energy from a new project which will contribute to global warming, add mercury and other pollutants to surface water, may contaminate local ground water, and will produce hazardous waste.

If this coal gasification plant were replacing an older, dirtier technology directly on the old site there would be a net reduction in pollutants to that area. However, this plant is being built IN ADDITION to older plants that already operate in the region. There is a net gain in pollutants and carbon emissions. Therefore, there is no public gain in paying higher fees to buy this electricity.

The Mesaba Project would be providing energy to a region outside of its site location using coal imported from outside its site location. Most economic benefits would leave its site location. The risks, however, remain in its site region.

Local health risks will financially burden Itasca County Residents. Ailments related to mercury, particulates, and possible ground water contamination will cause financial loss due to days missed from work, doctor bills, increased health insurance premiums, and loss of quality of living. These risks are documented in Excelsior's own literature. Having to deal with likely ground water contamination due to seepage and interchange with the Canisteo Pit will burden local citizens to deal with costs of re-drilling wells or finding other sources of drinking water.

Another risk to local citizens would arise if the plant is built and then fails or does not meet its projections and obligations. After local governments spend millions on infrastructure for the plant, they risk having the plant not meet its economic expectations. Excel customers also face financial risk if they are forced to put off building wind or hydroelectric facilities as a result of being forced to buy Excelsior's energy at increased cost. If Excelsior fails to meet their goals, Excel would have to play catch up to meet any increase in projected energy needs. Excel would be forced to buy energy they don't expect to need until four years after the Mesaba Project expects to be on line.

Another detriment to local citizens would come from decreased property values and tax revenues. Pipelines, high voltage wires, rail traffic, smokestacks, health risks, noise, and light pollution all contribute negatively to these numbers.

Finally, if Excel is forced to buy expensive energy from Excelsior before there is a need for it they may be forced to take some current sources off line. Wind energy sources may be dumped because the company would have to try to balance the high cost of Excelsior's power. This would be a step backward as far as pollution and carbon emissions. We must be moving forward, toward emitting less carbon, and reducing contaminants in our environment.

Sincerely,

Christa Berg
19669 County Rd. 434
Bovey, MN 55709

Bruce Johnson

From: Angela Shields [angelamshields@hotmail.com]
Sent: Friday, December 22, 2006 6:51 PM
To: Bruce.Johnson@state.mn.us
Subject: Mesaba Project OAH Docket No 12-2500-17260-2 and MPUC Docket No E-6472/m-05-1993

Please stop this power plant from being built. Lives will be lost. Throughout the years that this plant would be in operation, 340 of our area lakes may be destroyed. I cannot put a price tag on either one of these concerns. Is this plant in the public interest? I say NO.

Thank you for your consideration.

Angela Shields
29472 W. Shore Dr.
Pengilly, MN 55775

Type your favorite song. Get a customized station. Try MSN Radio powered by Pandora.
<http://radio.msn.com/?icid=T002MSN03A07001>

Bruce Johnson

From: BRUCE LEE [wall_cloud@msn.com]
Sent: Friday, December 22, 2006 5:50 PM
To: Bruce.Johnson@state.mn.us
Subject: Opinion on OAH Docket No. 12-2500-17260-2 and MPUC Docket No. E-6472/M-05-1993

Attachments: Mesaba_Energy_Project_Lee_Finley_Opinion.doc.doc



Mesaba_Energ
Project_Lee_Fin

Dear Judge Johnson:

Please see the attached Microsoft Word document (called Mesaba_Energy_Project_Lee_Finley_Opinion.doc) regarding comments concerning the economic impacts of the Mesaba Energy Project.

Thank you.

Drs. Bruce D. Lee and Catherine A. Finley

22 December 2006

34724 Wilderness Lane
Deer River, MN 56636

Administrative Law Judges Steve M. Mihalchick and Bruce Johnson
Office of Administrative Hearings
100 Washington Square - Suite 1700
Minneapolis, MN 55401-2138

Concerning: **OAH Docket No. 12-2500-17260-2** and **MPUC Docket No. E-6472/M-05-1993**
(re. The economics of the Mesaba Energy Project with regard to the PPA with Xcel Energy)

Dear Honorable Judges Mihalchick and Johnson:

We would like to enter an opinion opposing the PPA between the Mesaba Energy Project (MEP) and Xcel Energy on the basis of its negative economic value to the region and customers of Xcel. From the standpoint of electricity rates, the added expense of the PPA to Xcel is consumer negative for the following reasons. We also believe this project is economically detrimental to the residents of Itasca County for the reasons included below.

- higher electricity rates for MN residents
 - o Xcel will be forced to pay for power that is not needed. To off-take power from the MEP, Xcel must curtail the off-take of power from existing sources – including wind energy (truly a ‘clean energy’). Since Xcel already has PPAs with wind generation facilities (as well as other generation facilities), Xcel will be forced to pay for the curtailed power anyway. It is difficult to conceive how this could lead to anything but higher electricity rates for Xcel’s customers.
 - o Xcel will also be forced to pay for additional infrastructure to transmit power from the proposed MEP site, a location where *no* infrastructure currently exists. Costs for this infrastructure will again be passed along to Xcel customers.
 - o The cost of producing energy through coal gasification technology (an unproven technology) vs. proven technologies will undoubtedly be higher, which means energy produced by the MEP will be more expensive than that from existing power producers.
 - o In the very likely event that a carbon tax is applied to all future United States energy production, the MEP production methodology would be very expensive if CO² was not being sequestered (via the carbon tax) and very expensive even if CO² was being sequestered given the geology of Minnesota which prohibits the effective sequestration of this greenhouse gas. In the latter case, the costs associated with pumping CO² into the oil or coal fields of North Dakota would be extremely expensive based on the MPUC testimony of Dr. Eilon Amit (up to \$12/MWh). When compared to clean generation such as wind energy, the ultimate costs of electricity from this facility would be economically prohibitive.

For comparison, the costs for large penetrations of wind energy is substantially less (~\$4.50 MWh as per the recent Minnesota Department of Commerce Wind Integration Study (see http://www.state.mn.us/mn/externalDocs/Commerce/Slide_Presentation_092804025711_WindIntegrationStudyPresentation.pdf)

- Additional related costs and lost revenue for Itasca county residents
 - o Itasca county will need to foot the bill for some road/railway/pipeline improvements. Even with the offering of long-term revenue bonds to pay for this infrastructure, additional financial risk will be undertaken by the residents of a county where ~40% of the populace live in poverty.
 - o Property values are likely to decrease because of the plant due to increased pollution, noise, rail and truck traffic, in addition to visual degradation.
 - o Tourism is a major industry in Itasca county. Decreased tourism due to increased pollution, noise, etc. will mean decreased revenue for Itasca county residents.
 - o Potential (likely) downstream costs of water pollution cleanup – possible contamination of the area’s aquifer which provides the drinking water supply (especially the communities of Colleraine and Bovey).
 - o Since coal gasification is an unproven technology, there is a (not insignificant) chance that even if all the supporting infrastructure is built, the plant will not produce energy as advertised (either at the estimated amount or cost). Local residents could be left holding a substantial financial burden. The prototype plant for this technology (Wabash River Plant, IN) has a very poor record of being operational.

Thank you for considering our concerns.

Respectfully,

Drs. Catherine A. Finley and Bruce D. Lee