



CAMP

Citizens Against the Mesaba Project

P.O. Box 583 Grand Rapids, MN 55744
camp-site.info

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For further information:

Charlotte Neigh
(218) 245-1844

CAMP PROVIDES INFORMATION ABOUT MESABA PROJECT

On July 25th more than 100 people attended an informational program at the Grand Rapids Library sponsored by Citizens Against the Mesaba Project, a group of local concerned citizens. The featured speaker was Ross Hammond, P.E., who is serving as technical advisor to CAMP. He explained the complex technology involved in gasifying coal and using the gas to generate electricity. Continuous problems have been experienced at the Wabash River plant in Terre Haute, Indiana, which is the model for the plant proposed by Excelsior Energy to be built in Itasca County near the Scenic Highway. Hammond expects many operational problems with the Mesaba plant, which would be more than twice as big. Hammond also pointed out that sequestration of carbon dioxide, a primary benefit of this technology, would not be possible on the site due to its geology.

Carol Overland, a regulatory attorney representing some of the affected property owners before the Minnesota Public Utilities Commission, explained the special benefits that were legislated for this project in 2003 when it was planned for an old mining site near Hoyt Lakes. These include: the power of eminent domain, which is unusual for a power producer that is not a utility; and an exemption from state certification that the power is needed, an important step where citizens have input. The PUC is currently considering Excelsior's petition to force Xcel Energy to purchase the output from Mesaba Unit I, which is necessary to finance the project. A decision is expected in the spring of 2007.

Charlotte Neigh, a Trout Lake Township resident and co-chair of CAMP, presented the financial risks of providing more than \$55 million in public infrastructure in Itasca County for the project. The county is considering spending nearly \$15 million for an access road and more than \$20 million for a railroad. The Nashwauk PUC is considering borrowing more than \$7 million to build and own a natural gas pipeline to service the project. The Taconite PUC would incur a cost of approximately \$4.5 million to provide sewer and water service. The project is considered by the Department of Energy to have a "financial risk . . . too high for the public sector" without "strong incentives". If the project fails, local governments could be responsible for the debt.

Andrew David, a local resident and professor at the University of Minnesota in St. Paul, explained how elements from coal emitted into the air and water do not break down and do not go away, but accumulate in the environment causing damage and health risks. One of these would be an increase of 54 pounds of mercury each year, if both Units I and II are built. Mercury is the reason for government warnings about the risks of eating fish.

Ed Anderson, a Grand Rapids physician and co-chair of CAMP, noted the shrinking number of jobs promised by Excelsior, which have decreased from 1,000 in 2001 to 107 in 2006. Anderson also identified which people will be most at risk for increased illness and premature death -- those nearest the plant, the elderly, children - who are more likely to develop asthma, and people with emphysema and heart disease.

In the question and discussion period that followed, concerns were voiced about diminished property values, the possibility that the transmission of wind-generated electricity would be curtailed if the output from this project is added to the grid, hundreds of millions of dollars for new and upgraded transmission lines to move the electricity to the Twin Cities, and the plan to close the Canisteo Mine Pit to recreational use when it becomes the reservoir for the project's process water.