

**From:** "Tom Micheletti" <tommicheletti@msn.com>  
**To:** "David Tomassoni" <DavidT@senate.mn>, "Tom Bakk" <tomba@senate.mn>  
**Date:** 5/6/04 12:21PM  
**Subject:** Fw:

Attached for your information is a copy of a letter that was posted today to Commissioner Layman. Hopefully, this final disbursement under the existing Convertible Debenture Agreement can proceed smoothly and swiftly with the agreements that we now have in place. I am scheduled to meet with the Commissioner on May 11, at which time I will renew my request for prompt consideration and approval of a new Convertible Debenture Agreement. It is essential that we have this agreement in place prior to our June 15 filing with the Dept of Energy. In that filing, we will be requesting upwards of \$150 million in Clean Coal Power Initiative Funding, which will take the form of a long-term no interest loan. That award, coupled with the loan guarantee provisions contained in the pending Federal energy legislation, will significantly enhance our project. I should note that up to 10% of a CCPI award can be used for up-front project development costs, on a 50/50 match basis. Hence the importance of the next agreement with the IRRRB. My thanks to all of you. Get more from the Web. FREE MSN Explorer download : <http://explorer.msn.com>

**CC:** "Mike Larson" <Mike.Larson@irrb.org>, "Dave Hart" <Dave.Hart@ironrangeresources.org>

**Dave Hart**

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**From:** Renee Sass [ReneeSass@excelsiorenergy.com]  
**Sent:** Saturday, June 24, 2006 1:02 AM  
**To:** Dave Hart  
**Subject:** DOE Cash

Dave -

Just to let you know - we received our first payment from the DOE on Wednesday! I don't forecast any additional IRR draws for a least one year, probably a little longer.

Thanks for your help last week!

Renee

Renee Sass  
Vice President, CFO  
Excelsior Energy Inc.  
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6/26/2006

*6/15/04*

June 15, 2004

This maintenance scheduling plan, in association with the redundant trains, will give the facility an overall annual availability greater than 90% and a peak season availability greater than 95%, comparable with natural gas combined cycle and peaking facilities.

### **R - Replicable Model**

The Mesaba Energy Project creates a standard configuration that can be deployed at multiple sites.

It will demonstrate a technically superior configuration for IGCC projects in a readily replicable design that will offer a sound basis for providing firm installed cost information for future projects. In addition, the Mesaba Energy Project will remove the largest barrier to wide scale IGCC market penetration by establishing a competitive commercial and regulatory framework for IGCC projects. The Mesaba Energy Project will demonstrate a lump sum turnkey, EPC arrangements, and limited recourse project financing for a clean baseload generation facility, removing significant market penetration barriers for IGCC plants.

In sum, these RAISE THE BAR improvements will create a new performance standard for IGCC that will drive the market penetration of the technology. The final subsection of this Section 1 describes the key factors ensuring the feasibility of the Project.

### **Project Feasibility:**

#### **Site Selection Process**

An advanced clean coal energy project located in Northeastern Minnesota is the best baseload alternative for the State. The Mesaba Energy Project will help meet the State's growing need for baseload energy while economically benefiting the region and protecting Minnesota's natural environment. Because of these benefits, the Project enjoys strong State and local support. In 2003, the Minnesota Legislature enacted legislation that provides for up to three sites within Minnesota's Taconite Tax Relief Area for the construction of the Mesaba Project. Iron Range Resources, an agency of State of Minnesota, has provide development funding to Excelsior and has agreed to provide Excelsior with land at the former LTV Mining Company location for its IGCC plant site. Iron Range Resources obtained its option rights as part of an agreement in the LTV Mining Company bankruptcy proceeding. This site is the current primary site for the Mesaba Energy Project, but Excelsior has explored and characterized other potential brownfield sites in Northern Minnesota. Two sites evaluated were located on inactive mining operations, and three were adjacent to active taconite production facilities. All sites are located in Minnesota's Taconite Tax Relief Area (as required by the State law) and all sites remain under consideration.

Sites were evaluated against various factors, including access to water, transportation, and transmission facilities, environmental and engineering flexibility, land ownership and local public acceptance, in making the primary site selection of the Hoyt Lakes site.

Lake is permitted for 12,000 gallons per minute, 60-day average, and up to 15,000 gallons per minute, instantaneous. This is sufficient to meet the needs of the Mesaba Energy Project.

### **Coal Delivery**

The site has multiple coal delivery options. The Duluth, Missabe, and Iron Range railroad (recently acquired by Canadian National Railway Company) serves the site. Coal shipments from Montana, Wyoming, Illinois, and Indiana can be shipped directly by rail to the site. Coal from Illinois and Indiana can also be transported by lake vessel to Duluth, Minnesota and then re-loaded on rail cars for direct shipment to the site. Alternatively, coal can be shipped by lake vessel to the port located at Taconite Harbor, Minnesota on Lake Superior where an existing power plant and taconite load out facility are located. Montana and Wyoming coals can be loaded on vessels at the Mid-West Energy Resources Terminal located in Superior, Wisconsin and transported to Taconite Harbor. Coal from Illinois and Indiana can also be shipped by vessel to Taconite Harbor. Once at Taconite Harbor, the coal would be re-loaded onto rail cars for shipment over an existing private railroad which serves the site.

### **Electric Transmission**

The site is within 40 miles of the major 500/230kV Forbes Substation that has 500kV transmission lines extending to Winnipeg, Canada and the Twin Cities in Minnesota. There are also extensive 230kV transmission lines for serving the Iron Range area of Northeastern Minnesota and the Duluth/Superior area.

At the Hoyt Lakes site, there is an existing substation and three 138kV transmission lines which can provide both construction and auxiliary load service from the local provider (Minnesota Power) for the Mesaba Energy Project. One of these existing lines offers a potential joint use right of way corridor back to the 500/230kV Forbes Substation for new generator outlet transmission.

A major new 345kV interconnection (Duluth-Wausau Project) that will increase regional transfer capability by several hundred megawatts between northern Minnesota and central Wisconsin is currently under construction and expected to be in service in 2008.

The plant site is located within the control area of Minnesota Power, which is a member of MISO. Federal Energy Regulation Commission approved MISO processes will be used for obtaining generator interconnection and transmission delivery services.

The 2003 Minnesota Legislature addressed key issues associated with Excelsior's IGCC development. The legislation grants the Mesaba Energy Project an exemption from the certificate of need process for all present and future generation and transmission infrastructure and provides eminent domain rights for those facilities. This will greatly expedite transmission siting and construction. Generator outlet facilities and necessary network upgrades are determined by MISO.

### **Wastewater**

There are two options for disposal of wastewater. The first is to discharge wastewater into existing taconite tailings basins. The basins were used to dispose of waste material from taconite

processing operations, and to supply water for the taconite crushing and grinding processes. Alternatively, a wastewater treatment facility would be built and the effluent from the treatment plant discharged into appropriate surface water (likely into the Partridge River, part of the St. Louis River system).

### **Permits**

Licensing the Mesaba Energy Project will require acquisition of preconstruction, construction, and/or operating approvals at the federal, state, county, and local government levels. Generally, the first step in obtaining preconstruction permits for the power plant and the associated high voltage transmission lines (HVTL) would be to demonstrate their need. However, in 2003, the Minnesota state legislature enacted laws (Minn. Stat. 216B.1694) exempting the Mesaba Project from the certificate of need process. In accordance with statutory provisions, by letter dated September 25, 2003, Excelsior's Mesaba Energy Project was designated by the Iron Range Resources Commissioner as the qualifying "innovative energy" entity entitled to receive the statutory incentives and benefits provided by the legislation.

The exemption from certificate of need will allow the Mesaba Energy Project to focus its efforts on all State environmental review processes, all of which must be completed by the Project. Currently, Excelsior is finalizing the scope of the engineering and environmental studies required to support preconstruction permit applications for the IGCC power plant and the necessary HVTL segments supporting distribution of its power. These studies must, among other things, demonstrate to the Minnesota Environmental Quality Board that the Mesaba Energy Project site and transmission line route minimize societal impacts. Excelsior expects that the most, if not all, of the HVTL segments can be accommodated within existing utility rights of way. These site attributes will significantly minimize environmental issues that might otherwise arise with greenfield sites/routes.

Prior to construction, the Mesaba Energy Project must obtain air emission and wastewater discharge permits from the Minnesota Pollution Control Agency. The very low emission/discharge profile characteristic of the Mesaba Energy Project's advanced IGCC design should minimize issues in obtaining these permits. The site has nearby access to a 36 inch water pipeline with existing appropriation rights, thereby minimizing most issues associated with obtaining water appropriation permits from the Minnesota Department of Natural Resources. The site has nearby access to water from a large abandoned iron-ore pit, which provides the Mesaba Energy Project with the opportunity to evaluate once through cooling. The advanced IGCC design produces virtually no solid wastes, so the need for solid waste disposal facility permits can be avoided. See Attachment 3 - Financial Business Plan for a preliminary list of permits and schedule for moving through the licensing processes.

### **Local Economy**

Over the past years, taconite industry employment on the Iron Range has fallen from a high of nearly 18,000 jobs to less than 4000 jobs today. This, coupled with downturns in the paper and forest products industries, has had an acute and severe adverse impact upon the economy in Northeastern Minnesota and the people of the region. Last year the unemployment rate in St. Louis County, Minnesota averaged 5.58% (high 6.2%; low 4.8%; average labor force 109,717). This compares to 4.9% in the State of Minnesota at large. The number of unemployed persons

within the county averaged 6,121 people between May 2003 and April 2004. Over the past year the general trend has been a rise in unemployment in the region. Hoyt Lakes has lost approximately 1,018 jobs since 2001. Many of the jobs lost in the region have been in the heavy industrial sector, which indicates that the workforce is suited to the highly skilled industrial jobs that will be created by the Mesaba Energy Project. These numbers indicate a local economy capable of providing necessary personnel for both construction and operation of the Project. The Mesaba Energy Project will stimulate the local economy and provide needed employment opportunities.

## ***2. ORGANIZATION, MANAGEMENT, AND OPERATING PLAN***

### **Relevant Prior Experience**

#### **Excelsior Energy Inc.**

Excelsior's senior executives have extensive experience in successfully developing, engineering, financing, licensing, constructing and operating complex power projects. This experience covers all facets of the development process, including the structuring and negotiation of fuel supply contracts, power sales agreements, EPC contracts, O&M agreements and project financing facilities. In addition, Excelsior's personnel have extensive experience in regulatory and environmental affairs and have successfully obtained federal, state, international, and local environmental permits and regulatory licenses required for the development and operation of large energy projects.

#### **ConocoPhillips**

ConocoPhillips is an international, integrated energy company. It is the third largest integrated energy company in the United States, based on market capitalization, oil and gas proved reserves and production; and the largest refiner in the United States. Worldwide, of non-government controlled companies, ConocoPhillips has the eighth largest total of proved reserves and is the fourth largest refiner in the world. Headquartered in Houston, Texas, ConocoPhillips operates in more than 40 countries. The company has approximately 37,200 employees worldwide and assets of \$84 billion.

The company has four core activities worldwide: petroleum exploration and production; petroleum refining, marketing, supply and transportation; natural gas gathering, processing and marketing; and chemicals and plastics production and distribution. In addition, the company is investing in several emerging businesses — fuels technology, gas-to-liquids, gasification, power generation and emerging technologies — that provide growth opportunities. ConocoPhillips acquired the E-Gas Technology for Gasification in July 2003.

The E-Gas gasification technology was originally developed by the Dow Chemical Company (Dow), and was applied to power applications at its Plaquemine Louisiana chemical complex. The technology was later transferred to Destec Energy Inc. (a partially held subsidiary of Dow Chemical), and moved through Dynegy and Global Energy in a series of acquisitions prior to ConocoPhillips.

ConocoPhillips Gasification personnel have over 300 man-years of experience directly related to the design, implementation, and operation of gasification plants. This experience also covers the full spectrum of project roles including development, engineering and construction, operations, and research and development. Expertise exists in-house for process modeling, process design, burner design, char filtration system improvement, and most mechanical equipment applications. Additionally, the group has a vast network of contacts in the ceramic, refractory, metallurgy, instrumentation, and other gasification technology-related industries.

ConocoPhillips and Fluor Corporation recently signed a worldwide alliance agreement to facilitate the development, design, and construction of new projects utilizing ConocoPhillips' E-Gas Technology. Under the agreement, Fluor and ConocoPhillips will cooperate to provide comprehensive offerings for the licensing, development, engineering, procurement, construction and operations, and maintenance of integrated gasification facilities for production of a wide range of energy and chemical products.

There is an ongoing research and development relationship with the Department of Energy, which includes several former and current projects.

On October 26, 1984, Dow entered into a price guarantee commitment with United States Synfuel Corporation. This Agreement, under the Synfuels Act, provided for a minimum price guarantee for syngas produced from coal at Dow's 2000 TPD (sub-bituminous coal) LGTI facility in Plaquemine, Louisiana.

In 1993, the Wabash River Coal Gasification Repowering Project joint venture (consisting of Westec and PSI Energy) entered into a cooperative agreement with DOE related to the design, construction, and demonstration operation of the 2500 TPD, 262 MW Wabash River IGCC facility. This contract, Cooperative Agreement No. DE-FC21-92MC29310, has completed its demonstration period and is now closed out. Associated with this Cooperative Agreement is a repayment agreement (DE-FR21-92MC29075) is in the process of being novated to ConocoPhillips.

Cooperative Agreement (DE-FC26-97FT34158) with DOE is based upon the addition of a slipstream-testing unit at Wabash to evaluate dry char filtration hardware. The hybrid cyclone/hot gas filter system as discussed in this proposal is also being installed on the dry char system slipstream at Wabash (DE-FC26-02NT41583).

ConocoPhillips' gasification team acted as the prime Contractor in Cooperative Agreement DE-FC26-99FT40659 under the Early Entrant Coproduction Plant solicitation to evaluate gasification opportunities for methanol production. Work is continuing to test sulfur removal catalysts, to remove the cost barrier of gas clean-up for chemical applications, in the slipstream at the Wabash plant.

ConocoPhillips personnel participated as a subcontractor to Nexant in a NETL study to evaluate optimization and cost reduction for IGCC and facilities (Contract No. DE-AC26-98FT40342). This study was completed in 2003.



The ConocoPhillips gasification team also worked as subcontractor to the University of North Dakota, Energy and Environmental Research Center, in a NETL project to evaluate and test innovative systems to introduce biomass and/or biosolids into the second stage of the E-Gas gasification vessel. (Contract No. DE-FC26-00NT40904).

ConocoPhillips research efforts also include using the Wabash River plant as the host site for other DOE research and development projects. Currently these test plans primarily focus on in-situ testing several types of high temperature measurement devices.

Included in this proposal (see Appendix D – Additional Pertinent Publications) as reference materials are a listing of links on the Internet to other articles about the E-Gas Technology and Wabash River.

#### **Responsibilities & Lines of Authority**

Excelsior is an independent energy development company engaged in the development and ultimate commercial operation of the Mesaba Energy Project. The entire Excelsior team will devote their efforts to the successful development, start-up and commercial operation of the Mesaba Project. Staffing will be increased to ensure a smooth transition from construction through operations. An organizational structure chart can be found in Appendix A – Resumes.

#### **Excelsior Management, Development & Operations Team**

**Julie Jorgensen, Co-President and CEO**, has been active in the competitive power industry for over fifteen years, including serving as President and Chief Executive Officer of CogenAmerica, a publicly traded independent power producer that developed and operated cogeneration facilities that served electric and industrial steam customers in the United States. Prior to CogenAmerica, Julie served as Vice-President and General Counsel of NRG Energy Inc. in its start-up phase, where she played an active role in the development of project-financed, highly structured power generation projects worldwide. She began her career as an attorney in the Financial Transactions group of the Los Angeles office of Morrison & Foerster, a leading international law firm. Julie has served in advisory capacity roles for the U.S. Government in assisting foreign governments with their energy development programs. She has a degree in International Finance from Iowa State University and is a graduate of the University of Minnesota Law School.

**Tom Micheletti, Co-President and CEO**, has over twenty-five years of experience in the power industry including senior executive positions with key responsibility for government, regulatory and legal affairs, and non-regulated businesses with Northern States Power, Southern California Edison, and Minnesota Power. Tom played a role in developing the world's first IGCC project at Coolwater, and helped conceive and enact into law the Federal Clean Coal Technology Program. He has extensive experience in siting and licensing large energy and industrial facilities. Tom has also served as the CEO or board member of various enterprises, including coal mining, utility equipment manufacturing, paper, and water companies. He conceived and was responsible for construction of Minnesota's most technologically advanced waste paper recycling plant located in Duluth. Tom is a graduate of Harvard University and the University of



Minnesota Law School. He has been chairman of the board of the U.S. Hockey Hall of Fame since 1991, and has been active in a broad range of community and civic activities.

**Bill Ruzynski, Vice President Development**, has been active in the power industry for more than fifteen years in both greenfield and acquisition transactions. He has led development teams on many successful independent power investments. Bill has extensive solid fuel experience, and has had overall project development responsibility for commercial contracts, fuel supply, partnership arrangements, and the technical due diligence, construction, and start-up of power plants. He has worked on DOE Clean Coal Projects in the project manager role during both development and operational phases. Bill has a degree in Mechanical Engineering from North Dakota State University and a MBA from the University of Minnesota.

**Renee Sass, Vice President and CFO**, has more than fifteen years' domestic and international energy industry experience in the development, negotiation, and closing of financial and strategic transactions and asset management. She has structured and closed multi-billion dollar financings, and has had executive responsibility for strategic planning and finance in the power industry. Renee has a B.A. in Communication Arts/Marketing and an MBA in Finance.

**Robert Evans, Vice President Environmental Affairs**, has 24 years of experience in environmental and regulatory activities, 21 years of which have been directly associated with electric generation. In his roles directly associated with electric generation, Bob has provided environmental testimony (i) as part of a successful effort to acquire major pre-construction permits for a major coal fueled power plant in Minnesota and (ii) during Minnesota's acid rain hearings, on the atmospheric transport and deposition of power plant emissions. In addition, he has managed licensing processes for a nominal 550 MW (net) dual-fuel fired peaking plant located in Southern Minnesota and utilizing six GE 7EA combustion turbines operating in simple cycle mode. Bob has directed the work of professional environmental staff, consultants, and legal counsel on matters relating to environmental due diligence, permitting, regulatory negotiations, compliance strategies, contractual conditions, and remedial actions. Bob holds a Master of Arts degree in chemistry from Drake University in Des Moines, Iowa and a Bachelor of Arts degree in Biology from Luther College in Decorah, Iowa.

**Mike Wadley, Vice President Operations and Technology**, has nearly 30 years of power plant operational experience. Mike served in several senior executive roles. Most recently, serving as Senior Vice President for operational support programs for the Nuclear Management Company which operates eight nuclear reactors located at six sites in four upper Midwest states. Prior to Nuclear Management Company, Mike held various key leadership positions with Northern States Power Company, serving as Prairie Island Nuclear Plant Manager, Vice President, and President of Northern States Power's Nuclear Generation Business Unit. Mike holds a B.S. in physics from Winona State University.

The following consultants have been involved in the development of the Mesaba Energy Project and will continue to contribute to the successful implementation of this project.

**Steve Shermer, Principal Shermer Power Consulting**, has served in many senior executive roles in the power industry and was most recently the president of the Minnesota Power

business unit responsible for non-regulated power development and marketing. Steve has more than three decades of experience in power generation, transmission, system planning, operations and business development. In addition to his many years of experience with the regional power pools and reliability organizations, Steve was integrally involved in the merger of the Mid-Continent Area Power Pool (MAPP) and MISO and the new MAPP reliability organization. Steve has a degree in Electrical Engineering Technology from the Rochester Institute of Technology in Rochester, NY and is a registered professional engineer.

**Bruce Browers, President Browers Consulting**, has more than thirty years of hands-on, and leadership experience in developing, designing, constructing, operating and maintaining coal fired power plants. Bruce was most recently Manager-Generation Development for Minnesota Power where he provided engineering leadership in project development, operations management, fuel procurement, and detail design. Bruce has a B.S Mechanical Engineering degree from Michigan Technological University and a MBA from the University of Minnesota - Duluth. He is a registered professional engineer in Minnesota and Wisconsin.

#### **ConocoPhillips Gasification Team**

ConocoPhillips' gasification group, in the Technology Solutions division, will provide support to the Project throughout the course of its development, design, construction, start-up, and operation. This gasification team at ConocoPhillips has more than 300 years of direct experience in the gasification field. The project manager, project engineer, process experts, plant manager, start-up manager, operations and production managers and shift superintendents from the Wabash River gasification facility are all still with the business unit and will offer significant help to Excelsior in the design, permitting, start-up, and operation of the Mesaba Energy Project.

Thomas Lynch, currently Chief Engineer - Gasification, will be committed to the Project and will be Project Manager for ConocoPhillips in the production of the Process Design Package under a technology license and continue with the Mesaba Project through its detailed design, construction, and start-up.

**Thomas A. Lynch, Chief Engineer - Gasification**, has been involved with the E-GAS Technology for 11 years. Mr. Lynch's previous ten years of experience in gas treatment and clean-up positioned him well for his assignment to the Wabash project in 1993, where he was responsible the syngas conditioning processes as well as water treatment and electrical systems. Mr. Lynch managed operations for Wabash through start-up, and led the effort to hire, train, and develop the plant operations group. After the Wabash startup, Mr. Lynch was assigned to manage the \$14MM plant improvement effort. Mr. Lynch then continued to manage plant improvements but added operations management responsibilities for the ASU, lab, and contract administration until being named to his current position, which involves many projects inside and outside of the Wabash River facility. He earned a Bachelor of Science degree in Chemical Engineering from Northeastern University in 1983.

The following personnel lead the management team for ConocoPhillips' Gasification business, and will to devote the majority of their time to the Mesaba Project during certain phases and activities, according to their expertise.

The Honorable Spencer Abraham  
Secretary  
United States Department of Energy  
1000 Independence Ave, SW  
Washington D.C. 20585

Dear Secretary Abraham:

I write to you in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology. The Excelsior proposal will significantly advance our country's National Energy Policy goals by demonstrating a commercially-viable, advanced-coal technology that can provide clean, reliable, and affordable electricity.

As a representative of Minnesota's Labor Unions, I support this Project's technology, as well as its ability to create jobs and revitalize economic development on Minnesota's Iron Range. The Iron Range area is in desperate need of jobs that can support its families, and keep the community alive. The Mesaba Energy Project will not only accomplish this goal, but will provide a valuable service to the Nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

On behalf of Minnesota's Labor Community, I urge you to support Excelsior Energy's CCPI application. In Minnesota, the Legislature has taken the lead to support your agency's clean coal initiatives by removing many of the identified barriers to IGCC deployment. It is now the turn of the Department of Energy to do its part. Together, we can make clean coal, clean air, and clean water a reality for all of our country's citizens. In addition, we can create new job opportunities here in America and also play an important role in protecting our nation's security.

Mr. Secretary, thank you for your consideration of Excelsior Energy's CCPI application.

Sincerely,

*Tom Anzels*  
*The Laborers Union*  
*Legislative Coordinator*



*Minnesota*

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Hoyt Lakes, Minnesota 55750-1140

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June 3, 2004

The Honorable Spencer Abraham  
Secretary  
United States Department of Energy  
1000 Independence Ave., SW  
Washington D.C. 20585

Dear Secretary Abraham:

I am writing this letter in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range. The proposed plant location would be on the site of the former LTV iron mine, near the community of Hoyt Lakes.

As you can imagine, our community was devastated by the LTV closure, which displaced over 1400 highly skilled workers. We are overjoyed at the prospects of welcoming a project such as Excelsior Energy and the new employment opportunities it can bring to our region.

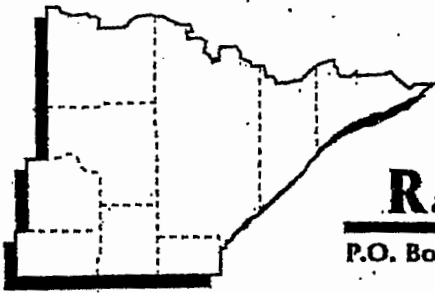
In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

As mayor of Hoyt Lakes and a citizen concerned about a viable future for northeastern Minnesota, I urge you to support Excelsior Energy's CCPI application. The Minnesota Legislature has taken the lead to support your agency's clean coal initiatives by removing many of the identified barriers to IGCC deployment.

You have my heartfelt appreciation for your consideration of Excelsior Energy's CCPI application.

Sincerely,

Marlene Pospeck  
Mayor of Hoyt Lakes



One Range...One Voice

## **Range Association of Municipalities and Schools**

P.O. Box 705, Buhl, MN 55713

PHONE (218) 258-3216

FAX (218) 258-3217

June 10, 2004

The Honorable Spencer Abraham  
Secretary  
United States Department of Energy  
1000 Independence Ave., SW  
Washington D.C. 20585

Dear Secretary Abraham:

I write to you in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology. The Excelsior proposal will significantly advance our country's National Energy Policy goals by demonstrating a commercially-viable, advanced-coal technology that can provide clean, reliable, and affordable electricity.

Last year in the Minnesota Legislature, I supported the most far-reaching and comprehensive set of incentives ever enacted by any state to spur the development of IGCC and the Mesaba Energy Project. This was accomplished in very bi-partisan way, with broad based support for the project. Since then, Senator Norm Coleman has taken the lead in Washington, with the support of Senator Dayton and Minnesota's Congressional delegation, to include a federal loan guarantee for the project in the energy bill.

In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the Nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

Speaking on behalf of our membership, I urge you to support Excelsior Energy's CCPI application. The Minnesota Legislature has taken the lead to support your agency's clean coal initiatives by removing many of the identified barriers to IGCC deployment. It is now the turn of the Department of Energy to do its part. Together, we can make clean coal, clean air, and clean water a reality for all of our country's citizens. In addition, we can create new job opportunities here in America and also play an important role in protecting our nation's security.

Mr. Secretary, thank you for your consideration of Excelsior Energy's CCPI application, and thank you for your public service.

Sincerely,

Ron Dicklich  
Executive Director

**Loren A. Solberg**  
State Representative  
District 3B  
Aitkin and Itasca Counties



# Minnesota House of Representatives

COMMITTEES: DFL-LEAD, WAYS AND MEANS; RULES AND LEGISLATIVE ADMINISTRATION; CAPITAL INVESTMENT;  
GOVERNMENTAL OPERATIONS AND VETERANS AFFAIRS POLICY

June 8, 2004

The Honorable Spencer Abraham, Secretary  
United States Department of Energy  
1000 Independence Ave., SW  
Washington D.C. 20585

Dear Secretary Abraham:

I write to you in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology. The Excelsior proposal will significantly advance our country's National Energy Policy goals by demonstrating a commercially-viable, advanced-coal technology that can provide clean, reliable, and affordable electricity.

Last year in the Minnesota Legislature, I supported the most far-reaching and comprehensive set of incentives ever enacted by any state to spur the development of IGCC and the Mesaba Energy Project. This was accomplished in very bi-partisan way, with broad based support for the project. Since then, Senator Norm Coleman has taken the lead in Washington, with the support of Senator Dayton and Minnesota's Congressional delegation, to include a federal loan guarantee for the project in the energy bill.

In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the Nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels

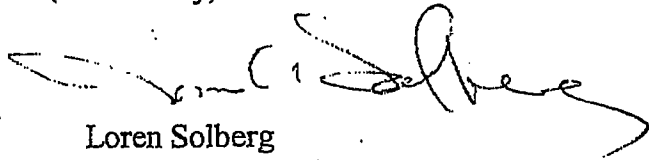
As a member of the Minnesota Legislature and speaking on behalf of all my constituents, I urge you to support Excelsior Energy's CCPI application. The Minnesota Legislature has taken the lead to support your agency's clean coal initiatives by removing many of the identified barriers to IGCC deployment. It is now the turn of the Department of Energy to do its part. Together, we can make clean coal, clean air, and clean water a



reality for all of our country's citizens. In addition, we can create new job opportunities here in America and also play an important role in protecting our nation's security.

Mr. Secretary, thank you for your consideration of Excelsior Energy's CCPI application, and thank you for your public service.

Sincerely,

A handwritten signature in black ink, appearing to read "Loren Solberg", with a long, sweeping horizontal stroke extending to the right.

Loren Solberg  
State Representative



# STATE OF MINNESOTA

## Office of Governor Tim Pawlenty

130 State Capitol • 75 Rev. Dr. Martin Luther King Jr. Boulevard • Saint Paul, MN 55155

June 14, 2004

The Honorable Spencer Abraham  
Secretary  
United States Department of Energy  
1000 Independence Ave., SW  
Washington D.C. 20585

Dear Secretary Abraham:

I write to you in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology. The Excelsior proposal will significantly advance our country's National Energy Policy goals by demonstrating a commercially-viable, advanced-coal technology that can provide clean, reliable, and affordable electricity.

Last year I supported the most far-reaching and comprehensive set of incentives ever enacted by any state to spur the development of IGCC and the Mesaba Energy Project. This was accomplished in a very bi-partisan way, with broad based support for the project. Since then, Senator Norm Coleman has taken the lead in Washington, with the support of Senator Dayton and Minnesota's Congressional delegation, to include a federal loan guarantee for the project in the energy bill.

In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the Nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

I urge you to support Excelsior Energy's CCPI application. Minnesota has taken the lead to support your agency's clean coal initiatives by removing many of the identified barriers to IGCC deployment. It is now the turn of the Department of Energy to do its part. Together, we can make clean coal, clean air, and clean water a reality for all of our country's citizens. In addition, we can create new job opportunities here in America and also play an important role in protecting our nation's security.

Mr. Secretary, thank you for your consideration of Excelsior Energy's CCPI application, and thank you for your public service.

Sincerely,

Tim Pawlenty

NORM COLEMAN  
MINNESOTA

# United States Senate

WASHINGTON, DC 20510-2307

COMMITTEE ON  
GOVERNMENTAL AFFAIRS  
CHAIRMAN  
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

COMMITTEE ON  
FOREIGN RELATIONS  
CHAIRMAN  
SUBCOMMITTEE ON  
WESTERN HEMISPHERE, PEACE CORPS, AND NARCOTICS AFFAIRS

COMMITTEE ON  
AGRICULTURE, NUTRITION, AND FORESTRY

COMMITTEE ON  
SMALL BUSINESS AND ENTREPRENEURSHIP

June 8, 2004

Secretary Spencer Abraham  
United States Department of Energy  
1000 Independence Avenue SW  
Washington D.C. 20585

Dear Secretary Abraham:

I write to you in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located in Minnesota's Iron Range and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology. Excelsior Energy's proposal will significantly advance our country's national energy policy goals by demonstrating a commercially-viable, advanced clean coal technology that can provide clean, reliable, and affordable electricity.

In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

Again, I urge you to support Excelsior Energy's CCPI application. Thank you for your consideration of this application, and thank you for your leadership on issues important to our nation's energy independence.

Sincerely,



Norm Coleman  
United States Senate

June 15, 2004

The Honorable Spencer Abraham  
Secretary  
United States Department of Energy  
1000 Independence Ave., SW  
Washington D.C. 20585



Dear Secretary Abraham:

I write to you in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology.

The Iron Range Resources, an arm of the State of Minnesota, is charged with the responsibility to create jobs in, and diversify the economy of, Northeastern Minnesota. An important part of this effort has been our support of Excelsior's Mesaba Energy Project. Several years ago we approved \$1.5 million in development assistance to Excelsior, and also negotiated a site option, which we plan to convey to Excelsior. Our board is currently reviewing my recommendation to authorize up to an additional \$8 million for project development. We believe this project will not only create and preserve jobs, but also play a key role in transforming the Iron Range economy due to the polygeneration capabilities of the gasification/IGCC technology.

Last year in the Minnesota Legislature, with the support of Governor Tim Pawlenty, Excelsior's Mesaba Energy Project was granted a far-reaching and comprehensive set of incentives to spur the development of its IGCC project. This was accomplished with broad based bi-partisan support for the project. Since then, Senator Norm Coleman has taken the lead in Washington, with the support of Senator Dayton and Minnesota's Congressional delegation, to include a federal loan guarantee for the project in the energy bill.

In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the Nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

I urge you to support Excelsior Energy's CCPI application. Our agency and the Minnesota Legislature have taken the bold steps to support the President's clean coal initiatives. We would now hope that you and your agency are able and willing to facilitate the construction of this important project. Together, we can make coal a vital part of our country's future energy resource base, make clean coal, clean air, and clean water a reality for all our citizens, and create jobs and stimulate economic growth in Minnesota and other parts of our country..

Mr. Secretary, thank you for your consideration of Excelsior Energy's CCPI application.

Sincerely,

A handwritten signature in cursive script, reading 'Sandy Layman', is written over a horizontal line.

Sandy Layman  
Commissioner



An Equal Opportunity Employer

Iron Range Resources  
4261 Highway 53 South  
P.O. Box 441  
Eveleth, MN 55734-0441  
(218) 744-7400

[www.IronRangeResources.org](http://www.IronRangeResources.org)

**JAMES L. OBERSTAR**

8TH DISTRICT, MINNESOTA

2365 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-2308

(202) 225-6211

FAX: (202) 225-0899

www.house.gov/oberstar

RANKING DEMOCRAT:

**COMMITTEE ON TRANSPORTATION  
AND INFRASTRUCTURE**

# Congress of the United States

**House of Representatives****Washington, DC 20515-2308**

June 4, 2004

DISTRICT OFFICES:

BRainerd CITY HALL

501 LAUREL STREET

BRainerd, MN 56401

(218) 828-4400

CHISHOLM CITY HALL

316 LAKE STREET

CHISHOLM, MN 55719

(218) 254-5761

231 FEDERAL BUILDING

DULUTH, MN 55802

(218) 727-7474

38625 14TH AVENUE

SUITE 300B

NORTH BRANCH, MN 55056

(651) 277-1234

Secretary Spencer Abraham  
U.S. Department of Energy  
1000 Independence Avenue SW  
Washington, D.C 20585

Dear Secretary Abraham:

I am writing in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation.

Excelsior's Mesaba Energy Project is located in my congressional district and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology. This proposal will significantly advance our country's national energy policy goals by demonstrating a commercially-viable, advanced-coal technology that can provide clean, reliable, and affordable electricity.

I am encouraged that the state of Minnesota has provided considerable support and incentives to spur the development of IGCC and the Mesaba Energy Project. This was accomplished in a bipartisan way at the state level. Furthermore, several of my colleagues in the House and Senate support this initiative.

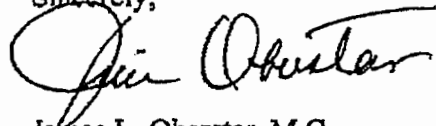
In addition to creating much-needed jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean forms of energy.

I urge you to support Excelsior Energy's CCPI application. Together, we can make clean coal, clean air, and clean water a reality for all of our country's citizens, as well as create new job opportunities here in America.

Thank you, Mr. Secretary, for your consideration of Excelsior Energy's CCPI application.

With best wishes.

Sincerely,



James L. Oberstar, M.C.

JLO/kcj

**Steve Sviggum**  
Speaker of the House

District 28B  
Goodhue, Wabasha and  
Winona Counties



# Minnesota House of Representatives

May 24, 2004

COMMITTEES: RULES AND LEGISLATIVE ADMINISTRATION; WAYS AND MEANS

The Honorable Spencer Abraham  
Secretary, United State Department of Energy  
1000 Independence Ave., SW  
Washington, D.C. 20585

Dear Secretary Abraham:

I write to you in support of Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range and will deploy state-of-the art Integrated Gasification Combined Cycle (IGCC) technology. The Excelsior proposal will significantly advance our country's National Energy Policy goals by demonstrating a commercially viable, advanced-coal technology that can provide clean, reliable and affordable electricity.

Last year in the Minnesota Legislature, I supported the most far-reaching and comprehensive set of incentives ever enacted by any to state spur the development of IGCC and the Mesaba Energy Project. This was accomplished in a very bi-partisan way, with broad based support for the project. Since then, Senator Norm Coleman has taken the lead in Washington, with the support of Senator Dayton and Minnesota's Congressional delegation, to include a federal loan guarantee for the project in the energy bill. In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

As a member of the Minnesota Legislature and speaking on behalf of all my constituents, I urge you to support Excelsior Energy's CCPI application. The Minnesota Legislature has taken the lead to support your agency's clean coal initiatives by removing many of the identified barriers to IGCC deployment. It is now the turn of the Department of Energy to do its part. Together, we can make clean coal, clean air and clean water a reality for all of our country's citizens. In addition, we can create new job opportunities here in America and also play an important role in protecting our nation's security.

Mr. Secretary, thank you for your consideration of Excelsior Energy's CCPI application and thank you for your public service. Hope all is well.

Sincerely,

  
STEVE SVIGGUM, Speaker



**David J. Tomassoni**

Senator – District 5  
St. Louis County



## Senate

State of Minnesota

May 17, 2004

The Honorable Spencer Abraham  
Secretary, United States Department of Energy  
1000 Independence Ave., S.W.  
Washington D.C. 20585

Dear Secretary Abraham:

I am writing to express my support for Excelsior Energy's application for funding under the Department of Energy's Clean Coal Power Initiative (CCPI) Round 2 Solicitation. Excelsior's Mesaba Energy Project is located on Minnesota's Iron Range and will deploy state-of-the-art Integrated Gasification Combined Cycle (IGCC) technology. The Excelsior proposal will significantly advance our country's National Energy Policy goals by demonstrating a commercially-viable, advanced-coal technology that can provide clean, reliable, and affordable electricity.

Last year in the Minnesota Legislature, I supported the most far-reaching and comprehensive set of incentives ever enacted by any state to spur the development of IGCC and the Mesaba Energy Project. This was accomplished in a very bipartisan way, with broad based support for the project. Since then, Senator Norm Coleman has taken the lead in Washington, with the support of Senator Dayton and Minnesota's Congressional delegation, to include a federal loan guarantee for the project in the energy bill.

In addition to creating jobs and spurring economic development on Minnesota's Iron Range, the Mesaba Energy Project will provide a valuable service to the Nation by demonstrating that our country's abundant coal reserves can be utilized in a clean way to help meet our need for electricity and other clean fuels.

As a member of the Minnesota Legislature and speaking on behalf of all of my constituents, I urge you to support Excelsior Energy's CCPI application. The Minnesota Legislature has taken the lead to support your agency's clean coal initiatives by removing many of the identified barriers to IGCC deployment. It is now the turn of the Department of Energy to do its part. Together, we can make clean coal, clean air, and clean water a reality for all of our country's citizens. In addition, we can create new job opportunities here in America and also play an important role in protecting our nation's security.

Thank you for your consideration of Excelsior Energy's CCPI application.

Sincerely,

David J. Tomassoni  
State Senator

DT:lb

*Attached is a copy of the legislation which Rep. Mike Beard and I authored. DST*

321 State Capitol • Saint Paul, MN 55155-1606 • (651) 296-8017 • Fax: (651) 296-6511  
E-Mail: sen.david.tomassoni@senate.mn

James Metzger 5/14/04, Pres Senate  
Torrey Westrom 5/21/04 Rep 11A  
Michael Beard Rep 35A  
Tom Bakke Sen 6

Rubanova SA 5/18/04

all same

Sertich 5B 6/8/04

Dill 6A 6/9/04

Solberg 3B 6/8/04

Sen Dean Johnson  
Misty Leader 6/11/04

London.  
Scheid 46 6/4/04

Al Juhnke 15A 5/19/04

Doug Stang 14B 5/26/04

Dean Simpson 10B 5/26/04

Andy Westerburg 51A 5/25/04

Thomas Pugh 39A 5/14/04

Anzelle - Lab 4

Dick Anthony Blog + Constitution Tracker 5/27/04

RAMS - Dick Dick 6/10/04

RAMS - Carter Pettersen

GR CoC - Bud Stone 6/1/04

Hoyt LKS Silver Bay Mt I Rm

Coleraine - Afford 6/4/04

Eby Virginia