DEPARTMENT OF ENERGY

Notice of Availability of the Draft Environmental Impact Statement for the Mesaba Energy Project

AGENCY: Department of Energy.

ACTION: Notice of Availability and public hearings.

SUMMARY: The U.S. Department of Energy (DOE) announces the availability of the Draft Environmental Impact Statement for the Mesaba Energy Project (DOE/EIS–0382D) for public comment, as well as the dates, locations and times for public hearings. The draft environmental impact statement (EIS) analyzes the potential environmental consequences of DOE’s proposed action to provide a total of $36 million in co-funding, through a financial assistance cooperative agreement, for the design and one-year operational demonstration of a coal-based, Integrated Gasification Combined Cycle (IGCC) electric generating facility on the Iron Range of northern Minnesota. DOE may also provide a loan guarantee pursuant to the Energy Policy Act of 2005 to guarantee a portion of private sector financing for the project; however, this loan guarantee is not part of DOE’s proposed action. The facility would be demonstrated through a cooperative agreement between DOE and Excelser Inc. (Excelsior) under the Clean Coal Power Initiative (CCPI) program.

DATES: DOE invites the public to comment on the draft EIS during the public comment period, which ends January 11, 2008. DOE will consider all comments postmarked or received during the public comment period in preparing the Final EIS and will consider late comments to the extent practicable. DOE will conduct two public hearings to obtain comments on the draft EIS. The meetings will be held at the Taconite Community Center, 26 Haynes Street, Taconite, Minnesota, on Tuesday, November 27, 2007, beginning at 7 pm., and at Hoyt Lakes Arena, 106 Kennedy Memorial Drive, Hoyt Lakes, Minnesota, on Wednesday, November 28, 2007, beginning at 7 pm. An informational session will be held at each location from 4 pm. to 7 pm. preceding each meeting on the dates above. See the SUPPLEMENTARY INFORMATION section for details on the meeting process.

ADDRESSES: Requests for information about this draft EIS, or to receive a copy of the draft EIS, should be directed to: Mr. Richard A. Hargis, Jr., NEPA Document Manager, M/S 922–178C, U.S. Department of Energy, National Energy Technology Laboratory, P.O. Box 10940, Pittsburgh, PA 15236–0940. Requests may also be submitted by telephone: 412–386–6065; toll free number: 888–322–7436 ext. 6065; fax: 412–386–4604; or electronic mail: richard.hargis@netl.doe.gov.

The draft EIS will be available at: http://www.eh.doe.gov/nepa/. Copies of the draft EIS are also available for review at the locations listed in this SUPPLEMENTARY INFORMATION section of this Notice. Written comments on the draft EIS can be submitted by mail, fax, or electronic mail to Mr. Richard A. Hargis, Jr., as indicated above. Oral comments on the draft EIS will be accepted only during the public hearings scheduled for the dates and locations provided in the DATES section of this Notice.

FOR FURTHER INFORMATION, CONTACT: For further information regarding the proposed project or the draft EIS, please contact Mr. Richard A. Hargis, Jr., (see ADDRESSES). For general information on the DOE NEPA process, please contact: Ms. Carol M. Borgstrom, Director, Office of NEPA Policy and Compliance (GC–20), U.S. Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585–0103; Telephone: 202–586–4600, or leave a toll-free message at: 800–472–2756.

SUPPLEMENTARY INFORMATION:
Description of Alternatives and Scope of the EIS

DOE’s Proposed Action is to provide a total of $36 million in co-funding, through a cooperative agreement with Excelsior under the CCPI Program, for the design and one-year operational demonstration testing period for Phase I of the proposed two-phased Mesaba Energy Project. The first phase would be a nominal 606 megawatt electricity (MWe) IGCC power plant with an estimated cost of $2.16 billion. Phase II, which would be an identical, co-located 606 MWe plant, would be privately financed and not involve co-funding by DOE. The project would demonstrate the commercial-readiness of the Conoco-Phillips E-Gas™ gasification technology, including (CCPI) advanced gasification and air separation systems, feedstock flexibility, improved...
environmental performance, and improved thermal efficiency. Although DOE’s proposed action would be applicable to Phase I only, the draft EIS considers the combined impacts of both phases as connected actions.

DOE prepared this draft EIS in accordance with the National Environmental Policy Act, of 1969 (NEPA) (42 U.S.C. 4321 et seq.), the Council on Environmental Quality regulations that implement the procedural provisions of NEPA (40 CFR parts 1500–1508), and the DOE procedures implementing NEPA (10 CFR part 1021). Because the proposed facility is considered a Large Electric Power Generating Plant, the Project is subject to the Minnesota Power Plant Siting Act, which requires the preparation of a state-equivalent EIS. The EIS requirements under NEPA and the Act are substantially similar, and DOE has prepared this draft EIS in cooperation with the Minnesota Department of Commerce to fulfill the requirements of both laws. Federal cooperating agencies for the EIS include the U.S. Army Corps of Engineers, St. Paul District, and the U.S. Department of Agriculture, Forest Service, Superior National Forest, Laurentian District.

Because the proposed Project may affect floodplains and wetlands in northern Minnesota, the draft EIS includes a floodplain and wetlands assessment in accordance with DOE regulations for Compliance with Floodplain and Wetlands Environmental Review Requirements (10 CFR part 1022).

DOE analyzed two main alternatives in the draft EIS—the Proposed Action (including two alternative sites for the project) and the No Action Alternative. Under the Proposed Action, DOE would provide cost-shared funding to Excelsior for the design and one-year demonstration of a coal-based, IGCC electric generating facility to be located in the Taconite Tax Relief Area as defined in Minnesota Statutes Section 273.134. DOE has entered into a cooperative agreement with Excelsior, which was a successful applicant in Round 2 of the CCPI program, to demonstrate the Project. Excelsior is an independent energy development company based in Minnetonka, Minnesota, that ultimately would be responsible for the siting, design, construction, demonstration, and operation of the Project and related components. Until the NEPA process is complete, no funds would be provided for project activities that could either have an adverse impact on the environment or limit the choice of reasonable alternatives available to DOE. Pursuant to the Energy Policy Act of 2005, DOE may also provide a loan guarantee for a portion of the private-sector financing for the Project; however, this loan guarantee is not part of DOE’s proposed action.

The Minnesota Power Plant Siting Act is intended to ensure that power plants and high voltage transmission lines are routed in an orderly manner compatible with environmental preservation and the efficient use of resources. The Minnesota Public Utilities Commission oversees permitting in accordance with the Act. State rules established for the Act require the applicant for a site permit to identify at least two sites for the power plant—a preferred site and an alternative site. Excelsior identified the West Range site (Taconite, Itasca County, Minnesota) as its preferred site and the East Range site (Hoyt Lakes, St. Louis County, Minnesota) as its alternative site. Although DOE has not participated in the identification or selection of sites, the potential environmental impacts of locating the project at either site are evaluated in the draft EIS. The final decision on which site would be permitted, if any, will be made by the Minnesota Public Utilities Commission in accordance with the Minnesota Power Plant Siting Act.

For the No Action Alternative, DOE would not provide cost-shared funding for the Project beyond that required to complete the NEPA process. In this case, the remaining funding withheld from the Project may be made available for other current or future CCPI projects. Without DOE funding, it is not likely that the Mesaba Energy Project would be built, although it is possible that Excelsior could still elect to construct and operate the proposed power plant. It is also possible that the Federal financing component and obtain the required permits from state and Federal agencies. However, without DOE participation, it is possible that the proposed project would be canceled. Therefore, for purposes of analysis in the draft EIS, the No Action Alternative is assumed to be equivalent to a “No Build” Alternative, meaning that environmental conditions would remain in the status quo (no new construction, resource utilization, emissions, discharges, or wastes generated). The No Action Alternative would not contribute to the goal of the CCPI program, which is to accelerate commercial deployment of advanced technologies that provide the United States with clean, reliable, and affordable energy.

The draft EIS analyzes the environmental consequences that may result from approved action at each of the two alternative sites, as well as the no action alternative. Potential impacts identified during the scoping process and analyzed in the draft EIS relate to the following: aesthetics; air quality and climate; geology and soils; groundwater and surface water resources; floodplains and wetlands; biological resources; cultural resources; land use; socioeconomics; environmental justice; utility systems; community services; transportation and traffic; materials and waste management; human health and safety; and noise.

Availability of the Draft EIS

Copies of the draft EIS have been distributed to Members of Congress; Federal, Native American tribal government, state, and local officials; and agencies, organizations and individuals who may be interested or affected. The draft EIS will be available on the Internet at: http://www.eh.doe.gov/nepa/. Copies of the draft EIS are available for public review at the Bovey Public Library, 400 2nd Street, Bovey, Minnesota; City of Taconite Community Center, 28 Haynes Street, Taconite, Minnesota; Grand Rapids Public Library, 140 NE., 2nd Street Grand Rapids, Minnesota; the Hibbing Public Library, 2020 East 5th Avenue, Hibbing, Minnesota; and the Hoyt Lakes Public Library, 206 Kennedy Memorial Drive, Hoyt Lakes, Minnesota. Additional copies also can be requested (see ADDRESSES).

Public Meetings

DOE will conduct a public hearing near each of the two alternative sites, in conjunction with the Minnesota Department of Commerce, to obtain comments on the draft EIS. Requests to speak at the public hearings can be made by contacting Mr. Richard A. Hargis, Jr., as indicated in the ADDRESSES section above. Requests to speak that have not been submitted prior to the hearing will be accepted in the order in which they are received at the hearing. Speakers are encouraged to provide a written version of their oral comments for the record. Each speaker will be allowed approximately five minutes to present comments. Those speakers who want more than five minutes should indicate the length of time desired in their request. Depending on the number of speakers, DOE may need to limit all speakers to five minutes initially and provide additional opportunities as time permits. Comments will be recorded by a court reporter and will become part of the public hearing record. Oral and written comments will be given equal consideration.
Each hearing will begin with an informational session at approximately 4 p.m. DOE will then begin each meeting’s formal session at 7 p.m. with an overview of the project, followed by oral statements by the scheduled speakers. Speakers may be asked questions to help ensure that DOE fully understands the comments. A presiding officer will establish the order of speakers and provide any additional procedures necessary to conduct the meetings. All meetings will be accessible to people with disabilities. Any individual with a disability requiring special assistance, such as sign language interpreter, or a translator, should contact Mr. Richard A. Hargis, Jr., the NEPA Document Manager, (see ADDRESSES) at least 48 hours in advance of the meeting so that arrangements can be made.

Meeting Schedule

West Range Site—Taconite

Date: Tuesday, November 27, 2007.

Place: Taconite Community Center, 26 Haynes Street, Taconite, Minnesota.

East Range Site—Hoyt Lakes

Date: Wednesday, November 28, 2007.

Place: Hoyt Lakes Arena, 106 Kennedy Memorial Drive, Hoyt Lakes, Minnesota.

Southern Star states that due to the abandonment of the Craig storage field as authorized by order of the Commission in Docket No. CP08–280–000 (85 FERC ¶61,184) the compressor engines are no longer required to provide the storage field compression service for which they were originally installed. Southern Star stated that the aforementioned application that the compressor engines at the Craig station were being evaluated at that time for use elsewhere on its pipeline system.

Southern Star further states that one compressor engine will be removed from the Craig compressor station, refurbished and installed at the South Welda storage field as booster compression. Southern Star has requested authorization for said engine installation at South Welda storage field in Docket No. CP08–4–000, which is currently pending before the Commission.

The other compressor engine will be removed and warehoused at Southern Star’s Welda compressor station. The existing Craig compressor building will remain in place to be used as a warehouse facility for pipe, equipment and supplies.

Any questions regarding this application should be directed to David N. Roberts, Manager, Regulatory Affairs, at (270) 852–4654.

There are two ways to become involved in the Commission’s review of this project. First, any person wishing to obtain legal status by becoming a party to the proceedings for this project should, on or before the comment date stated below, file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, a motion to intervene in accordance with the requirements of the Commission’s Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the NGA (18 CFR 157.10). A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by all other parties. A party must submit 14 copies of filings made with the Commission and must mail a copy to the applicant and to every other party in the proceeding. Only parties to the proceeding can ask for court review of Commission orders in the proceeding.

However, a person does not have to intervene in order to have comments considered. The second way to participate is by filing with the Secretary of the Commission, as soon as possible, an original and two copies of comments in support of or in opposition to this project. The Commission will consider these comments in determining the appropriate action to be taken, but the filing of a comment alone will not serve to make the filer a party to the proceeding. The Commission’s rules require that persons filing comments in opposition to the project provide copies of their protests only to the party or parties directly involved in the protest.

Persons who wish to comment only on the environmental review of this project should submit an original and two copies of their comments to the Secretary of the Commission. Environmental commenters will be placed on the Commission’s environmental mailing list, will receive copies of the environmental documents, and will be notified of meetings associated with the Commission’s environmental review process.

Environmental commenters will not be required to serve copies of filed documents on all other parties. However, the non-party commenters will not receive copies of all documents filed by other parties or issued by the Commission (except for the mailing of environmental documents issued by the Commission) and will not have the right to seek court review of the Commission’s final order.

Comments, protests and interventions may be filed electronically via the Internet in lieu of paper. See 18 CFR 385.2001(a)(1)(ii) and the instructions on the Commission’s Web site under the “e-Filing” link at http://www.ferc.gov. The Commission strongly encourages intervenors to file electronically. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

Comment Date: November 23, 2007.

Kimberly D. Bose,
Secretary.

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