



© **minnesota power** / 30 west superior street / duluth, minnesota 55802-2093 / 218-723-3945 / www.mnpower.com

ET-1
EG-4

David P. Jeronimus
Vice President, Environmental Services
Fax 218-723-3916
E-mail djeronimus@mnpower.com

October 1, 2001

Mr. James Connaughton
Chair, Council on Environmental Quality
Executive Office of the President
17th and G Streets, NW
Washington, DC 20503

Re: Federal Agency Review of Permits for Energy Related Projects

Dear Mr. Connaughton:

On behalf of Minnesota Power, an investor-owned electric utility serving northeastern Minnesota and northwestern Wisconsin, I am submitting two projects and associated comments for the Council on Environmental Quality's consideration.

Project 1 is termed Power Up Wisconsin. This project is the construction of a 345kV high voltage transmission line that originates in northeastern Minnesota and terminates in central Wisconsin. Power Up Wisconsin has received approval from both Minnesota and Wisconsin and is now in the process of acquiring federal, state and local permits/licenses for the construction and operation of the line. Federal agencies such as the National Park Service and U.S. Army Corps of engineers will be involved. Construction of this project is anticipated to begin in 2002.

Project 2 is referred to as Project Wild. This project is a proposed 225 MW Combined Heat and Power Plant that will be built adjacent to an existing paper mill in Grand Rapids, Minnesota. Minnesota Power and UPM-Kymmene, a Finnish company, will jointly own the proposed facility. The state regulatory process is currently in progress. Once the state's certificate of need and siting work is complete, permits will be sought from various federal and states agencies, including the Environmental Protection Agency. Plant commissioning is expected to occur in late spring of 2005.

Thank you for giving Minnesota Power the opportunity to provide these projects to the Council on Environmental Quality and Energy Streamlining Task Force for review and monitoring.

Sincerely,

David P. Jeronimus
Vice President, Environmental Services Department

Name of Project: Power Up Wisconsin

Entity Proposing Project: Minnesota Power and Wisconsin Public Service Corporation

Category of Project: Electricity Transmission

Description of Project: This project is the construction of a jointly-owned, 215-mile high voltage transmission line linking Minnesota Power's Arrowhead substation near Duluth, Minnesota with Wisconsin Public Service Corporation's Weston substation near Wausau, Wisconsin. The voltage level of this transmission line is 345 kV.

Agencies Involved: Federal – National Park Service (approval), U.S. Fish and Wildlife (consult), U.S. Army Corp of Engineers (approval), and Federal Aviation Administration (consult).
State of Minnesota—Pollution Control Agency (approval), Department of Natural Resources (approval), Department of Transportation (approval), and Environmental Quality Board (approval)
State of Wisconsin—Public Service Commission (approval), Department of Natural Resources (approval), Department of agriculture, Trade and Consumer Protection (consult), Historical Society/Division of Historic Preservation (approval), and Department of Transportation (approval).
County/Local—all jurisdictions traversed by project.

Reason to Bring Project Forward: Expedient review and approval by all federal and state agencies and local entities is important in getting this project constructed in a timely manner. Doing so will help Wisconsin alleviate existing electrical system reliability problems. Timely construction of this project will strengthen Midwest's electrical system/infrastructure allowing electric suppliers to maintain service to customers and helping sustain economic growth.

Name of Project:	Project Wild
Entity Proposing Project:	Rapids Power LLC—a company formed by UPM-Kymmene (a Finnish company) & Rainy River Energy Corporation (a subsidiary of Minnesota Power)
Category of Project:	Electricity Generation
Description of Project:	A 225 MWe Combined Heat & Power (CHP) will be built alongside an existing papermill owned by UPM-Kymmene, which is located in Grand Rapids, MN. A circulating fluidized boiler will be used burning a mixture of approximately 70% western sub-bituminous coal and 30% biomass. Steam extracted from the turbine will be used by the papermill to produce paper. Emissions will be controlled using limestone for sulfur dioxide removal, ammonia for nitrogen oxide removal, and a fabric filter for particulate removal. Desired startup is late Spring of 2005.
Agencies Involved:	<u>Federal</u> – EPA (approval), National Park Service (consult), Forest Service (consult), Army Corp of Engineers (approval), and U. S. Fish & Wildlife (consult) <u>State of Minnesota</u> – Pollution Control Agency (approval), Environmental Quality Board (approval), Department of Commerce/Public Utility Commission (approval), and the Department of Natural Resources (approval).
Reason to Bring Project Forward:	<p>Minnesota is projected to be up to 5,000 MW short of electricity by 2010, so there is a need to periodically bring new sources of electricity on-line over the next 10 years. This plant is projected to be on-line in 2005 and thus, will contribute to reducing this projected shortfall. An expeditious review and approval process by all agencies involved is extremely important in helping Minnesota avoid being energy short.</p> <p>In addition, in order for UPM-Kymmene's Grand Rapids plant to remain competitive in a global papermaking marketplace, they need to continually work toward reducing their costs in a timely manner. This plant will produce steam and electricity more efficiently, which will benefit not only the papermill, but the regional users of electricity as well.</p>
Suggestions for Improving Federal Agencies Process:	Expeditious review and approval of the project by the Federal Land Manager (FLM) will be key to bringing the project on line when needed. Project applicants will encourage FLM consultation with the MPCA, as both agencies conduct air dispersion modeling of the project's air emissions to determine compliance with state and federal air quality requirements. The FLM's primary area of review will be the project's potential impact on visibility impairment in nearby Class 1 areas.



Virginia Stephens
10/01/2001 05:39:22 PM

*hard
copy
in back
of
brocher*

Record Type: Record

To: Andrea Sarzynski/WHO/EOP@EOP

cc:

Subject: Federal Agency Review of permits for Energy Related Projects

----- Forwarded by Virginia Stephens/CEQ/EOP on 10/01/2001 05:39 PM -----



"Patti Logergren (MP)" <PLOGERGREN@mnpower.com>
10/01/2001 02:22:04 PM

Record Type: Record

To: Edward A. Boling Energy Task Force/CEQ/EOP@EOP

cc:

Subject: Federal Agency Review of permits for Energy Related Projects

<<James Connaughton.doc>>
<<PowerUp.doc>> <<RapidsPower.doc>>



- James Connaughton.doc



- PowerUp.doc



- RapidsPower.doc

October 1, 2001

Mr. James Connaughton
Chair, Council on Environmental Quality
Executive Office of the President
17th and G Streets, NW
Washington, DC 20503

Re: Federal Agency Review of Permits for Energy Related Projects

Dear Mr. Connaughton:

On behalf of Minnesota Power, an investor-owned electric utility serving northeastern Minnesota and northwestern Wisconsin, I am submitting two projects and associated comments for the Council on Environmental Quality's consideration.

Project 1 is termed Power Up Wisconsin. This project is the construction of a 345kV high voltage transmission line that originates in northeastern Minnesota and terminates in central Wisconsin. Power Up Wisconsin has received approval from both Minnesota and Wisconsin and is now in the process of acquiring federal, state and local permits/licenses for the construction and operation of the line. Federal agencies such as the National Park Service and U.S. Army Corps of engineers will be involved. Construction of this project is anticipated to begin in 2002.

Project 2 is referred to as Project Wild. This project is a proposed 225 MW Combined Heat and Power Plant that will be built adjacent to an existing paper mill in Grand Rapids, Minnesota. Minnesota Power and UPM-Kymmene, a Finnish company, will jointly own the proposed facility. The state regulatory

process is currently in progress. Once the state's certificate of need and siting work is complete, permits will be sought from various federal and states agencies, including the Environmental Protection Agency. Plant commissioning is expected to occur in late spring of 2005.

Thank you for giving Minnesota Power the opportunity to provide these projects to the Council on Environmental Quality and Energy Streamlining Task Force for review and monitoring.

Sincerely,

David P. Jeronimus
Vice President, Environmental Services Department

Name of Project: Power Up Wisconsin

Entity Proposing Project: Minnesota Power and Wisconsin Public Service Corporation

Category of Project: Electricity Transmission

Description of Project: This project is the construction of a jointly-owned, 215-mile high voltage transmission line linking Minnesota Power's Arrowhead substation near Duluth, Minnesota with Wisconsin Public Service Corporation's Weston substation near Wausau, Wisconsin. The voltage level of this transmission line is 345 kV.

Agencies Involved: Federal – National Park Service (approval), U.S. Fish and Wildlife (consult), U.S. Army Corp of Engineers (approval), and Federal Aviation Administration (consult).
State of Minnesota—Pollution Control Agency (approval), Department of Natural Resources (approval), Department of Transportation (approval), and Environmental Quality Board (approval)
State of Wisconsin—Public Service Commission (approval), Department of Natural Resources (approval), Department of agriculture, Trade and Consumer Protection (consult), Historical Society/Division of Historic Preservation (approval), and Department of Transportation (approval).
County/Local—all jurisdictions traversed by project.

Reason to Bring Project Forward: Expeditious review and approval by all federal and state agencies and local entities is important in getting this project constructed in a timely manner. Doing so will help Wisconsin alleviate existing electrical system reliability problems. Timely construction of this project will strengthen Midwest's electrical system/infrastructure allowing electric suppliers to maintain service to customers and helping sustain economic growth.

Name of Project:	Project Wild
Entity Proposing Project:	Rapids Power LLC—a company formed by UPM-Kymmene (a Finnish company) & Rainy River Energy Corporation (a subsidiary of Minnesota Power)
Category of Project:	Electricity Generation
Description of Project:	A 225 MWe Combined Heat & Power (CHP) will be built alongside an existing papermill owned by UPM-Kymmene, which is located in Grand Rapids, MN. A circulating fluidized boiler will be used burning a mixture of approximately 70% western sub-bituminous coal and 30% biomass. Steam extracted from the turbine will be used by the papermill to produce paper. Emissions will be controlled using limestone for sulfur dioxide removal, ammonia for nitrogen oxide removal, and a fabric filter for particulate removal. Desired startup is late Spring of 2005.
Agencies Involved:	<u>Federal</u> – EPA (approval), National Park Service (consult), Forest Service (consult), Army Corp of Engineers (approval), and U. S. Fish & Wildlife (consult) <u>State of Minnesota</u> – Pollution Control Agency (approval), Environmental Quality Board (approval), Department of Commerce/Public Utility Commission (approval), and the Department of Natural Resources (approval).
Reason to Bring Project Forward:	Minnesota is projected to be up to 5,000 MW short of electricity by 2010, so there is a need to periodically bring new sources of electricity on-line over the next 10 years. This plant is projected to be on-line in 2005 and thus, will contribute to reducing this projected shortfall. An expeditious review and approval process by all agencies involved is extremely important in helping Minnesota avoid being energy short. In addition, in order for UPM-Kymmene's Grand Rapids plant to remain competitive in a global papermaking marketplace, they need to continually work toward reducing their costs in a timely manner. This plant will produce steam and electricity more efficiently, which will benefit not only the papermill, but the regional users of electricity as well.
Suggestions for Improving Federal Agencies Process:	Expeditious review and approval of the project by the Federal Land Manager (FLM) will be key to bringing the project on line when needed. Project applicants will encourage FLM consultation with the MPCA, as both agencies conduct air dispersion modeling of the project's air emissions to determine compliance with state and federal air quality requirements. The FLM's primary area of review will be the project's potential impact on visibility impairment in nearby Class 1 areas.