

MARTIN COUNTY MONITOR

Monitoring the Lakefield Junction Power Plant on behalf of residents and taxpayers of Minnesota

TENASKA & NRG MAY HAVE DUPED MARTIN COUNTY IN REGARDS TO THE LAKEFIELD JUNCTION POWER GENERATION PROJECT

This chart compares the maximum permitted air pollution from these three plants when fired by natural gas

| | <u>NOX Pollution</u> | <u>Carbon Monoxide Pollution</u> |
|-----------------------------------|----------------------|----------------------------------|
| Tenaska/NRG Lakefield Junction | 25 parts per million | 25 parts per million |
| Tenaska/Tacoma, WA | 3 parts per million | 8 parts per million |
| Sumas II Plant, WA | 2 parts per million | 2 parts per million |

Tenaska’s Tacoma, WA, plant was permitted with scrubbers for both oxides of nitrogen and carbon monoxide, unlike the Lakefield Junction Plant. So, Lakefield Junction’s owners, especially the Tenaska Company, know how much excess pollution will come out of their Lakefield Junction plant, compared even to their other, older plants. There are dozens of newer power plants that are even cleaner.

Why will Martin County have to suffer from far more air pollution than does other communities with a power plant? Why is this natural gas fired power plant so dirty, when gas is supposed to burn so clean? Part of the answer is that big companies like Tenaska and their partners often locate their facilities in small towns and rural areas, because they know that the elected officials and state agencies will give them anything they want, simply to spur economic development.

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Documents recently released under the Minnesota Public Records Acts reveal that the proposed Lakefield Junction Power Plant will spew out 800% more air pollution, under some conditions, than is permitted at similar power plants around the United States. Even when the Lakefield Junction plant is running the cleanest, it is still allowed to emit 400% more oxides of nitrogen, a toxic gas, than are other recently permitted power plants. The Lakefield Junction plant will not have a scrubber to reduce its oxides of nitrogen emissions, unlike scores of recently constructed and operating power plants. The Lakefield Junction plant will not have a scrubber to reduce its deadly carbon monoxide air pollution, unlike many other power plants. As a result, Lakefield Junction will emit more than ten

times as much carbon monoxide as similar power plants. The developers of the Lakefield Junction Power Plant know full well that they have obtained lax permits for one of the dirtiest power plants to be built in the last several years. The Tenaska company, who were partners in the Lakefield Junction plant with NRG Energy, have obtained permits for two other power plants in the State of Washington, that will produce far less pollution than will the Lakefield Junction Power Plant. Tenaska obtained those permits many years ago, before the recent improvements in power plant scrubbers. The Tenaska power plant that was permitted for Tacoma, WA, was allowed to discharge less than 1/8 of the pollution that Lakefield Junction will emit when running at “high load...”

LAKEFIELD JUNCTION POWER GENERATION PROJECT IS THIRSTIER THAN YOU KNOW

LASER has compared the Lakefield Junction Power Plant's water usage with other, similar power plants around the country. LASER's research shows that the Lakefield Junction plant is needlessly thirsty and will use far more water than other power plants do. The Lakefield Junction plant is not designed to conserve water. It does not feature "air cooling" features or a hybrid, combined air and water-cooling design. If the Lakefield Junction Power Plant featured air-cooling rather than its antiquated water-cooling system, it would use far less water than what is proposed.

An air cooled power plant in New Mexico, that is about the same size as the Lakefield Junction Power Plant and uses only 150 gallons per minute of intake water, compared to the 1180 gallons/minute that Lakefield Junction is appropriated.

A power plant in Chehalis, WA, recently agreed to switch to air cooling and its permit states that it will reduce its water use by 90%.

The Lakefield Junction plant will gulp down water that may be needed in the future for other industries, for agriculture and for drinking water and other residential uses.

Furthermore, the Minnesota Environmental Quality Board's Certificate for this power plant, stated that its water consumption would only be 750 gallons per minute, at a rare maximum and usually would only be a gallon per minute. The actual water

appropriation permit obtained by the City of Trimont to supply water to the power plant, was for the incredible amount of 1180 gallons per minute. That is over 40% more than the maximum amount of water use that was stated in the State's Findings for the Lakefield Junction Power Plant's site certificate.

LASER was unable to find any evidence that the Minnesota Environmental Quality Board ever considered an air-cooling requirement for the Lakefield Junction Power Plant. LASER has written to the State Board asking why the plant is permitted to use 40% more water than was discussed in the Site Certificate for this facility.

An air cooled power plant in New Mexico that is about the same size as the Lakefield Junction Power Plant and uses only 150 gallons per minute of intake water, compared to the 1180 gallons per minute that Lakefield Junction is appropriated.

LAKEFIELD JUNCTION TO MARTIN COUNTY "TAKE THIS WASTEWATER WITH A GRAIN OF SALT"

When this power plant uses water for cooling, the water is boiled and re-boiled. Since the plant is permitted to use 100 million gallons of water per year and to discharge about 10 million gallons of spent water, then 90% of the water is boiled away. This means that all of the salts in the original 100 million gallons of water are highly concentrated in the remaining 10 million gallons. Lakefield Junction will be dumping this salty water onto the ground, tainting the soils. Eventually this salty water will infiltrate into the underlying aquifer.

The Minnesota Environmental Quality Board recognized these wastewater salts will be a problem. Their findings state, "The wastewater... will be relatively high in calcium, potassium, sodium, and magnesium... A portion of concentrated mineral salts will accumulate in the soil during the irrigation season. These salts will move through the soil... as rainfall and snowmelt occurs. Because some mineral salts may accumulate in the soil... a salt tolerant crop will be grown. A reduction in crop yield is not expected **except in the driest of summers** when there is not sufficient rainfall to move some of the minerals beneath the crop root zone. The wastewater... will (also) ...contain... cleaning agents and ...chemicals." In other words, the soils where the wastewater is dumped will no longer be suitable for the usual crops. If it doesn't rain enough, and the salts remain, crop yields will plummet. There is no explanation of how much of these salts will percolate into the groundwater aquifer, when the salts are flushed by rainfall and snowmelt, deeper below the surface. Those aquifer impacts could affect many people.

WHY LASER IS PROVIDING THIS INFORMATION TO RESIDENTS OF MARTIN COUNTY AND SURROUNDING COMMUNITIES

LASER has been studying the impacts of large industrial construction projects for the last nine years. TIC (The Industrial Company) has been one of LASER's original case studies for the following reason. During a time when the construction industry was in a recession, TIC, a construction concern, grew successfully in just a few years from a few carpenters to become one of the larger construction companies in the United States.

LASER's research revealed that TIC's business tactics may have changed the basic nature of the construction industry and its impacts on the surrounding communities. For decades, construction projects had many positive effects on the workers and the vicinities of the project. Local construction workers got jobs at high wages and developers often paid for their projects' impacts on traffic, schools, housing and other social programs.

TIC's projects seemed to be different. TIC imported hundreds of out of state workers into communities. Few local workers were hired. The construction payroll left the local area. The imported workers filled the trailer parks and cheap motels.

Some of TIC's employees, striving to keep up with the 80 hour workweek that TIC demanded, succumbed to drugs and alcohol. Many rootless TIC employees committed crimes and were jailed, often for alcohol and/or drug related offences, but also for assault, theft and firearm offences. During TIC's job at the Magma Mine in Ely County, the only murder arrest in a single year was a TIC employee. A few miles away, two ex-convict TIC employees were arrested with over one thousand pounds of high explosives. On another job, almost 100 TIC employees, about 25% of TIC's work force, were arrested during a construction project.

LASER also discovered that many of TIC's clients inflicted excessive air and water pollution, traffic and other social costs on the local areas that hosted their new mines, chemical plants, and power houses. LASER intervened during the public proceedings regarding one TIC job, forced the issuance of air violation notices against the TIC client and obtained a settlement under which TIC's client gave the local sheriff's department six low-pollution vehicles. That is one example of the types of benefits that Martin and surrounding communities should have received from Lakefield Junction.

Since then, LASER has researched many other projects, by TIC and many other similar construction contractors. LASER has found the same pattern, The local community gets a few jobs but the local taxpayers must pay for the increased demands for police, fire protection, streets and schools that a new development often brings to a community.

Lakefield Junction is inflicting the same problems on Martin County. A recent license plate count of the TIC parking lot revealed that over 80% of their employees are from out of state. That means that only 20% of the \$9 million construction payroll will remain in Minnesota and only a fraction of that will end up in Martin County.

What about the jobs at the Power Plant? These facilities are heavily automated. This gigantic power plant will hire a grand total of three workers, according to the Site Certificate hearings. There are no guarantees that even those three jobs will go to local residents. A large company like Tenaska, a plant partner, will likely import its own experienced staff to man that power station. In sum, Martin County's local residents would receive a larger payroll for local workers from a McDonald's than from this power plant.

LASER is making this information available, so residents of Martin County and surrounding communities and their elected officials and agencies can determine for themselves if the local community is getting all they deserve from the Lakefield Junction development. Another power plant agreed to sell some power locally, at a cut rate, as mitigation for their project's impacts. Lakefield Junction should consider this type of offer. If you think that Martin County deserves more, maybe we can all work together to obtain a bigger piece of the pie for the local community. LASER will continue to provide newsletters, such as this one, to keep local residents informed about these important issues which have not been reported on by the local newspapers.

A license plate count of the TIC parking lot revealed that over 80% of the employees working at the Lakefield Junction Power Plant are from out of state.

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In this case, Tenaska & NRG wanted a lax air permit, and they got one. They will save millions of dollars because they do not have to install or maintain the pollution scrubbing equipment, even though many of their competitors throughout the United States have to install scrubbers on their plants.

The pollution control agencies often excuse these lax permits, because no one objected during the “public comment” period. How likely is it that there are any pollution control scientists in Martin County who could scrutinize this permit and submit comments on behalf of the citizens of the county, rather than developers?

What is sad is that the Minnesota Pollution Control Agency knew perfectly well that this plant was far from clean, according to the documents obtained by LASER. The Minnesota Pollution Control Agency decided it was better to save some money for the Lakefield Junction Power Plant developers, rather than reduce the amount of pollution in Martin County by millions of pounds every year. Instead, local agriculture may pay the costs. Oxides of nitrogen gasses are bad for crops. Studies have show that farmers in central California lose billions of dollars annually because their crops are stunted by high oxides of nitrogen emissions.

Martin County Commissioner Steven Pierce Speaks Out

In an e-mail dated August 25, 2000, Commissioner Pierce continued his hysterical ranting about LASER’s efforts to inform residents of Martin County about potential and actual problems with the Lakefield Junction Power Plant project. This was not the first time Commissioner Pierce expressed outrage about public scrutiny of this project. In Commissioner Pierce’s first e-mail dated May 25, 2000, he stated “In this part of the county, we do business all above board and with a certain amount of trust.” And then proceeded to complain about LASER asking for public documents and keeping him apprised of these important issues. He also stated in his most recent e-mail that “the people who are working on this project have just as much right to work and are more easily controlled than your union people.” Commissioner Pierce seems to have a problem with distinguishing between his personal feelings and his obligation to represent residents of Martin County. LASER is convinced that had Commissioner Pierce spent as much time and energy reviewing and studying Tenaska/NRG’s proposals during the permitting process, as he has spent defending TIC, Tenaska/NRG and the Lakefield Junction Power Plant, many of LASER’s concerns would have already been addressed and the residents of Martin County would be better served.

About LASER

The Martin County Monitor is published and distributed by LASER Inc. LASER Inc. is a non-profit corporation that is dedicated to improving safety, honesty and productivity in the construction industry. LASER will continue to publish the Martin County Monitor periodically to keep residents and taxpayers informed of these very important issues. If you have any questions or need further information, please feel free to contact James L. Wilson, President of LASER Inc. at 530-846-6352.

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