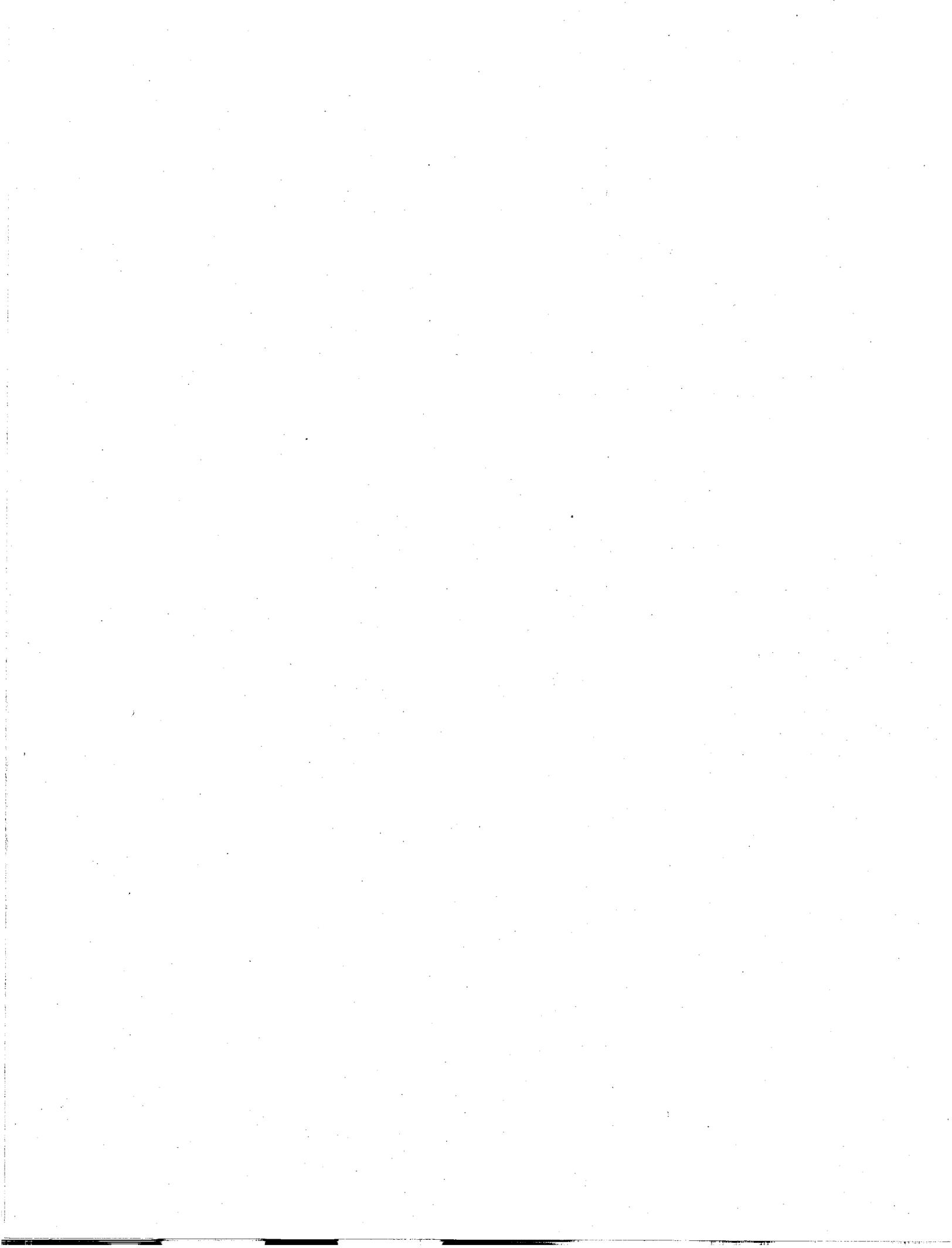


APPENDIX A

AGENCY CONSULTATION CORRESPONDENCE





U.S. Department of Energy

1



National Energy Technology Laboratory

March 18, 2002

Mr. Joe Nadenicek
Staff Attorney
SD Dept. of Environment and Natural Resources
523 East Capitol Avenue
Pierre, SD 57501-3181

Dear Mr. Nadenicek:

The United States Department of Energy (DOE) is considering participation in a project that would result in retrofit of an advanced particulate collector technology into the existing electrostatic precipitator at Otter Tail Power Company's coal-fired, 450-megawatt Big Stone Power Plant in Grant County, South Dakota. This Power Plant is located at Township 121N, Range 47W, Section 12. The proposed project would result in demonstrating, and continued operation of, a particulate collection technology with potential for substantial increase in collection of fine particulate matter. A detailed description of the proposed project and graphics depicting its location are enclosed.

Based on review of currently available information on the scope, location, and projected environmental consequences of the proposed project, DOE considers the proposed action to be one for which an Environmental Assessment (EA) would be the appropriate level of analysis under DOE's National Environmental Policy Act Implementing Procedures. The EA will be prepared in compliance with the requirements of the National Environmental Policy Act of 1969. Our Office anticipates completion of a draft EA within the next few months, and we welcome initial input from the State of South Dakota regarding the scope of the environmental analyses that should be incorporated into the EA. Upon availability, copies of the draft EA will be forwarded to you for review and comment. The Department of Energy will address comments in a final EA, which will form the basis for decision-making.

Should you require additional information, please contact me by telephone at 412-386-6159 or by e-mail at 'lorenzi@netl.doe.gov.'

Sincerely,

Lloyd Lorenzi, Jr.
NEPA Compliance Officer

Enclosures



U.S. Department of Energy

2

National Energy Technology Laboratory



March 18, 2002

Mr. Jay D. Vogt, SHPO
State Historic Preservation Office
Cultural Heritage Center
900 Governors Drive
Pierre, SD 57501

Dear Mr. Vogt:

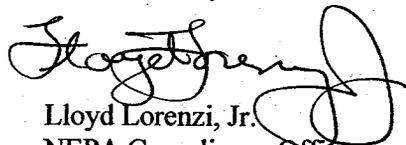
The United States Department of Energy (DOE) is considering participation in a project that would result in retrofit of an advanced particulate collector technology into the existing electrostatic precipitator at Otter Tail Power Company's coal-fired, 450-megawatt Big Stone Power Plant in Grant County, South Dakota. This Power Plant is located at Township 121N, Range 47W, Section 12. The proposed project would result in demonstrating, and continued operation of, a particulate collection technology with potential for substantial increase in collection of fine particulate matter. A detailed description of the proposed project and graphics depicting its location are enclosed.

As part of our coordination and consultation responsibilities, and to comply with provisions implementing Section 106 of the National Historic Preservation Act of 1966, we would appreciate receiving any information you have regarding historic or cultural properties in the project area. Your thoughts on the potential impacts associated with the proposed project would also be appreciated.

Based on the scope of the proposed project, a preliminary examination of the proposed site, and the potential for the project to result in minimal adverse environmental consequences, DOE has initiated preparation of an Environmental Assessment under the National Environmental Policy Act. Information that you provide will be incorporated and appropriately addressed in the Environmental Assessment. If your initial review concludes that no historic or cultural properties are present in the project area, a written acknowledgement of that conclusion would be appreciated. In any case, the information that you provide will be considered in preparing the draft Environmental Assessment, which will be provided for review upon availability.

Should you require additional information, please contact me by telephone at 412-386-6159 or by e-mail at 'lorenzi@netl.doe.gov.'

Sincerely,


Lloyd Lorenzi, Jr.
NEPA Compliance Officer

Enclosures



U.S. Department of Energy

National Energy Technology Laboratory



March 18, 2002

Mr. Joe Bagnoli
Policy Manager
Health Vital Communities Initiative
State Capitol, Room 130
St. Paul, MN 55155

Dear Mr. Bagnoli:

The United States Department of Energy (DOE) is considering participation in a project to retrofit an advanced particulate collector technology into the existing electrostatic precipitator at Otter Tail Power Company's coal-fired, 450-megawatt Big Stone Power Plant in Grant County, South Dakota. Due to the proximity of this Power Plant to the State of Minnesota, DOE welcomes input from your office as we initiate the process of assessing the potential environmental consequences of the proposed project, which would result in installation, demonstration, and continued operation of a particulate collection technology with potential for substantial increase in collection of fine particulate matter. A detailed description of the proposed project and graphics depicting its location are enclosed.

Based on review of currently available information on the scope, location, and projected environmental consequences of the proposed project, DOE considers the proposed action to be one for which an Environmental Assessment (EA) would be the appropriate level of analysis under DOE's National Environmental Policy Act Implementing Procedures. The EA will be prepared in compliance with the requirements of the National Environmental Policy Act of 1969. Our Office anticipates completion of a draft EA within the next few months, and we welcome initial suggestions or comments from the State of Minnesota regarding the scope of the environmental analyses that should be incorporated into the EA. Upon availability, copies of the draft EA will be forwarded to you for review and comment. The Department of Energy will address comments in a final EA, which will form the basis for decision-making.

Should you require additional information, please contact me by telephone at 412-386-6159 or by e-mail at 'lorenzi@netl.doe.gov.'

Sincerely,

[Handwritten signature of Lloyd Lorenzi, Jr.]

Lloyd Lorenzi, Jr.
NEPA Compliance Officer

Enclosures



U.S. Department of Energy

National Energy Technology Laboratory



March 18, 2002

Mr. Jim Bernstein, Commissioner
Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, MN 55101

Dear Mr. Bernstein:

The United States Department of Energy (DOE) is considering participation in a project to retrofit an advanced particulate collector technology into the existing electrostatic precipitator at Otter Tail Power Company's coal-fired, 450-megawatt Big Stone Power Plant in Grant County, South Dakota. Due to the proximity of this Power Plant to the State of Minnesota, DOE welcomes input from your office as we initiate the process of assessing the potential environmental consequences of the proposed project, which would result in installation, demonstration, and continued operation of a particulate collection technology with potential for substantial increase in collection of fine particulate matter. A detailed description of the proposed project and graphics depicting its location are enclosed.

Based on review of currently available information on the scope, location, and projected environmental consequences of the proposed project, DOE considers the proposed action to be one for which an Environmental Assessment (EA) would be the appropriate level of analysis under DOE's National Environmental Policy Act Implementing Procedures. The EA will be prepared in compliance with the requirements of the National Environmental Policy Act of 1969. Our Office anticipates completion of a draft EA within the next few months, and we welcome initial suggestions or comments from the State of Minnesota regarding the scope of the environmental analyses that should be incorporated into the EA. Upon availability, copies of the draft EA will be forwarded to you for review and comment. The Department of Energy will address comments in a final EA, which will form the basis for decision-making.

Should you require additional information, please contact me by telephone at 412-386-6159 or by e-mail at 'lorenzi@netl.doe.gov.'

Sincerely,

[Handwritten signature of Lloyd Lorenzi, Jr.]

Lloyd Lorenzi, Jr.
NEPA Compliance Officer

Enclosures



U.S. Department of Energy

RECEIVED

MAR 25 2002

National Energy Technology Laboratory



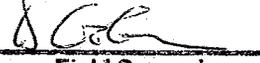
U.S. FISH & WILDLIFE SERVICE

March 19, 2002

U.S. Fish & Wildlife Service
SD ES Field Office

Mr. Pete Gober
Field Supervisor
U.S. Fish and Wildlife Service
420 South Garfield Avenue; Suite 400
Pierre, SD 57501

Project as described will have no significant impact on fish and wildlife resources. It does not involve any federally listed threatened or endangered species or their habitats. If project design changes, please submit plans for review.

4-17-02 
Date Field Supervisor

Dear Mr. Gober:

The United States Department of Energy (DOE) is considering participation in a project that would result in retrofit of an advanced particulate collector technology into the existing electrostatic precipitator at Otter Tail Power Company's coal-fired, 450-megawatt Big Stone Power Plant in Grant County, South Dakota. This Power Plant is located at Township 121N, Range 47W, Section 12. The proposed project would result in demonstrating, and continued operation of, a particulate collection technology with potential for substantial increase in collection of fine particulate matter. A detailed description of the proposed project and graphics depicting its location are enclosed.

As part of our coordination and consultation responsibilities, and to comply with both Section 7 of the Endangered Species Act of 1973, as amended, and provisions of the Fish & Wildlife Coordination Act, we would appreciate receiving any information you have on wildlife resources, including endangered and threatened species or critical habitat, in the project area. Your thoughts on the potential impacts associated with the proposed project would also be appreciated.

Based on the scope of the proposed project, a preliminary examination of the proposed site, and the potential for the project to result in minimal environmental consequences, DOE has initiated preparation of an Environmental Assessment under the National Environmental Policy Act. Information that you provide will be incorporated and appropriately addressed in the Environmental Assessment. If your initial review concludes that no endangered or threatened species (or their habitat) are present in the project area, and that neither protected species nor their habitat would be affected by the proposed action, a written acknowledgement of that conclusion would be appreciated. In any case, the information that you provide will be considered in preparing the draft Environmental Assessment, which will be provided for review upon availability.

Should you require additional information, please contact me by telephone at 412-386-6159 or by e-mail at 'lorenzi@netl.doe.gov.'

Sincerely,

Lloyd Lorenzi, Jr.
NEPA Compliance Officer

Enclosures



United States Department of the Interior

FISH AND WILDLIFE SERVICE

Ecological Services
420 South Garfield Avenue, Suite 400
Pierre, South Dakota 57501-5408

April 25, 2002

Mr. Lloyd Lorenzi, Jr., NEPA Compliance Officer
U.S. Department of Energy
National Energy Technology Laboratory
626 Cochrans Mill Road
P.O. Box 10940
Pittsburgh, Pennsylvania 15236-0940

Re: Big Stone Power Plant Retrofit of
Particulate Collector, Grant County,
South Dakota

Dear Mr. Lorenzi:

This letter is in response to your request dated March 19, 2002, for environmental comments regarding the above referenced project which involves retrofitting the particulate collector at the Big Stone Power Plant with advanced hybrid particulate collector technology to demonstrate the performance of this new system in reducing fly ash emissions from the plant. An Environmental Assessment will be prepared on this project. The Big Stone Power Plant is located near the town of Big Stone in Grant County, South Dakota.

According to your letter, particulate emissions would be reduced to as little as 99.9999 percent resulting in an increase in the amount of captured ash that must be disposed of in a landfill by 300 tons annually. Little information was provided in your letter regarding the landfill or the disposal processes at the plant. The Whetstone River and its tributaries, Big Stone Lake, and numerous depressional wetlands exist in the vicinity of the Big Stone Power Plant. Our primary concern is the potential contamination of surface waters due to runoff and/or groundwater due to infiltration by trace metals within the disposed ash. We recommend that there be a thorough discussion of this in the Environmental Assessment indicating how water contamination will be prevented.

In accordance with section 7(c) of the Endangered Species Act, as amended, 16 U.S.C. 1531 et seq., we have determined that the following federally listed species may occur in the project area (this list is considered valid for 90 days):

<u>Species</u>	<u>Status</u>	<u>Expected Occurrence</u>
Bald eagle (<u>Haliaeetus leucocephalus</u>)	Threatened	Migration, Winter Resident, Possible Nesting.

Bald eagles occur throughout South Dakota, and new nests are appearing each year. The species' nesting season is January to August. Any nests found should be reported to this office. Several nests exist in Roberts County, north of the Big Stone Power plant, and the proximity of the plant to Big Stone Lake indicates that bald eagles may occur in this area as well. Our concerns are related to the potential contamination of water resources via particulate disposal as mentioned above. Some of the contaminants mentioned in your letter are bioaccumulative and could pose a problem to upper trophic level species like the bald eagle. The birds could be at risk if contaminants are present in their prey or the carrion they consume.

If the U.S. Department of Energy or their designated representative determines that the project "may adversely affect" listed species in South Dakota, it should request formal consultation from this office. If a "may affect - not likely to adversely affect" determination is made for this project, it should be submitted to this office for concurrence. If a "no effect" determination is made, further consultation may not be necessary. However, a copy of the determination should be sent to this office.

If changes are made in the project plans or operating criteria, or if additional information becomes available, the Fish and Wildlife Service should be informed so that the above determinations can be reconsidered.

We appreciate the opportunity to provide comments. If you have any questions on these comments, please contact Natalie Gates of this office at (605) 224-8693, Extension 25.

Sincerely,



for Pete Gober
Field Supervisor
South Dakota Field Office



Minnesota Pollution Control Agency

June 5, 2002

Mr. Lloyd Lorenzi, Jr.
NEPA Compliance Officer
U.S. Department of Energy
National Energy Technology Laboratory
626 Cochrans Mill Road
PO Box 10940
Pittsburgh, PA 15236-0940

RE: Otter Tail Power Company, Big Stone Power Plant

Dear Mr. Lorenzi:

Jim Bernstein, Commissioner of the Minnesota Department of Commerce, forwarded a copy of your March 18, 2002 letter to the Minnesota Pollution Control Agency. Minnesota is downwind of the Big Stone Power Plant; therefore, we support the installation of improved particle collection technology at this plant.

After reviewing the description of the proposed action, we suggest that it might be wise to expand the monitoring provisions to include a study of gaseous mercury and sulfur dioxide (SO2) capture efficiency. A complete picture of mercury removal is really needed to assess the effects of this technology on facility emissions. Likewise, the addition of the AHPC technology may affect SO2 removal rates and should be tested. We found that Scott Renninger at Ontario Hydro is a good resource for mercury testing methodologies.

As a final comment, I will also note that while this technology should improve direct particle emissions, it is not likely to affect oxide of nitrogen (NOx) emissions from the facility. NOx and SO2 emissions lead to particle formation in downwind areas. NOx contributes to ozone formation. Minnesota must improve visibility in our Class I areas and must take action to remain in attainment of fine particulate and ozone air standards. While it is likely outside the scope of this analysis, we may need to approach upwind states in the future to help reduce the NOx and SO2 emissions that affect our populated and wilderness areas. It may be wise to search for opportunities in this project to make provisions for improved NOx and SO2 removal now or in the future.

Sincerely,

Elizabeth A. Shevi
Division Director
Policy and Planning Division

EAS:baf

cc: Linda Taylor, Department of Commerce
Michael Sullivan, Environmental Quality Board