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HEADLINE: Minnesota Power adding pollution controls

BYLINE: BY JOHN MYERS; NEWS TRIBUNE STAFF WRITER

BODY:

Minnesota Power announced today it will spend \$60 million over three years to add new pollution control equipment to two of its older coal-burning power plants.

The Duluth-based utility will add the new equipment to the Laskin plant in Hoyt Lakes and the Taconite Harbor plant along the North Shore, a plant built before most pollution control standards were in place.

The technology is primarily designed to remove sulfur dioxide and nitrogen oxides, two federally regulated pollutants that cause acid rain and ozone.

But, in what could be a groundbreaking advancement, new equipment and a new process also is expected to remove most mercury from the coal-burning process.

The proposal, which the company is calling the Arrowhead Regional Emission Abatement plan, still must be approved by state regulators.

Don Shippar, President and CEO of Allete, Minnesota Power's parent company, said the investment is warranted because the technology has improved enough so the pollution reduction is worth the cost.

Power plant emissions are a hot topic in Minnesota and nationally as the Bush administration clashes with environmental groups and Congress over whether, how and when to further reduce air pollution.

Sulfur dioxide not only causes acid rain, but the federal Environmental Protection Agency says it contributes to respiratory illness and atmospheric particles. Nitrogen oxides cause ozone and contributes to acid rain, the EPA says.

Mercury, a toxin that can affect the nervous system, has been especially controversial, with the administration proposing a slower, market-based approach instead of immediate regulations to reduce mercury contamination of waterways and fish.

In Minnesota, state regulators are expected to release a report later this month showing the state is lagging behind goals to reduce mercury which can make fish unsafe to eat.

Mercury that falls into Northland lakes comes from both power plants and natural sources and can come both from local sources and from as far away as China.

Minnesota Power says the new equipment will be fully installed by 2008 and will cut nitrogen oxide by 60 percent at both plants. Sulfur dioxide will be cut 65 percent at Taconite Harbor which had fewer existing controls in place than the Hoyt Lakes plant. The plants are the closest coal-burning units to the Boundary Waters Canoe Area Wilderness and Lake Superior.

The new equipment comes from California-based MobotecUSA which claims successful reductions in mercury at the Cape Fear, N.C., power plant of 89 percent using limestone injected into the combustion process. The system is being used in several power plants in Sweden and at least five in the U.S.

In addition, the company will use a new absorbent product at the Minnesota Power facilities called MinPlus, derived from a clay and limestone byproduct of the papermaking industry, that **MoboTec** says can reduce mercury emissions more than 90 percent.

"In our tests in Indiana we achieved better than 90 percent reduction," said Jay Crilley, **MoboTec** director of marketing and development. The two Minnesota Power plants "will be the first commercial application of our best mercury reduction technology."

Crilley said MinPlus is injected into the combustion process and chemically binds with both elemental and oxidized mercury. The mercury is then bound up in the ash left over from burning coal. The ash can be landfilled or used for concrete.

"It's bound up so well that there isn't a leaching problem," Crilley said.

Minnesota Power officials say the technology could be added to other plants if it works to trap mercury.

"We're excited about it. If it proves to be successful -- I think it's a big breakthrough," said Dennis Niemi, director of environmental services for Allete.

The company is moving faster than federal regulations require for pollution control hoping to get quicker results, Niemi said.

"We're doing it early -- before we know what the state and federal reduction targets are. But we think it's important to get ahead on this," Niemi said.

The project needs approval from the Minnesota Public Utilities Commission which will decide if Minnesota Power can pass on the \$60 million cost to electricity users, including homeowners and businesses.

Eric Olson, Allete spokesman, said early estimates are that the improvements would raise residential electric bills about 2 percent and industrial rates about 3 percent.

The Minnesota Pollution Control Agency, state Department of Commerce, state Attorney General and Minnesota Power customers also will have input in the plan.

Minnesota Power provides electricity in a 26,000-square-mile electric service territory across Northeastern Minnesota. Minnesota Power supplies retail electric service to 135,000 retail customers, wholesale electric service to 16 municipalities and electricity to big industries like paper mills and taconite plants.