



Department of Energy

Golden Field Office
1617 Cole Boulevard
Golden, Colorado 80401-3305

August 31, 2004

TO: DISTRIBUTION LIST ATTACHED

SUBJECT: Environmental Assessment of a Biomass Combined Heat and Power Plant in
Minneapolis (Hennepin County), Minnesota

Dear Stakeholders:

The U.S. Department of Energy (DOE), in compliance with the National Environmental Policy Act of 1969 (NEPA), is preparing an environmental assessment (EA) for a Biomass Combined Heat and Power Plant in the Phillips Neighborhood in Minneapolis, Minnesota. DOE is proposing to fund a portion of the project through the Green Institute, a non-profit organization dedicated to promoting environmental stewardship and economic opportunity through sustainable community development. DOE proposes to contribute funding toward the plant's construction. Detailed descriptions of the site and the Proposed Action are included in the attachment to this letter. DOE is the lead agency for this EA, and other federal, state, and local agencies are invited to participate in the environmental documentation process. DOE is requesting public comment on the Proposed Action, the alternatives, and the environmental issues to be addressed in the EA.

DOE intends to distribute the draft EA for public review and comment in October 2004. This letter and the draft EA, when it is available, will be posted in the DOE Golden Field Office electronic public reading room at <http://www.go.doe.gov>.

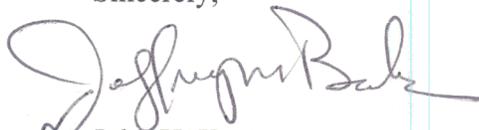
Please direct your written and oral comments to:

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Please provide your input on or before October 1, 2004. We look forward to hearing from you.

Sincerely,



John H. Kersten
for
Manager

Enclosure

cc: Othalene Lawrence, DOE - EE
Shalini Gupta, Green Institute
Tim Thoreen, CH2M Hill

Attachment

ENVIRONMENTAL ASSESSMENT (EA) OF THE PHILLIPS BIOMASS COMBINED HEAT AND POWER (CHP) PLANT IN MINNEAPOLIS, MINNESOTA

PROPOSED ACTION

The Green Institute proposes to convert a former municipal waste incinerator located in the Phillips Neighborhood of Minneapolis, Minnesota, to a biomass (urban wood waste and agricultural vegetative residue) fired combined heat and power (CHP) generation facility. The proposed plant capacity will generate approximately 23 megawatts of electricity and will also have the capability to provide district heating resources for local commercial and institutional customers. The U.S. Department of Energy (DOE) proposes to provide partial funding for development of the plant through an award to the Green Institute, a non-profit organization dedicated to promoting environmental stewardship and creating economic opportunity through sustainable community development.

SITE BACKGROUND AND DESCRIPTION

The new plant will be located on the site of a former City of Minneapolis waste incinerator, originally known as the "South Side Destructor." The site is currently owned and operated by the City as a solid waste transfer station. The existing structure, which is eligible for listing on the National Register of Historic Places, and its 180-foot chimney, will be converted to accommodate wood and agricultural vegetative residue combustion capabilities. The proposed site for the CHP plant is located at 2850 20th Avenue South (north of Lake Street, east of Cedar Avenue, south of 28th Street, and west of Hiawatha Avenue) in Minneapolis, Minnesota. Access to the site is from 21st Avenue South. The legal description of the project site is the Southwest quarter of Section 36, Township 29 north, Range 24W. The 1.6 acre project site is owned by the City of Minneapolis and is located in the Hiawatha Avenue industrial/commercial corridor.

PURPOSE AND NEED

In accordance with the DOE National Environmental Policy Act (NEPA) implementing regulations, DOE is required to evaluate the potential environmental impacts of DOE facilities, operations, and related funding decisions. The proposed Phillips Biomass CHP Plant will provide a renewable, affordable and stable source of energy for future redevelopment efforts in the Phillips Neighborhood. Additionally, the plant would be partially owned by the community through the Phillips Community Energy Coop (PCEC), providing a long-term, reliable source of revenue for a project aimed at supplying energy conservation options to Phillips Neighborhood residents and businesses.

Based on action by the U.S. Congress, DOE has funding available to support the Green Institute's development of the proposed Phillips Biomass CHP Plant. Congress has acknowledged the merit of this project by providing specific funding through DOE. The decision to use federal funds in support of the Green Institute's project requires DOE to address NEPA requirements and related environmental documentation and permitting requirements.

In compliance with the NEPA (42 U.S.C. 4321) and DOE's implementing regulations (10 CFR Part 1021 and procedures, this EA examines the potential environmental impacts of DOE's decision to support the Phillips Biomass CHP project in Minneapolis, Minnesota, including construction and operation of the plant and a No Action Alternative.

PROPOSED ACTION AND ALTERNATIVES

At this time, the Proposed Action and the No Action Alternative are the only alternatives addressed in the EA. The Proposed Action involves DOE funding toward: 1) conversion of the South Side Destructor into a biomass-fueled power plant that provides approximately 23 megawatts of electricity to the local utility grid; and 2) an engineering study to assess the potential for a district energy system that provides heat to businesses and multi-family housing in the Phillips Neighborhood.

The No Action Alternative would involve a DOE decision not to provide funding for the Phillips Biomass CHP project on the proposed site or anywhere else. For NEPA compliance purposes and to create a meaningful No Action scenario and baseline conditions, it has been assumed that the CHP project would not be constructed without DOE funding. However, it is possible that the applicant could proceed without DOE funding. If the applicant (the Green Institute) proceeds without DOE or other federal funding, the requirement for the DOE NEPA review would be removed. A privately funded project scenario would be identical, or at least similar to, the proposed action. This scenario will not be addressed in the EA.

ENVIRONMENTAL TOPICS TO BE ADDRESSED

The proposed EA will address primary, direct, indirect, secondary and cumulative impacts of the Proposed Action. Beneficial and adverse, on-site and off-site, construction, demolition, and operation and maintenance impacts will be discussed as appropriate. The environmental topics to be discussed in the EA are shown in the table below:

Environmental Topics to be Discussed in the Environmental Assessment	
Fish, Wildlife and Ecologically Sensitive Resources	Physical Impacts on Water Resources
Water Use	Water-Related Land Use Management Districts
Water Surface Use	Erosion and Sedimentation
Water Quality – Surface Water Runoff	Water Quality – Wastewater
Geologic Hazards and Soil Conditions	Solid Wastes, Hazardous Wastes & Storage Tanks
Traffic	Stationary Source Air Emissions
Odors, Noise, and Dust	Nearby Resources (Historic Structures, Trails, etc.)
Visual Impacts	Compatibility with Plans and Land Use Regulations
Impacts on Infrastructure and Public Services	Socioeconomic Resources

SCHEDULE

The schedule for key milestones to complete the NEPA review process is:

Close of Scoping Period	September 30, 2004
Public Distribution of the Draft EA	October 14, 2004

This letter and the Draft EA, when it is available, will be posted on the DOE Golden Field Office electronic public reading room at <http://www.go.doe.gov>.

Please direct written and oral comments to:

Joyce Beck
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FIGURES

Figure 1 – Regional Setting

Figure 2 – Site Location Map

Phillips Biomass Scoping Letter Distribution List

Federal Agencies

Twin Cities Field Office E.S.
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News/Public Information Outlets

Gente de Minnesota Newspaper
2019 East Lake St., Suite #7
Minneapolis, MN 55407

The Alley Newspaper
1113 East Franklin Ave.
Minneapolis, MN 55404

Southside Pride (Phillips edition)
3200 Chicago Avenue
Minneapolis, MN 55407

Andrew Lambert
PCEC Quarterly Newsletter
2801 21st Ave S. Suite 110
Minneapolis, MN 55407

Minneapolis Public Library: Central
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Tonya DePriest, Librarian
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Sally Munger, Librarian
Minneapolis Public Library: Franklin
1308 E. Franklin Ave.
Minneapolis MN 55404

Roy Woodstrom, Librarian
Minneapolis Public Library: Hosmer
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Denis Woulfe
Longfellow/Nokomis Messenger
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St. Paul, MN 55104

Seward Profile
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Corcoran News
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Minneapolis, MN 55407

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Council Member Lilligren
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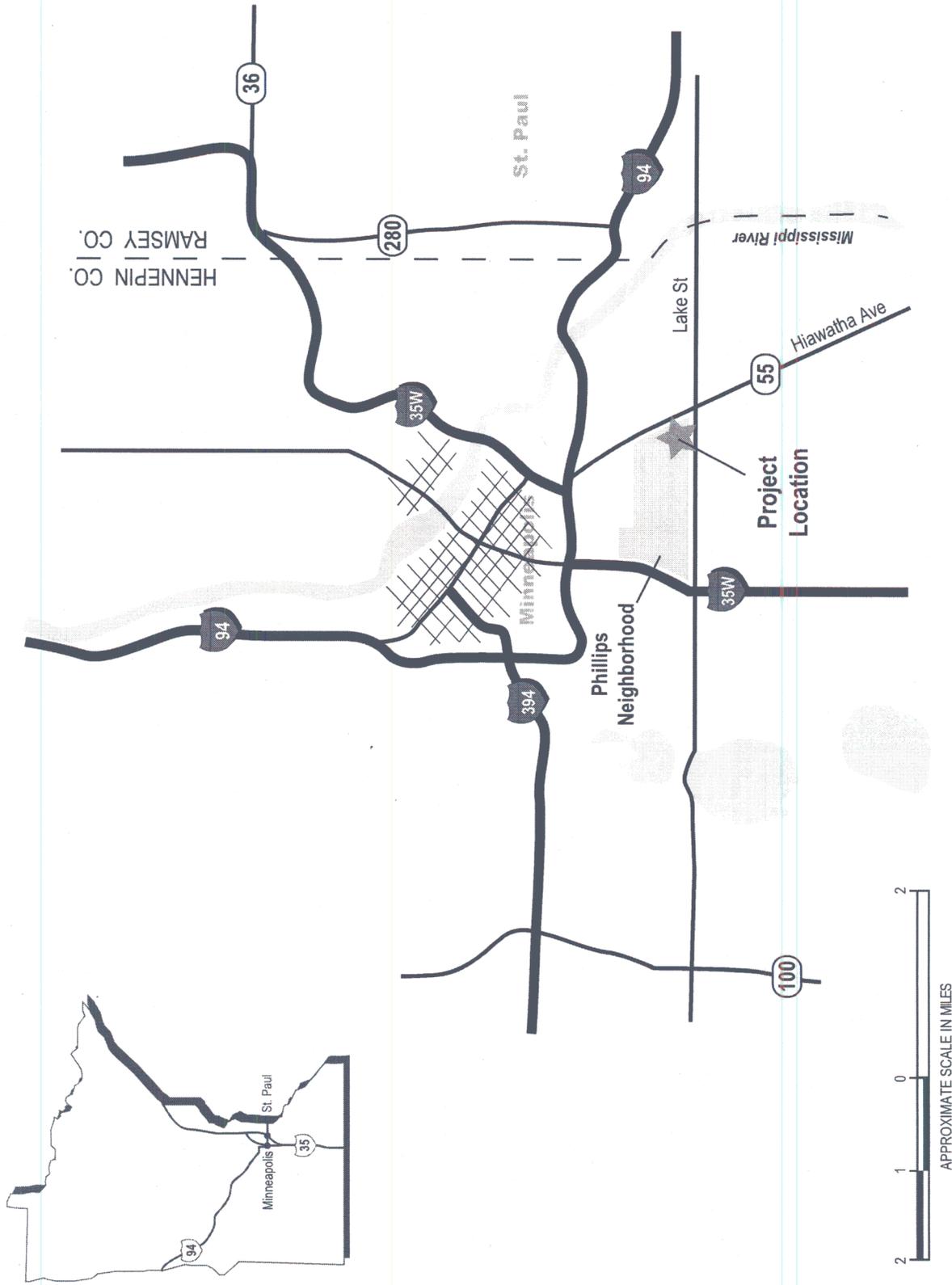
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Powderhorn Park Neighborhood
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Julie Ingebretsen
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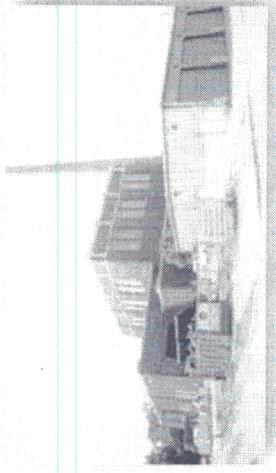
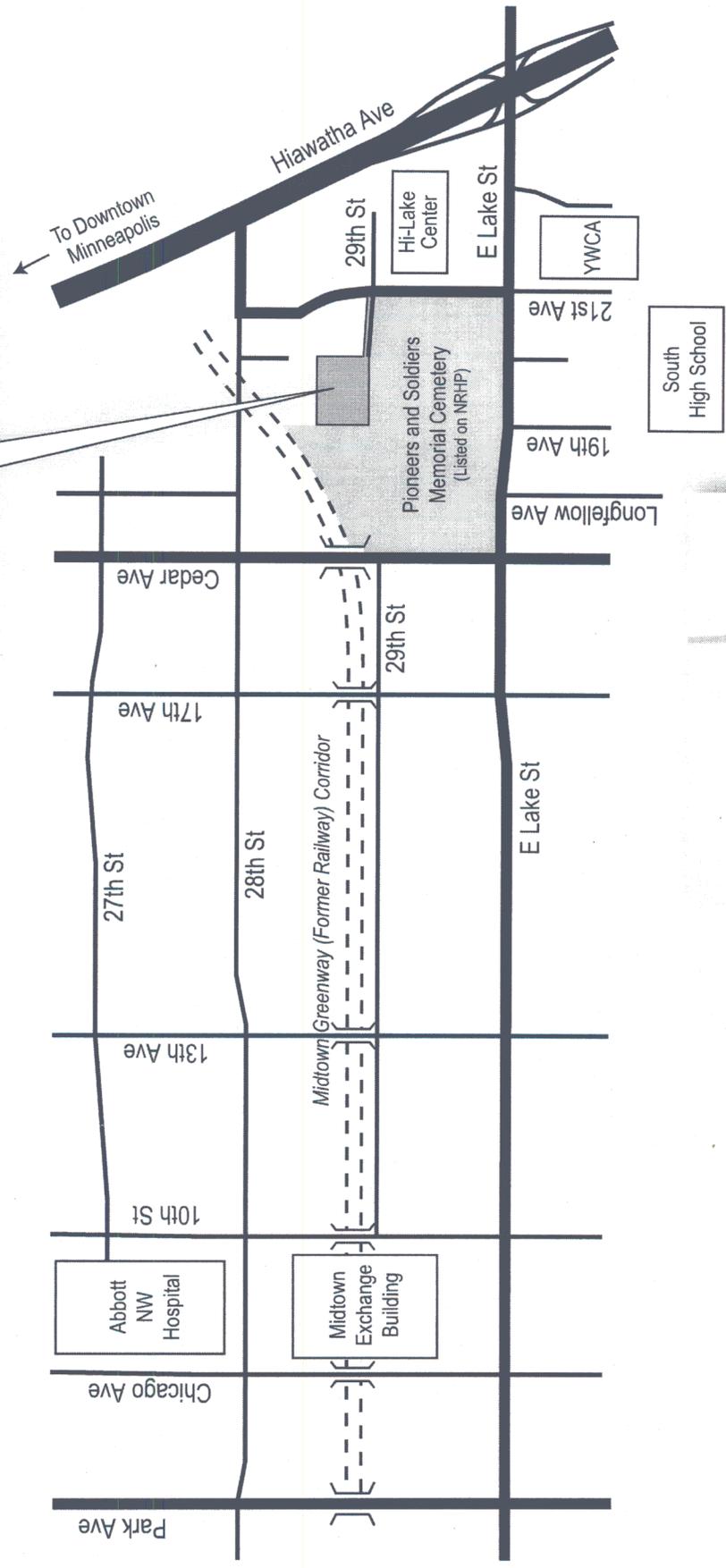
Louis Smith
Midtown Community Works
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**Environmental Assessment
Phillips Biomass Combined Heat and Power Plant - Minneapolis, MN**

FIGURE 1
Regional Setting

Phillips Biomass CHP Project Site
(see photo below)



Existing Building Proposal for Conversion



**Environmental Assessment
Phillips Biomass Combined Heat and Power Plant - Minneapolis, MN**

FIGURE 2
Site Location Map