

December 6, 2007

Mr. Matt Kramer, Chief of Staff
Office of Governor Tim Pawlenty
130 State Capitol
75 Reverend Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Commissioner Gene Hugoson, Chair
Environmental Quality Board
625 Robert St. N.
St. Paul, MN 55155

The Honorable Larry Pogemiller
Senate Majority Leader
235 State Capitol
75 Reverend Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

The Honorable David Senjem
Senate Minority Leader
147 State Capitol
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Satveer Chaudhary, Chair
Senate Environment & Natural Resources
Committee
205 State Capitol
75 Reverend Dr. Martin Luther King Jr. Blvd.
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The Honorable Ellen Anderson, Chair
Senate Environment, Energy & Natural
Resources Budget Division
120 State Capitol
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The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives
463 State Office Building
100 Reverend Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

The Honorable Marty Seifert
House of Representatives Minority Leader
267 State Office Building
100 Reverend Dr. Martin Luther King Jr. Blvd.
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The Honorable Kent Eken, Chair
House Environment & Natural Resources
Committee
575 State Office Building
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The Honorable Jean Wagenius, Chair
House Environment & Natural Resources
Finance Division
449 State Office Building
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Dear Commissioner Hugoson:

The Minnesota Pollution Control Agency (MPCA) is the responsible governmental unit in the environmental review process for a variety of projects, including ethanol plants. On August 14, 2007, the MPCA Citizens' Board (Board) met to discuss whether an Environmental Impact Statement should be ordered for a proposed ethanol plant near Lamberton (Highwater Ethanol, LLC). At that meeting, and subsequent Board meetings, the Board has articulated a need for information, broader than the information available for individual projects.

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Specifically, the Board is interested in receiving additional information on the broader issues of water availability and water appropriations related to the growing ethanol industry. The rapid expansion of the ethanol industry requires the establishment of protective and achievable standards to quantify and address the environmental impacts specific to this industry. As you know, many efforts are currently underway to understand the impacts of various economic development projects, including ethanol projects. These efforts include:

- Minnesota Climate Change Advisory Group;
- Minnesota Technical Assistance Program: evaluating improvements to plant operations;
- University of Minnesota, Department of Bioproducts and Biosystems Engineering, study: reviewing environmental impacts associated with converting biomass to ethanol and its comparison to corn ethanol;
- Emission testing of gasification projects;
- Department of Natural Resources: data collection on water use and a study on alternative source water (LCCMR-funded project completed by Metropolitan Council); and
- Data collection on the environmental footprint of ethanol facilities.

Board members have emphasized the importance of developing data and information on water availability and water appropriations related to the ethanol industry in a timely manner. This is an interagency issue that requires additional study and the Environmental Quality Board is well-positioned to lead and coordinate this effort. Therefore, consistent with the Board discussions, I recommend that you request the Environmental Quality Board, which includes members from the relevant state agencies, to discuss this issue and develop options for collecting data and information on water availability and water appropriations in relation to the ethanol industry that will contribute to the comprehensive and timely analysis of individual projects.

Please do not hesitate to contact me for additional information.

Sincerely,

Brad Moore
Commissioner

cc: MPCA Citizens' Board members

PE:vrs