

Minnesota Department of Natural Resources

500 Lafayette Road
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Date: December 7, 2011

To: Parties on the EAW Distribution List
Recipients of the Minnesota Steel Final EIS
Other Interested Parties

From: Lisa Fay, SEIS Project Manager
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RE: Essar Steel Minnesota Modifications Project
Amendment to Scope and
Final Supplemental Environmental Impact Statement

Amendment to the SEIS Scope as identified in the Supplement to Environmental Impact Statement (SEIS)

Final Preparation Notice: This Notice of Amendment to the SEIS Scope is being published pursuant to Minnesota Rules part 4410.2100, subpart 8, which in part requires a notice to be published if “substantial new information arises relating to the proposed project that significantly affects the potential environmental effects of the proposed project or the availability of prudent and feasible alternatives to the project.”

Since close of the public comment period on the Draft SEIS, the project proposer submitted new information regarding a change to the project and a new project alternative.

The new project alternative is consistent with the Master Development Agreement (MDA) between the project proposer (Essar Steel Minnesota) and the City of Nashwauk, and between the proposer and Itasca County. The MDA Alternative consists of one Direct Reduced Iron (DRI) line and one steel making line, and an additional haul truck. Other aspects of the new alternative are the same as the Essar Steel Minnesota Modifications (ESMM) project evaluated in the Draft SEIS.

The change to the project applies to both the ESMM project evaluated in the Draft SEIS and the MDA Alternative being evaluated in the Final SEIS. A water treatment system previously proposed as part of the pellet plant operations is being removed from plans. The company selected a dry air pollution control system at the pelletizing furnace and this eliminated the need for water scrubbing. This elimination along with additional water conservation measures incorporated into the project reduced the volume of make-up water needed in the pelletizing process. The proposer now plans to recirculate the pelletizing water into the concentrating process. Water from the concentrating process is ultimately mixed with the tailings slurry that is discharged to the tailings basin.

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Final SEIS: The Minnesota Department of Natural Resources (MNDNR) has prepared the Final Supplemental Environmental Impact Statement (SEIS) for the Essar Steel Minnesota Modifications Project. Essar Steel Minnesota (Essar) is the Project Proposer.

The proposed project consists of modifications to Essar's taconite mine and processing plant (previously approved and currently under construction) in Itasca County, near Nashwauk, Minnesota. The project would increase the production of taconite pellets from 3.8 million metric tons per year (mmtpy) of low flux taconite pellets to 6.5 mmtpy of high flux pellets, or 7.0 mmtpy of low flux taconite pellets. This will require the addition of a crusher/concentrator line, and the installation of a larger pellet furnace, to the project evaluated in the original Minnesota Steel Project EIS (June 2007). Essar is also proposing to decrease the length of the mine plan time period from 20 to 15 years. Other modifications related to the increase in pellet production were discussed in the Draft SEIS.

The Final SEIS discusses potential environmental impacts from a new project alternative, a change to the project evaluated in the Draft SEIS, BACT, and changes to the Draft SEIS in response to comments received. The document also considers mitigation of adverse effects and responds to all comments received during the Draft SEIS public comment period.

The Final SEIS is available electronically at:

<http://www.dnr.state.mn.us/input/environmentalreview/essar/index.html>

The MNDNR invites comments on the Final SEIS during the public comment period that ends December 27, 2011 at 4:30 PM. Comments should address the adequacy of the Final SEIS. An adequacy determination will be made by the MNDNR following the public comment period. The Final SEIS shall be determined adequate if it:

- A. Addresses the potentially significant issues and alternatives raised in scoping so that all significant issues for which information can be reasonably obtained have been analyzed in conformance with Minnesota Rules, part 4410.2300, items G and H;
- B. Provides responses to the substantive comments received during the Draft SEIS review concerning issues raised in scoping; and
- C. Was prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minnesota Rules, parts 4410.0200 to 4410.6500.

Please submit comments to Lisa Fay at the address in the header, or send an email to environmentalrev.dnr@state.mn.us. You must include the words "Essar SEIS" in the subject line of the email. All emails should include a name and legal mailing address.