

## th Ward E-News

From Minneapolis Council Member Gary Schiff

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## **SPECIAL EDITION**

## **City begins land sale cancellation for Phillips** biomass facility

The Minneapolis Public Works director has <u>determined</u> that a March 30<sup>th</sup> deadline needed to maintain a land sale option for a proposed biomass facility in Phillips has not been met.

Specifically, Public Works Director Steve Kotke says the development lacks a power purchase agreement with Xcel Energy.

In a statement, Kotke wrote "Even though (the developer) has supplied Xcel with considerable materials in their application for a power purchase agreement, they are still in the process of negotiating the terms



The proposed biomass facility at 22<sup>nd</sup> Ave South near 28<sup>th</sup> Street East. The East Phillips neighborhood is home to an arsenic contamination EPA Superfund site.

of a power purchase agreement and no tentative agreement has been reached."

Kotke states that his department will begin the process required to cancel the land sale. Under Minnesota law, the city must notify the purchaser of the intent to cancel the agreement, and also provide an additional 60 days for the buyer to fulfill the contract. According to city Attorney Susan Segal, "Minnesota statute 559.21 requires the seller to provide notice of the cancellation to the potential purchaser and allows the purchaser a period of, in this case, up to 60 days to cure the default. The statutory cancellation process provides a method to insure clear title and to terminate any rights of the potential purchaser under the contract."

Jullonne Glad, an organizer with Minneapolis Residents for Clean Air cautioned that the issue is not over yet. "This is really good news. But we're still concerned that there is an additional 60 days for the developer to comply with the terms. It is still important for us to communicate with Xcel and the City Council the dangers that this facility poses in our community. We also need to educate the community as to the economic and health affects that this may cause."

In other developments, south Minneapolis State Senators Linda Berglin and Patricia Torres Ray added language to a bill that directs the Minnesota Pollution Control Agency to "analyze and consider the cumulative levels of past and current pollution from all sources" before issuing a permit to the plant. A final vote on the bill has not been scheduled.

The proposal to convert a former municipal incinerator into a 21-megawatt biomass energy and district heating facility garnered opposition after public hearings held by the MPCA last fall. Opponents site a technical specification document released by the MPCA that states the burner could emit up to 1 million pounds of pollutants annually, including nitrogen oxide, sulfur dioxide, carbon monoxide, arsenic and lead.