

1 BEFORE THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

2 IN THE MATTER OF:)
3 3426 EAST 89TH STREET, LLC,)
4 PROPOSED ISSUANCE OF A)
5 STATE CONSTRUCTION PERMIT)

6 REPORT OF PROCEEDINGS taken at the hearing
7 of the above-entitled matter, held at 9055 South Houston,
8 Chicago, Illinois, before Hearing Officer Charles
9 Matoesian, reported by Janice H. Heinemann, CSR, RDR, CRR,
10 a notary public within and for the County of DuPage and
11 State of Illinois, on the 18th day of June, 2003,
12 commencing at the hour of 6:00 p.m.

13 IEPA APPEARANCES:

14 MR. CHARLES E. MATOESIAN, IEPA Hearing Officer;
15 MR. MANISH N. PATEL, BOA, Environmental
16 Protection Engineer;
17 MR. BRAD FROST, Office of Community Relations.

18
19
20
21
22
23
24

1	I N D E X	
2		
3	PROCEEDINGS	PAGES
4		
5	Hearing Officer's Opening Statement	3 - 4
6	BOA presentation by Mr. Manish Patel	4 - 6
7	Questions/comments from public	6 - 35
8	Hearing Officer's Closure of Hearing	35
9		
10	EXHIBITS	
11		
12	Exhibit No. 1	7
13	(Notice)	
14		
15	Exhibit No. 2	7
16	(Comments by Mr. Patel)	
17		
18	Exhibit No. 3	7
19	(Project summary)	
20		
21	Exhibit No. 4	7
22	(Draft permit)	
23		
24		

1 HEARING OFFICER MATOESIAN: My name is Charles
2 Matoesian. I will be the hearing officer tonight. This
3 hearing is being held by the Illinois Environmental
4 Protection Agency's Bureau of Air. It's to receive
5 comments and answer questions concerning a permit request
6 by 3426 East 89th Street, who wishes to build a new
7 electric generation facility to be located at 3426 East
8 89th Street in Chicago.

9 The project would consist of two combined
10 cycle combustion turbines to produce a total capacity of
11 about 550 megawatts of electricity. As a source of air
12 emissions, the facility is required to have a permit from
13 the Illinois EPA prior to beginning construction. The
14 plant would be a major source of emissions pursuant to the
15 Federal Prevention of Significant Deterioration Rules
16 found at 40 Code of Federal Regulations, 52.21. We are
17 accepting comments on this permit.

18 The hearing is going to be held under the
19 Illinois EPA's Procedures for Permit and Closure Plans
20 rules found at 35 Illinois Administrative Code,
21 Section 166, subpart A. In addition, written comments may
22 be submitted after the close of the hearing. Those
23 comments must be postmarked by July 18, 2003. Those
24 comments should be sent to myself, Charles Matoesian,

1 that's M-a-t-o-e-s-i-a-n, at the Illinois EPA at
2 1021 North Grand Avenue East, PO Box 19276, Springfield,
3 Illinois, 62794-9276. That information can be found in
4 the notice that was placed in the Daily Southtown on the
5 dates of May 4th, May 11th, and May 18th of this year.

6 To my right is Mr. Manish Patel, a permit
7 engineer with the Illinois Environmental Protection
8 Agency, who will make some initial comments; and then I
9 shall open the floor for questions and comments by the
10 public.

11 Mr. Patel.

12 MR. PATEL: Thank you. Good evening, everybody.
13 My name is Manish Patel. I am a permit engineer in the
14 Bureau of Air. I will be giving you a brief description
15 of the project.

16 3426 East 89th Street, L.L.C., has
17 requested a permit for the construction of a 550-megawatt
18 electric generation facility on the property previously
19 owned by USX that is adjacent to Lake Michigan in Chicago.
20 The site is a brownfield as USX formerly conducted
21 manufacturing on the property and the property must be
22 remediated for this new power plant.

23 The proposed facility will have two natural
24 gas-fired combustion turbines, each with its own heat

1 recovery steam generator and duct burners. The facility
2 would be designed to function as a base load power station
3 to potentially generate electricity year-round.

4 The facility will only burn natural gas,
5 which is the cleanest commercially available fuel.
6 Natural gas does not contain significant amounts of sulfur
7 or ash as present in coal and oil. The pollutant of
8 greatest interest for burning natural gas is nitrogen
9 oxides or NOx. NOx is formed when nitrogen and oxygen in
10 the atmosphere combine during the high temperature of
11 combustion. Carbon monoxide or CO can also be found in
12 significant amounts in the exhaust from a turbine due to
13 incomplete combustion.

14 The project is considered a major source
15 under the Federal Rules for Prevention of Significant
16 Deterioration because the potential emissions of NOx and
17 CO will be greater than major source thresholds. As
18 determined by the Illinois EPA, Best Available Control
19 Technology for NOx emissions will include use of dry low-
20 NOx combustors on the combustion turbines followed by
21 selective catalytic combustion in the steam generator.
22 Best Available Control Technology for CO emissions will
23 include good combustion practice and oxidation catalyst
24 system in the steam generator. NOx emissions would be

1 limited to 3.5 ppm on an hourly average and 2.5 ppm on a
2 24-hour average. CO emissions will be limited to 3 ppm on
3 a 24-hour average. These stringent limits represent BACT,
4 Best Available Control Technology.

5 The air control analysis submitted by
6 89th Street and reviewed by the Illinois EPA shows that
7 the proposed project will not cause violations of the
8 ambient air quality standard for nitrogen oxide, carbon
9 monoxide, particulate matter, and sulfur dioxide.

10 The Illinois EPA has reviewed the materials
11 submitted by 89th Street and has determined that the
12 emissions from the project will comply with applicable
13 state and federal standards. The conditions of proposed
14 permit contain limitations and requirements on the
15 activities of the facility. The permit also establishes
16 appropriate compliance procedures, including inspection
17 practices, recordkeeping requirements, and reporting
18 requirements.

19 In closing, the Illinois EPA is proposing
20 to grant a construction permit. We welcome your questions
21 and comments on our proposed action. Thank you.

22 HEARING OFFICER MATOESIAN: I will now open the
23 floor up to questions and comments.

24 Before doing so, I would just like to put a

1 few exhibits into the record. Exhibit No. 1 is a copy of
2 the notice that was placed in the newspaper. Exhibit 2 is
3 a copy of the comments by Mr. Patel. Exhibit 3 is a
4 project summary, and Exhibit 4 is a draft of the permit.

5 (Exhibits so marked.)

6 HEARING OFFICER MATOESIAN: I will now open the
7 floor to comments and questions. Please, if you speak,
8 state your name and spell it clearly for the record. In
9 addition, I would like to say, again, the library does
10 close at 8:30 or 8 p.m., so we are on a limited time
11 constraint. There are several representatives of the
12 permit applicant available to help answer questions. In
13 addition, Alderman John A. Pope of the 10th Ward is
14 present to help with questions and comments. And the
15 Alderman would like to make some comments to start with.

16 Sir, if you please.

17 MR. POPE: Well, thank you. For the record,
18 John A. Pope, 10th Ward Alderman. I would just like to
19 thank everyone for coming out including the IEPA and, of
20 course, the community and the partnership here, L.L.C.
21 And if I could ask the members of the team to, if not now,
22 very quickly, to introduce themselves and what role they
23 play in the entire team if that's permissible.

24 HEARING OFFICER MATOESIAN: Yes. That's fine.

1 MR. GEITNER: Sure. My name is Sherwin Geitner.
2 I'm the project manager for 3426 East 89th Street. If you
3 have any questions relative to the site or anything
4 relative to renderings, what it might look like, we will
5 be able to answer it.

6 We have a member with us from U.S. Steel,
7 John Zaborske from U.S. Steel.

8 Why don't you stand and introduce yourself.

9 MR. DURHAM: I'm Mick Durham. I'm with Stanley
10 Consultants. We wrote the permit application for the
11 company.

12 MR. GEITNER: Stanley Consultants is also
13 responsible for putting the street in for the City. They
14 put that project in for the City.

15 MR. POPE: Just briefly and historically, as we
16 know, as part of the framework for the U.S. Steel
17 property, the southern half of the site, more or less
18 south of the slip, does allow for industrial uses. It's
19 actually zoned for that. This is a consistent use with
20 the framework that many of you in the community came up
21 with.

22 John can probably talk in more detail, but
23 there was up until recently a power plant on site that was
24 owned and operated by U.S. Steel. That has been

1 demolished or is just about completely demolished. So
2 this proposal for a power generation station is consistent
3 with the framework that we put together. We, the City,
4 myself, the planning department personnel and
5 environmental personnel, sat down and met with the team to
6 go over the typical questions and issues that I'm certain
7 are going to be brought up tonight. Everything from the
8 very specifics -- and I know Aaron is here from Southeast
9 Environmental -- in terms of the environmental emissions,
10 construction timetables, employment opportunities, what
11 this facility would look like, what opportunities would
12 the community have to participate in the development of
13 this project. And we do have some commitments from the
14 team already. Of course, I always look very favorably
15 upon those types of commitments.

16 But we want you as a community to voice
17 your opinion here and ask any and all questions that are
18 relevant to this project because it's in our back yard,
19 and we want to make sure it's the best for us.

20 So I thank everyone for coming, and I'm
21 very interested to hear our questions and comments. I
22 know the team is ready to respond. So thank you.

23 HEARING OFFICER MATOESIAN: Thank you.

24 All right. A few people have already

1 stated they would like to make comments.

2 So, Mr. Keith Harley, if you could, sir.

3 MR. HARLEY: My name is Keith Harley. I'm an
4 attorney at the Chicago Legal Clinic. The Chicago Legal
5 Clinic has been part of the southeast Chicago neighborhood
6 since 1981. Our office in southeast Chicago is actually
7 just a couple blocks west of here on 91st Street. We also
8 have offices in some other neighborhoods in the City as
9 well.

10 I'm here tonight on behalf of the Southeast
11 Environmental Task Force. The Southeast Environmental
12 Task Force is comprised of local residents, local
13 organizations, that are committed to the future of
14 southeast Chicago. The task force has a long-standing
15 commitment to identify approaches in which businesses and
16 residents and local ecosystems not only coexist but
17 thrive. And as part of their work, they have pioneered
18 the whole concept of establishing good neighbor dialogs
19 with regulators, with regulated entities, with residents,
20 to try to find approaches where everyone can win.

21 In this spirit, the Southeast Environmental
22 Task Force does not oppose the construction of this
23 facility if the facility is constructed and operated
24 consistent with a permit that's legally adequate and

1 that's protective of human health and the environment.

2 Because I'm a lawyer, they asked me to take
3 a look at the threshold question of is this draft permit
4 legally adequate. Most of my comments I'm going to put in
5 written form, and I encourage all of you who would like to
6 comment to do that as well by the deadline that the
7 hearing officer has established.

8 But tonight I wanted to briefly address two
9 issues related to the permit that I think are very
10 important to get out as much information as possible as
11 quickly as possible to people who are here.

12 The first issue that I wanted to address is
13 that the Southeast Environmental Task Force is very
14 concerned about the way the company and the IEPA are
15 addressing particulate matter emissions from this new
16 facility, particulate matter emissions from this facility.
17 Why? This region does not meet, does not meet, healthy
18 air standards for particulates. We are nonattainment for
19 particulates already. So adding any new source of
20 particulate matter emissions is a concern.

21 In this case, we have a new source that
22 will be permitted to add 99 tons per year of particulate
23 matter into an area that's already unhealthy for
24 particulates. Legally this is a concern. For me as an

1 attorney, the reason it's a concern is because if the
2 emissions were characterized as being only one ton more,
3 one ton out of 100, one percent more, you, the residents
4 of southeast Chicago, would get a much more protective
5 permit. One percent more, if the emissions were
6 characterized only one ton more, you would be getting a
7 much more protective permit.

8 If the facility was characterized as
9 emitting only one percent more particulate matter, the
10 facility would be required to control its particulate
11 emissions equivalent to the best controlled similar source
12 anywhere in the country, so you would know you were
13 getting state-of-the-art controls on particulate emissions
14 from this facility. Because we are missing that one ton,
15 as it is now, there is virtually no control for
16 particulate matters from -- particulate matter from this
17 facility.

18 Secondly, if the facility were
19 characterized as emitting one ton more of particulate
20 matter, this facility would actually contribute to
21 improving air quality in this region because as a
22 precondition for new construction they would actually have
23 to go out to an existing facility, which was emitting
24 particulate matter, and purchase as offsets their right to

1 pollute an amount greater than the amount they were going
2 to emit, which means that in the bargain the community
3 would actually be getting less particulate emissions as
4 opposed to more. That provision, that requirement, does
5 not apply because of this one percent, this one ton out of
6 100, that the facility is characterizing its emissions and
7 that IEPA is accepting as the facility emissions.

8 Now, I have reviewed the application and
9 the other materials, I encourage all of you to do that.
10 It's here in this library. And I, quite frankly, am not
11 convinced the calculation of 99 tons per year proposed by
12 the company and accepted by IEPA is a credible estimation
13 of particulate matter emissions. And we are going to put
14 that all into written comments. In our written comments,
15 we will argue this is a major source with a potential to
16 emit 100 or more tons of particulate matter. It should
17 have to develop particulate matter controls equivalent to
18 the best controlled similar source in the country. And it
19 should have to acquire offsets, meaning that the residents
20 of this community would be getting this facility, but they
21 would also be getting the highest quality of environmental
22 protection which is available for a facility of this size
23 and of this type. Okay.

24 Second issue of concern. The second issue

1 of concern goes to the volatile organic materials that are
2 going to be emitted by this facility. Now, there are some
3 things in common with the particulate matter emissions.
4 Like particulate matter, this area already does not meet
5 healthy air standards for ozone. The volatile organic
6 materials emitted by this facility will contribute to
7 ozone pollution in this region. Again, we are talking
8 about adding a new source, in this case, 24 tons per year
9 of volatile organic materials are in the permit. This
10 facility would be permitted to emit up to that amount of
11 volatile organic materials.

12 Here is our concern: In a pattern very
13 similar to the particulate matter emissions, the company
14 and IEPA estimate those volatile organic material
15 emissions one ton away from the level that would subject
16 this facility to Lowest Achievable Emissions Rate. Again,
17 that's equivalent to the best control facility anywhere in
18 the country, one ton away from the level at which they
19 would actually have to acquire offsets at a level greater
20 than their own emissions, which means that you would
21 actually be getting better environmental protection by
22 virtue of the construction of this facility.

23 We have reviewed the application and other
24 materials. And again, we are unconvinced that 24 tons per

1 year is a credible estimate of volatile organic material
2 emissions. In this case, it actually appears to us like
3 the facility might be emitting a smaller level of
4 volatiles than it's being permitted to emit. Now, why
5 would they do that? We think that IEPA is giving the
6 company a fudge factor. We think that they are actually
7 permitting them to emit more volatiles than the company
8 itself in its own application is saying that it will emit.
9 That's unacceptable. It's unacceptable. It's not allowed
10 by the regulatory approach that originates in the Clean
11 Air Act. And we will argue in our written comments that
12 giving them up to the level of 24 tons just below the
13 level where they would trip over into additional
14 environmental protections but greater than the facility
15 itself seems to be able to emit is a completely arbitrary
16 choice by our Environmental Protection Agency. It's
17 designed to allow the company a permit to emit greater
18 than it can, and it should not be allowed.

19 In conclusion, we think that this company
20 should make a commitment to be a good neighbor. We think
21 that IEPA should make a commitment to be a good neighbor.
22 The Southeast Environmental Task Force does not oppose the
23 construction of this facility but wants to see a permit
24 that will protect public health. We urge the company and

1 IEPA to review the permit decisions about particulate
2 matter and volatile organic materials, pollutants that
3 already contribute to unhealthy air in southeast Chicago
4 to revise the permit to provide credible estimates of
5 emissions and to devise approaches that will actually
6 improve and not further degrade air quality for local
7 residents. Thank you very much.

8 (A round of applause.)

9 HEARING OFFICER MATOESIAN: Thank you,
10 Mr. Harley.

11 (Discussion outside the record.)

12 MS. RAMIREZ: My name is Dinah Ramirez. And I'm
13 a resident here, lifelong resident, and also the Chair of
14 the South Chicago Task Force, Housing Task Force, and
15 Project Coordinator for Healthy South Chicago Region,
16 which is an implementation of the public health program.
17 I have a few issues with it, and this is just from hearing
18 on what's happened right now. I agree, I mean his
19 presentation, it was very informative for some of us that
20 don't know anything about power plants. And we live here
21 and we breathe the air here, and we have had to live with
22 the circumstances after the steel mill has been here and
23 our family members.

24 One of the studies in our public health

1 issues have been how many people have cancer and asthma,
2 emphysema, diseases in the community. And we are very,
3 very concerned of any plant, be it this plant, be it
4 USX even, anything coming into the community, since we
5 have already had to live with what's been left over from
6 beforehand. So it is a very vital concern and information
7 like he presented is extremely important to us. And we
8 back up what the Environmental Task Force is saying.

9 But I have a few questions. One of them is
10 of the meeting and the way the meeting was brought about.
11 And we have a community that's very, very involved. And
12 right now there is at least five other meetings going on.
13 I know Aaron, his group is meeting, and others. The
14 community CAPS meeting that's meeting at 7 o'clock. There
15 is a few CAPS meetings right now. There is other
16 organizations that would have been here but could not make
17 it because of the short notice of this meeting and the
18 lack of notification out in the community.

19 When you talk about the Southtown paper,
20 being in the Southtown, that doesn't come here. It's the
21 Observer, and it's the local area network that happens
22 here. So if you are going to host further meetings in the
23 community, you really need to work with us and having --
24 We could have had this room -- at least 60 people in here

1 from the community. And again, it reflects the good
2 neighbor act. If you really want our opinion and you
3 really want to have our support, then you really need to
4 work with us in getting the people out here, otherwise it
5 looks like it's coming through the back door. And just
6 this is just a reflection --

7 MR. FROST: Let me just say this, please. We
8 certainly take those comments to heart. And if you have a
9 community group that you want us to work with, please give
10 me the name of the group and who the contact should be.
11 And for any future thing in the area, we will certainly
12 contact you.

13 I mean our problem is being in Springfield
14 that -- And by the way, just in case you didn't catch my
15 name before, I'm Brad Frost. I'm with the EPA. And being
16 in Springfield, we don't know the local area, we don't
17 know all the local groups. And certainly we will try to
18 reach you, do better outreach; but we need to know who is
19 there and get your contact information.

20 MS. RAMIREZ: And I think the Alderman has a
21 list of the different organizations that are out here that
22 would be very helpful, and we would be willing to put you
23 on our agenda at a future meeting. So the Housing Task
24 Force meets every other month in this same room, and we

1 have a regular mailing list that we do. So we can put
2 that on the agenda for a meeting for a presentation.

3 The other item was the timeline. I didn't
4 hear about the timeline, when this is projected to happen.
5 I know this is your first community meeting. And from
6 there, where do you go with this? You know, when is this
7 proposed to happen?

8 MR. GEITNER: Do you want to just address the
9 EPA portion of it and the period of time following that
10 you take questions on, and I will take it from there.

11 MR. PATEL: Right. After this public hearing
12 today, there is a 30-day public comment period after the
13 hearing, which will end on July 18, as the hearing officer
14 addressed before. So after that comment period ends, we
15 will review and respond to all the comments and take final
16 decision after reviewing the comments, written comments,
17 and the comments made orally today.

18 MS. RAMIREZ: So that's the EPA part?

19 MR. PATEL: Right.

20 MS. RAMIREZ: And the construction part?

21 MR. GEITNER: Yes. We suspect if everything is
22 fine with all the permitting, and that's a long process,
23 that probably sometime maybe the second quarter of next
24 year we'd begin to put a shovel in the ground. That's

1 just an estimate.

2 MS. RAMIREZ: And then if that happens?

3 MR. GEITNER: Construction probably would take
4 three years. It would be done in two different cycles,
5 one unit set up and then the second unit set up. So
6 construction could take three to possibly four years for
7 completion.

8 I might add at the same time when the job
9 is complete it will provide for many jobs, job
10 opportunities for the community. We suspect that in
11 buildout there might be 600 construction jobs at peak.
12 And the budget that we worked up so far provides for about
13 \$3 million worth of maintenance fees, which will be given
14 to the communities in the Chicagoland area to use.

15 MS. RAMIREZ: The 2 million would be --

16 MR. GEITNER: \$3 million, maintenance budget,
17 \$3 million, which will be expended by the project to allow
18 the community in the Chicagoland area to be able to
19 provide maintenance service, whatever might be necessary
20 for the plant.

21 MS. RAMIREZ: And so the final jobs, though --
22 The buildout is the construction jobs, right?

23 MR. GEITNER: Yes, it is.

24 MS. RAMIREZ: And the final jobs that would be

1 at the plant?

2 MR. GEITNER: We are estimating between 30
3 and 40 full-time jobs anywhere from \$40,000 to maybe
4 the location manager of being 125,000. Again, these are
5 estimates.

6 MS. RAMIREZ: Those are mostly professionals?

7 MR. GEITNER: No, not really. Our intention,
8 when we talked to the Alderman about it, we would probably
9 have some sort of a job fair maybe at the library here and
10 allow them to come. A lot of them aren't real technical,
11 so it doesn't require a college degree or anything along
12 those lines to fit in.

13 MS. RAMIREZ: I have more questions.

14 MR. GEITNER: Sure.

15 MS. RAMIREZ: On the 600 buildout jobs, the
16 construction jobs and so forth, are those going to be
17 given -- You know, our first priority is, of course, jobs
18 for our community and our contractors, general
19 contractors, in the area.

20 MR. GEITNER: Sure. It was our intention when
21 we discussed it with the Alderman is to try and allow,
22 provide for whatever the community could offer to the
23 project first and then elsewhere.

24 MS. RAMIREZ: Is that something that's going to

1 be written in your plan? And now, when you are going
2 towards the City for the final after the EPA, I know
3 that's a separate plan.

4 MR. GEITNER: Sure. Sure.

5 MS. RAMIREZ: But for the City plan?

6 MR. GEITNER: We can provide you with that
7 information.

8 MS. RAMIREZ: So that it will be in the plan?

9 MR. GEITNER: I don't see it as a problem.

10 MS. RAMIREZ: And, of course, our issue is
11 minority jobs. And there is an amount that's going to be
12 given you are saying not only first choice for the
13 community on those jobs, but how many would that be for
14 minority is there? I know there is a City --

15 MR. GEITNER: I can't address the minority
16 issues because the City has their own issues relative to
17 the minority. But whatever is fair, we will be more than
18 happy to do.

19 MS. RAMIREZ: We also have a job resource here,
20 which the Alderman has worked with for the Ford
21 manufacturing campus. And they are one of the locations,
22 there is about two or three other resource centers, job
23 resources, that we would recommend that you work with so
24 to assist you in the job application process.

1 MR. GEITNER: Sure. Sure.

2 MS. RAMIREZ: We have already been sending
3 neighborhood people to them.

4 MR. GEITNER: If you want to give me those
5 names, I will be happy to use them.

6 MS. THOMAS: My name is Stacy Thomas, and I work
7 with Southeast Chicago Development Commission, which is
8 the job center that she was referring to.

9 MR. GEITNER: And just to mention something, you
10 mentioned good neighbor. Our intention is to be a good
11 neighbor. We met with the Alderman. We have met with the
12 City, and we will do whatever is good for the community.
13 I know it's a project in your area, and I know you are
14 going to have to live with it. We will do whatever we can
15 to help you along with that, so whatever it takes.

16 MS. RAMIREZ: Just -- And I didn't mean to come
17 up and be -- But it's real important for us. We have had
18 bad experiences in the past. And we have been dumped on
19 in the past, and we don't want that to happen again. So
20 if we ask a lot of questions and we really are pushing for
21 involvement in this type of project, it's a fantastic
22 project. And I'm sure that you know if given the right
23 combination of tons and also that we have the right type
24 of restrictions, it might be a workable thing in our

1 community. And we don't want to hinder growth in our
2 community. We want development, but we want it so that
3 all of us can still live in the community.

4 MR. GEITNER: I understand. I understand.

5 MS. RAMIREZ: So that's just important to us.

6 MR. PATEL: Let me bring another point on the
7 timeline you asked. Once if everything is okay, Illinois
8 EPA decides to issue the permit, once the permit is
9 issued, the facility will have 18 months to start
10 construction of the permit.

11 MS. RAMIREZ: Okay. Thank you.

12 HEARING OFFICER MATOESIAN: Thank you again.
13 All right.

14 Next I have Mr. Aaron Rosinski.

15 MR. ROSINSKI: My name is Aaron Rosinski, and I
16 represent the Southeast Environmental Task Force. In
17 reference to the good neighbor process, the Task Force
18 does hold official good neighbor dialogue committees. We
19 would ask at this point if you would be willing to
20 participate in a committee with representatives from the
21 community as have spoken tonight and, as this process
22 develops, to discuss the concerns with the best available
23 control technologies, jobs issues, the potential
24 landscaping issues, the maintenance issues, all those

1 things, for future reference; and we can keep the
2 community involved and it's to make sure everybody is on
3 the same page, what they are seeing happen.

4 MR. GEITNER: That is no problem. We can meet
5 quarterly or whatever; and I will let you know where we
6 stand, what's going on in the project, no problem.

7 MR. ROSINSKI: Fine. We appreciate that.

8 Just to reiterate what our legal
9 representation, Keith Harley, has spoken that we are
10 concerned with the regulated levels of particulate matter
11 being close to major source level as the same with the
12 volatile organic matter is close to the major source
13 level. So we would be giving those comments in to you and
14 hope to get an adequate response from those.

15 And again, we just have a few questions
16 that can be answered, addressed in the good neighbor
17 dialogue process.

18 MR. GEITNER: Sure.

19 MR. ROSINSKI: Which would include landscaping.

20 MR. GEITNER: We have a rendering here we would
21 like to show you, give you some idea what the project
22 might look like.

23 MR. ROSINSKI: That would be great.

24 MR. GEITNER: We will show that to you before we

1 leave.

2 MR. ROSINSKI: That's the extent of my comments
3 for tonight.

4 HEARING OFFICER MATOESIAN: Do you want to show
5 that diagram now then?

6 MR. GEITNER: Sure. Let's do that.
7 (Indicating.) Okay. The first is a rendering looking
8 along the beach, lake being over here. So you get an idea
9 of the mechanicals and what they appear to look like. If
10 you want to come up a little closer, you are welcome to
11 it. Sure. Come on up. Okay? Okay.

12 And then the second rendering here is the
13 new street that was put in on driving towards the lake
14 down the street, what it would appear to look like.

15 FATHER MALONEY: How many acres will you take?

16 MR. GEITNER: We will be utilizing 15 acres.
17 There was 21 available.

18 FATHER MALONEY: And that will come right up to
19 the lakefront?

20 MR. GEITNER: No. There is a buffer because
21 there is a park area along the lakefront. I believe there
22 is a jogging path.

23 Is that right, John, or a walking path?

24 MR. ZABORSKE: The City hasn't yet decided what

1 will be in the area. But as part of the Solo Cup
2 transaction, 300 feet back in from the lakefront was
3 donated to the City to develop it as a part of the
4 lakefront park, the first phase of the lakefront park that
5 will extend along the whole shoreline of South Works
6 eventually.

7 MR. ROSINSKI: What's the buffer to the lake?

8 MR. GEITNER: The buffer to the lake I think he
9 said 300 feet.

10 MR. ZABORSKE: Yes.

11 MR. ROSINSKI: Is the park --

12 MR. POPE: The park space from the lakefront to
13 U.S. Steel as given or transferred 300 feet of the
14 property to the City that will create a park there, a
15 passive park. So your property land will abut up to that
16 point.

17 MR. GEITNER: Right. Right.

18 MR. ROSINSKI: And how close is the facility
19 going to be built up to the property line as far as --

20 MR. GEITNER: Well, do you happen to know what
21 the distance is from the street to the property line?

22 MR. ROSINSKI: Actually from the southeastern
23 property line I guess to the park.

24 MR. GEITNER: Southeast property line?

1 MR. POPE: How far west of the green space would
2 it be, the 300-foot buffer?

3 MR. GEITNER: It goes I think about 7 -- 1300
4 feet I think from the lake portion west.

5 MR. POPE: But at what point would the
6 building -- What would be the closest structure to the
7 green space I guess is the question.

8 MR. ROSINSKI: Yes.

9 MR. GEITNER: I would have to ask John on that.
10 Of course, this side of the street over here we have Solo
11 Cup. So that would be on this side of the street. So I
12 don't know what currently is set up for the west side.

13 John, can you give us an idea on that?

14 MR. ZABORSKE: Sherwin, I think he's asking on
15 your facility how close will your building be to the park.
16 That's what he wants to know. You know, how, what --

17 MR. DURHAM: There is a cooling tower for the
18 plant. There will be a cooling tower for the plant that
19 would be on the east side. There will be some landscaping
20 that will buffer the cooling tower from the park area, and
21 that's approximately 50 to 75 feet of buffer area. And
22 then the major part of the plant, which are the combustion
23 turbine and the heat recovery generators, will be down
24 farther, down the street away from the lake.

1 FATHER MALONEY: It doesn't show, are there any
2 wires going out of there, any high wires?

3 MR. DURHAM: There is a switch yard that is on
4 the far east side or west side from the property. It is
5 intended that most of the lines will go out underground.

6 FATHER MALONEY: Underground.

7 MR. DURHAM: Underground is what the original
8 intent is.

9 MR. DURHAM: So there will be a structure of and
10 some transformers located here mostly buffered by a
11 screening around them, but that's basically where the
12 electrical lines will be and proposed to go underground
13 out of sight.

14 MR. GEITNER: Maybe not shown in the picture, on
15 the north side, okay, there is kind of an area where there
16 may be a marina at some future time. There is a buffer
17 wall there. So how tall is the wall?

18 MR. ZABORSKE: About 40 feet.

19 MR. GEITNER: About 40 feet. So looking south
20 from the north from here. On the backside here, there is
21 a wall.

22 MR. DURHAM: Okay. It is shown on the very far
23 left side, you can see the wall.

24 MR. GEITNER: I see it. So there is a wall

1 there. So looking south to the project there is a wall.

2 FATHER MALONEY: That street you show is 89th
3 Street?

4 MR. GEITNER: Yes. I believe it's almost
5 completely done, 87th Street. I'm sorry, 87th Street.

6 Any other questions relative to the site
7 location and its appearance?

8 MR. POPE: I'm sorry, I don't think we got an
9 answer as far as how far away from the park space will the
10 structure be. If you don't have that, would you mind
11 providing it?

12 MR. GEITNER: Not a problem. I can get it for
13 you.

14 MR. POPE: And if I may, John Pope again, and
15 this is really for the community, is it preferred or
16 desired to have the structure as far away from the green
17 space and, thus, closer to the residential community; or
18 somewhat in the center? Is there a happy medium? Or if
19 you had your desire, would it be as far away from the
20 green space as possible?

21 FATHER MALONEY: 79th Street.

22 MR. POPE: You want it on 79th Street?

23 MR. GEITNER: Can't go that far.

24 MR. ROSINSKI: We have some issues that,

1 hopefully, we will work out in the dialogue process if
2 those types of issues are discussed. Alderman Pope
3 brought up the question, that is, what would be the
4 community's preference between whether the site be
5 centered or whether it be close to the green space or
6 closer to the residential area, that is a topic that,
7 hopefully, we could, if it is still workable, we would
8 discuss it in the dialogue process to see what the
9 community would -- I can't represent the community
10 myself, but we will get the community together to find out
11 what their thoughts were and feelings on those, if that is
12 still something that will be open.

13 MR. GEITNER: We will try to work with that.

14 FATHER MALONEY: Is the proposed Highway 41
15 directly west of the plant?

16 MR. POPE: No. The 15 acres, I believe, of
17 the 21, would be on the eastern portion of that 21-acre
18 site. So there would still be 6 acres, John; is that
19 correct? Of the 21 acre site that's being considered,
20 15 of it is actually from the power plant. There is still
21 available acreage between 41 and what would be this power
22 plant site. This site would not abut up to the newly
23 proposed 41, it would be east.

24 MR. ZABORSKE: Yes. This site would be about

1 probably about a quarter mile east of 41. And Alderman
2 Pope, originally we were proposing this sale, U.S. Steel
3 was selling 21 acres. Upon further discussions
4 internally, we decided, and they were able to fit it in
5 the operations, to reduce it to 15, so it is only 15. And
6 what we did was kept some of the land that was closer to
7 the slip so that it could be developed for more slip
8 water-related activities and use one of the walls as these
9 large 40-foot high walls that were used to store limestone
10 when we were operating it as a potential transition point
11 from one side of the wall being industrial and the other
12 side being water orientated and not having
13 incompatibility.

14 FATHER MALONEY: Are you suggesting that the
15 plant is going to abut the slip, the walls?

16 MR. ZABORSKE: It will be about 400 feet south
17 of the slip.

18 FATHER MALONEY: Can I just ask how do we get
19 the address then, 3426, when it's going to be on the north
20 side of the street as you explained?

21 MR. ZABORSKE: That's the name they chose for
22 their company.

23 MR. GEITNER: Basically used the address of
24 U.S. Steel, which is the same address of this, 3426.

1 MR. ZABORSKE: And that's my mailing address.

2 FATHER MALONEY: It's not going to be the site
3 address?

4 MR. GEITNER: No.

5 FATHER MALONEY: I think we should clear that
6 up.

7 HEARING OFFICER MATOESIAN: Alderman Pope?

8 MR. POPE: Just a statement versus a question.
9 Sylvia had asked a question regarding what City dollars
10 would be available for this project. And I informed
11 Sylvia when she left that the City has a practice of not
12 supporting power plants. In the 10th Ward alone, we have
13 two peaker plants, which are different from this. But
14 during the construction and acquisition of land and all
15 those elements involved with the development of those
16 projects, the City has made a decision not to subsidize
17 this. So no City dollars, and the team is already aware
18 of this, no City dollars would go into this power plant.

19 Although, I'm not certain at this point, I
20 think with the Housing Task Force we want to at least keep
21 the option open of job training dollars that might be
22 available, if there are TIF dollars, for example, that can
23 be used to train potential employees, that would from my
24 perspective, and I will speak very personally, that might

1 be an adequate use of TIF dollars to help indirectly
2 support this project. But no construction dollars, no
3 acquisition dollars, no research dollars from the City,
4 would be afforded to this company.

5 FATHER MALONEY: To whom is the electricity
6 sold?

7 MR. GEITNER: Actually, before you begin to try
8 to sell electricity, you have to be permitted. So that's
9 how the process works. If they had gone to talk to
10 someone about selling electricity, they would say, "Do you
11 have a permit? You are wasting my time." So the permits
12 have to kind of come first, and then we have to go out to
13 the market and sell electricity.

14 Obviously, if you can't sell electricity,
15 you can't build a plant. So we would never break ground
16 if that's the case. But, obviously, in order to get
17 financing and loans for the property, we have to get
18 contracts showing that power is being sold.

19 MR. ROSINSKI: In long-term consideration, if
20 this permit is accepted and you build this, is
21 consideration taken into place that not even two or three
22 miles south you have another greater than 500-megawatt
23 generating coal-fired power plant? How does that fit into
24 the picture?

1 MR. GEITNER: Well, that's, obviously, taken
2 into consideration when we begin to sell the power. If
3 power -- If that facility is not adequate to supply the
4 power necessary for the City or whatever customers that we
5 get involved, yes, it would certainly be a consideration;
6 and we would take it into consideration. I don't know
7 who, if anyone, or where they sell their power to.

8 MR. ROSINSKI: Just so you know, we would
9 definitely be in favor of this plant operating, if you had
10 to go over the major source permit level, buy out the
11 coal-fired plant; and we would be very happy.

12 MR. GEITNER: I understand.

13 MR. ROSINSKI: So put that on record.

14 MR. GEITNER: Thank you, Aaron. And I will get
15 back to you with that information maybe tomorrow.

16 MR. ROSINSKI: We can schedule an official
17 committee meeting at that point, that would be good.

18 MR. GEITNER: Okay. Thank you.

19 HEARING OFFICER MATOESIAN: Do I have any more
20 comments or questions at this point?

21 (No response.)

22 HEARING OFFICER MATOESIAN: All right then. I
23 will close the hearing then. Thank you all for coming.
24 Good night.

1 STATE OF ILLINOIS)
) ss.
2 COUNTY OF DU PAGE)

3

4 I, JANICE H. HEINEMANN, CSR, RDR, CRR, do
5 hereby certify that I am a court reporter doing business
6 in the State of Illinois, that I reported in shorthand the
7 testimony given at the hearing of said cause, and that the
8 foregoing is a true and correct transcript of my shorthand
9 notes so taken as aforesaid.

10

11

12

Janice H. Heinemann CSR, RDR, CRR
License No 084-001391

13

14

15

16

17

18

19

20

21

22

23

24

