

## Staff Briefing Papers

**Meeting Date:** July 9, 2026

Agenda Item: \*\*2

**Company:** Great River Energy, ITC Midwest LLC, and Northern States Power Company dba Xcel Energy

**Docket:** E002, ET2, ET6675/CN-25-117

In the Matter of the Application for a Certificate of Need for the PowerOn Midwest 765 kV and 345 kV High Voltage Transmission Line Project

**Issues:** What action should the Commission take on the requests for clarification and objections to the June 9, 2026 Environmental Report Scoping Decision?

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✓ Relevant Documents	Date
Order Approving Environmental Report Scoping Decision	06/09/2026
Great River Energy, ITC Midwest LLC, and Xcel Energy Request for Clarification and/or Objection to June 9, 2026, Order and Scoping Decision	06/16/2026
North Route Group and NO765MN Objection to Scoping Decision	06/22/2026

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## I. ISSUES

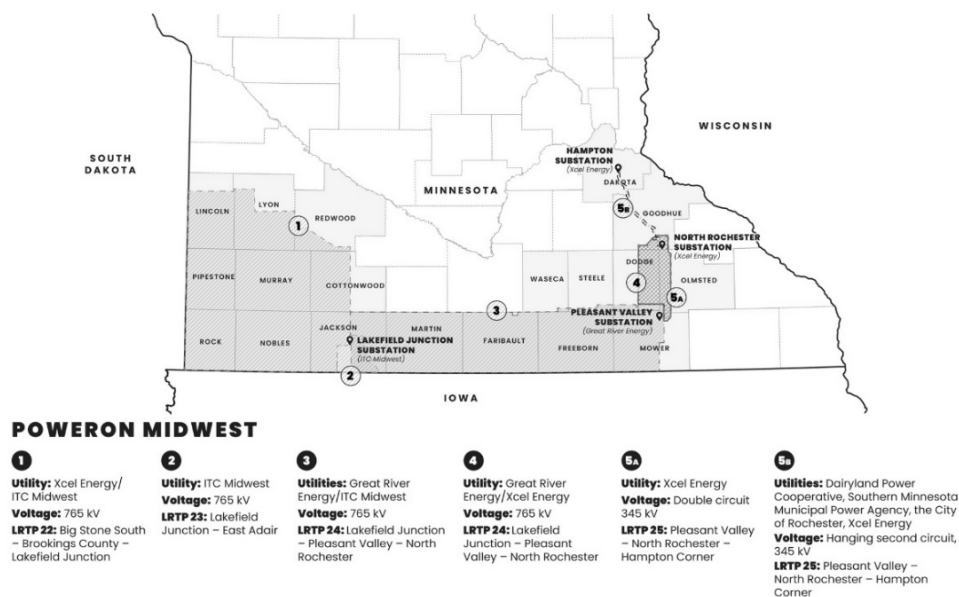
What action should the Commission take on the requests for clarification and objections to the June 9, 2026 Environmental Report Scoping Decision?

## II. PROJECT

The PowerOn Midwest Project is proposed by Great River Energy, ITC Midwest LLC, and Xcel Energy (collectively, the Applicants). The project would involve construction and operation of approximately 340 miles of new 765-kilovolt and 345-kilovolt high-voltage transmission lines, along with related substation upgrades and expansions, across southern Minnesota. The project is part of the Midcontinent Independent System Operator, Inc. (MISO) Long Range Transmission Planning Tranche 2.1 portfolio, approved in July 2024 under the MISO Transmission Expansion Plan 2024 (MTEP24).

The Applicants state that the project is needed to address projected reliability issues, support compliance with national reliability standards, improve regional transmission capability, and provide additional capacity to serve forecasted residential, commercial, and industrial demand. The Applicants also state that the project would support the transition from aging or less cost-effective generation resources to new generation resources, including carbon-free resources, while maintaining electric system reliability.

### Project Overview Map



### III. PROCEDURAL HISTORY

On February 3, 2026, the Applicants filed an application for a certificate of need for the proposed PowerOn Midwest Project.

On April 21, 2026, the Minnesota Public Utilities Commission (Commission) issued an order that accepted the application as substantially complete and referred the application to the Court of Administrative Hearings for contested case proceedings. The Commission also required the Applicants to provide certain additional information during the application review process.

Between April 21 and 29, 2026, ten in-person public information and environmental report (ER) scoping meetings were held in the cities of Tracy, Pipestone, Worthington, Windom, Fairmont, Wells, Albert Lea, Austin, Kasson, and Zumbrota. Estimated attendance ranged from approximately 50 to 100 people per meeting. An online meeting was held via WebEx on April 30, 2026, with approximately 98 attendees. A written comment period was open from April 6, 2026, through May 20, 2026.

On June 9, 2026, the Commission's consent calendar subcommittee issued an order (June 9 Order) approving the Environmental Report Scoping Decision (Scope).

On June 16, 2026, the Applicants filed a Request for Clarification and/or Objection to June 9, 2026, Order and Scoping Decision.

On June 22, 2026 North Route Group and NO765MN filed an Objection to the Scoping Decision.

### IV. REGULATORY FRAMEWORK

The statutes and rules most relevant to the Commission's consideration of the requests for clarification and objections include Minn. Stat. §§ 216A.03, subd. 8, and 216B.243, subd. 3, and Minn. R. parts 7849.1200, 7849.1400, and 7849.1500.

Minn. Stat. § 216A.03, subd. 8, provides that, upon objection by a party, participant, or commissioner, a decision by a Commission subcommittee must be referred to the full Commission. If referred, the full Commission may rely on the record developed by the subcommittee but must treat the subcommittee decision as advisory.

Minn. R. parts 7849.1000 to 7849.2100 govern preparation of an environmental report (ER) for a certificate of need application. The ER informs the Commission's certificate of need decision

by evaluating the human and environmental impacts associated with the size, type, timing, system configuration, and voltage of the proposed project; alternatives to the proposed project; mitigation measures; the feasibility and availability of alternatives; required permits; and other matters identified in the scoping decision.

Minn. Stat. § 216B.243, subd. 3, generally requires the Commission, when assessing need, to evaluate possible alternatives for satisfying the energy demand or transmission needs. Those alternatives may include increased efficiency, upgrades to existing generation and transmission facilities, load-management programs, and distributed generation.

Minn. R. 7849.1400, subp. 6, allows the exclusion of alternatives from analysis if an alternative does not meet the underlying need or purpose of the project, is not likely to have significant environmental benefit compared to the project as proposed, or if another alternative likely has similar environmental benefits with substantially less adverse economic, employment, or sociological impacts.

For qualifying high-voltage transmission lines, Minn. Stat. § 216B.243, subd. 3(6), places a limit on the Commission's authority to review different project endpoints. In practical terms, the statute generally requires the certificate of need review to be focused on the project endpoints identified in the application and the applicable transmission planning process. The Commission may not require evaluation of different endpoints unless those endpoints are consistent with endpoints identified in a federally registered planning authority transmission plan, or unless the applicant agrees to evaluate them.

Minn. R. 7849.1400, subp. 7, provides that, once the scoping decision is issued, it should not be changed unless substantial project changes or substantial new information significantly affect potential environmental effects or the availability of reasonable alternatives.

## **V. PARTY POSITIONS**

### **A. Applicants**

The Applicants requested clarification regarding how the ER will evaluate a partial-build or delayed-build alternative for the Pleasant Valley-to-North Rochester 765-kV segment. The Applicants argued that requiring evaluation of that alternative would be inconsistent with Minn. Stat. § 216B.243, subd. 3(6), which governs alternatives in certificate of need proceedings and limits the Commission's ability to require evaluation of different project endpoints.

The Applicants stated that the proposed project, as approved by MISO in MTEP24, includes endpoints at the Lakefield, Pleasant Valley, and North Rochester substations. They argued that a partial-build or delayed-build alternative for the Pleasant Valley-to-North Rochester 765-kV segment would effectively remove the North Rochester endpoint and would therefore be inconsistent with the statutory endpoint limitation. The Applicants further asserted that the North Rochester 765-kV termination is intentional and necessary because North Rochester is a major transmission hub, and that removing that endpoint could affect the broader MISO LRTP Tranche 2.1 portfolio and regional cost-sharing.

The Applicants requested clarification to avoid confusion. If the Commission intends the Scope to require detailed evaluation of a partial-build or delayed-build alternative for the Pleasant Valley-to-North Rochester 765-kV segment notwithstanding Minn. Stat. § 216B.243, subd. 3(6), the Applicants object to the June 9 Order.

## **B. North Route Group and NO765MN**

North Route Group and NO765MN (NRG/NO765MN) objected to the Scope and requested referral to the full Commission. They also requested that the Commission reconsider the Scope under Minn. R. 7849.1400 and add several topics and alternatives they believe should be addressed in the ER.

NRG/NO765MN argued that the Scope should more fully address MISO planning assumptions, the project's stated need, project costs and benefits, data centers and other large-load assumptions, HVDC and underground alternatives, use of existing rights-of-way, co-location, landowner and agricultural impacts, EMF, noise, stray voltage, Tribal and cultural resources, and cumulative impacts. They also objected to limiting language in the Scope, including phrases such as "as relevant to the Commission's certificate of need decision" and "to the extent sufficient information is available for certificate of need review," and requested that the Commission remove or revise those limitations.

A substantial portion of NRG/NO765MN's filing addressed the merits of the certificate of need application rather than the scope of the ER. These issues include the Applicants' reliance on MISO planning, the stated need for the project, the relationship between the project and future large-load development, whether specific alternatives should be preferred, and whether specific phased or connected actions should be identified.

## VI. STAFF DISCUSSION

The issue before the Commission is limited. Objections were filed to the Scope issued with the subcommittee's June 9 Order, which brings the subcommittee's decision before the full Commission for review. The Commission's task is to determine whether the Scope should be affirmed, modified, or clarified based on the issues raised in the objections.

### A. Applicants' Request for Clarification and/or Objection

Staff believes the Applicants raise a reasonable clarification issue. The Scope includes review of partial-build or delayed-build alternatives for the Pleasant Valley-to-North Rochester 765-kV segment. The Applicants are concerned that this language could be read to require detailed evaluation of an alternative that would remove or change the North Rochester end point. They argue that such an evaluation would conflict with Minn. Stat. § 216B.243, subd. 3(6). The Applicants therefore request clarification and, if clarification is not provided, object to the June 9 Order.

Staff believes the applicable law and rules support a screening approach. The ER must address alternatives and impacts relevant to the certificate of need decision, including the feasibility and availability of alternatives. However, the rules do not require detailed analysis of every alternative suggested during scoping. Minn. R. 7849.1400, subp. 6, allows alternatives to be excluded from analysis when they do not meet the underlying need or purpose of the project, are not likely to have significant environmental benefit compared to the proposed project, or when another alternative likely has similar environmental benefits with substantially less adverse economic, employment, or sociological impacts. Minn. Stat. § 216B.243, subd. 3(6), separately limits the Commission's authority to require evaluation of alternative endpoints for qualifying high-voltage transmission lines.

Staff believes clarification, not deletion, is the better course. The scoping record supports identifying the partial-build or delayed-build concept for the Pleasant Valley-to-North Rochester 765-kV segment at least at a screening level because it was raised in written comments. At the same time, including the topic in the Scope should not be read as a Commission determination that the alternative is legally available, technically feasible, supported by sufficient information, or capable of meeting the stated need. Clarification would preserve the public scoping record, avoid prejudging the merits, and allow the ER to explain why the alternative is or is not carried forward for detailed analysis.

Staff recommends the following clarification language:

The Environmental Report may address partial-build or delayed-build alternatives for the Pleasant Valley-to-North Rochester 765-kV segment at a screening level. Inclusion of an alternative in the scoping decision does not mean that detailed analysis is required for every alternative suggested. The Environmental Report may screen out alternatives that would require evaluation of different endpoints inconsistent with Minn. Stat. § 216B.243, subd. 3(6), are otherwise outside the Commission's authority to require, are infeasible, are unsupported by sufficient information, or would not meet the stated need for the project. If Commission staff determines that an alternative should not be carried forward for detailed analysis, the Environmental Report shall briefly explain the basis for that determination.

## **B. North Route Group and NO765MN Objection**

NRG/NO765MN asked the Commission to expand or revise the Scope by removing practical limiting language, identifying specific projects as phased or connected actions, and treating several merits-based assertions as reasons to modify the Scope. Because objections were filed, the request for full Commission review is being addressed through this agenda item.

Staff believes the substantive scoping topics raised by NRG/NO765MN are already included in the Scope now before the Commission. The Scope provides for discussion of project purpose and stated need, MISO planning assumptions, project costs and benefits, system alternatives, HVDC and underground alternatives, use of existing rights-of-way and co-location concepts, landowner and agricultural impacts, visual impacts, EMF, noise, stray voltage, Tribal and cultural resources, data centers and large-load assumptions where relevant to need, and cumulative impacts and phased or connected actions. Restating these same topics using different wording does not show that the Scope is deficient or that additional scoping language is needed.

Staff believes the Commission should also retain the practical limiting language in the Scope. The ER must inform the Commission's certificate of need decision, but it is not a substitute for discovery and is not a route permit environmental review. The ER should use relevant, reasonably available information within the applicable procedural schedule and at a level appropriate to certificate of need review. The Scope already provides that, if relevant information cannot be obtained within the timelines prescribed by statute and rule, the cost of obtaining the information is excessive, or the means to obtain it is unknown, the ER may

identify the information as incomplete or unavailable and explain its relevance. This is a practical limit, not a substantive exclusion. It is consistent with the focused purpose of scoping and with environmental review practice that allows review documents to summarize, verify, supplement, and incorporate existing information rather than recreate every underlying study. Without those limits, the ER could expand beyond its intended purpose as a focused need-stage environmental review.

Regarding phased or connected actions, NRG/NO765MN's filing does not provide sufficient factual support to identify specific projects as phased or connected actions at this stage. The existing Scope already allows the ER to evaluate cumulative impacts and phased or connected actions to the extent relevant to the Commission's certificate of need decision. Identifying specific projects as phased or connected actions before the ER has evaluated the issue would make a factual and legal determination that is not supported by the current record.

Staff also believes several assertions in the NRG/NO765MN filing are not directly relevant to the Commission's review of the Scope or the requested scope changes. These assertions are largely arguments about the merits of the certificate of need application, including claims about MISO's role in the project, the adequacy of MISO planning, future data center demand, and the comparative merits of underground direct-current transmission. To the extent these arguments are relevant to the Commission's ultimate certificate of need decision, they may be raised and addressed in the contested case proceeding.

Overall, much of the filing consists of unsupported assertions, speculation, legal argument, or advocacy on the merits of the certificate of need application rather than factual support for additional scoping requirements. For these reasons, staff believes NRG/NO765MN has not shown that the Scope is deficient or that additional scope language is needed beyond the clarification recommended for the Applicants' request.

## **VII. STAFF RECOMMENDATION**

Staff believes the most practical approach is to affirm the Scope with clarification. That approach keeps the Scope broad enough to address issues raised during scoping, while making clear that staff may screen alternatives and impacts based on legal availability, relevance to the certificate of need decision, feasibility, availability, sufficiency of information, and ability to meet the stated need.

Staff recommends granting the Applicants' request for clarification in part and denying the Applicants' objection to the extent it seeks removal of the Pleasant Valley-to-North Rochester

partial-build or delayed-build topic from the Scope. Staff also recommends denying NRG/NO765MN's objection because it would remove appropriate limiting language and require identification of specific potentially phased or connected actions before the ER has evaluated that issue.

## VIII. COMMISSION DECISION OPTIONS

1. Deny all requests for clarification or modification and affirm the Scope without modification.

Or

### Applicants' Requests

2. Grant the Applicants' request for clarification and affirm the Scope with the following clarification language:

The Environmental Report may address partial-build or delayed-build alternatives for the Pleasant Valley-to-North Rochester 765-kV segment at a screening level. Inclusion of an alternative in the scoping decision does not mean that detailed analysis is required for every alternative suggested. The Environmental Report may screen out alternatives that would require evaluation of different endpoints inconsistent with Minn. Stat. § 216B.243, subd. 3(6), are otherwise outside the Commission's authority to require, are infeasible, are unsupported by sufficient information, or would not meet the stated need for the project. If Commission staff determines that an alternative should not be carried forward for detailed analysis, the Environmental Report shall briefly explain the basis for that determination. (EIP Staff)

Or

3. Modify the Scope to remove partial-build or delayed-build alternatives for the Pleasant Valley-to-North Rochester 765-kV segment from the list of transmission alternatives to be evaluated. (Applicants)

Or

4. Deny the Applicants' request to remove the partial-build or delayed-build alternatives for the Pleasant Valley-to-North Rochester 765-kV segment alternative from the Scope.

And

### **NRG/NO765MN's Requests**

5. Modify the Scope to remove the limiting language objected to by NRG/NO765MN.

Or

6. Deny NRG/NO765MN's request for removal of limiting language from the Scope.

And

7. Modify the Scope to include and identify the specific projects listed on page 7 of NRG/NO765MN's objection as phased or connected actions.

Or

8. Deny NRG/NO765MN's request to amend the Scope to identify specific projects as phased or connected actions. The ER will address cumulative impacts and phased or connected actions to the extent relevant to the Commission's certificate of need decision and consistent with the existing Scope.

**Staff Recommendation:** 2, 4, 6, and 8