



**In the Matter of the Applications of
Great River Energy for a Route Permit
and Certificate of Need for a 115 kV
Transmission Line Project in the Elko
New Market and Cleary Lake Areas in
Scott and Rice Counties**

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION**

**PUC Docket No. E002/CN-12-1235
PUC Docket No. E002/TL-12-1245**

The above matter has come before the Deputy Commissioner of the Department of Commerce (DOC) for a decision on the scope of the Environmental Assessment (EA) to be prepared for the Great River Energy (Applicant or GRE) applications for a Certificate of Need (CN) and a Route Permit to upgrade 69 kilovolt (kV) transmission lines to 115 kV and build new double-circuit 115 kV lines in Scott and Rice counties (Project). GRE is a not-for-profit generation and transmission cooperative providing electrical energy and related services to 28 member cooperatives.

Project Description

The Project consists of two distinct parts (See the attached proposed project maps). The northern part includes plans to:

- Rebuild approximately 3.5 miles of the existing Great River Energy single-circuit 69 kV MV-PN line to 115 kV standards from Prior Lake Junction south to Credit River Junction;
- Rebuild approximately 0.9 mile of the existing Great River Energy single-circuit 69 kV MV-CR line to single circuit 115 kV standards with 69 kV underbuild from Credit River Junction west to MVEC's Cleary Lake Substation; and
- Rebuild approximately 1.3 miles of the existing Great River Energy single-circuit 69 kV MV-CR line to 115 kV standards northwest from MVEC's Cleary Lake Substation to Xcel Energy's Credit River Substation.

The southern part involves:

- Rebuilding approximately 5.6 miles of the existing Great River Energy single-circuit 69 kV MV-PN (north of Elko Substation to New Market Substation) line to 115 kV standards from the intersection of County Road 62 and Natchez Avenue, south along Natchez to 250th Street, then west to Panama Avenue); and
- Constructing a new double-circuit 115 kV transmission line from the MV-PN line to Xcel Energy's Veseli 69 kV breaker station, either along a 5.4 mile West Option along Panama Avenue, east on 280th Street and south on Halstad Avenue, or along an 5.6 mile East Option along Texas Avenue, west on 280th Street and south on Halstad Avenue.

Project Need

The need to make improvements to the existing transmission system has been discussed in the Minnesota Biennial Transmission Projects Report since 2009. According to the reports, the 69 kV transmission system to the west of the Project area, bounded by the Scott County, Carver County, Owatonna, and Faribault substations (Scott-Faribault System) is at risk of experiencing low voltage and transmission system overload issues at system peak conditions.

Transmission planning engineers determined that connecting that system to the 69 kV transmission system in the Project area (Cleary-Elko System) was the most efficient way to alleviate the identified transmission load-serving deficiencies on the Scott-Faribault System. The Cleary-Elko System, under contingency operation, currently experiences overload and low voltage issues and would need to be rebuilt. Connecting the two systems would require construction of a new double-circuit line between the existing New Market Substation and the proposed 69 kV Veseli Breaker Station.

Regulatory Process

Two separate approvals from the Minnesota Public Utilities Commission (Commission) are required for the construction of the Project, a Certificate of Need (CN) and a Route Permit. The Applicant submitted a combined CN and Route Permit Application to the Commission on June 20, 2013. The CN Application was accepted as complete by the Commission in its September 5, 2013, Order. The Route Permit Application was accepted as complete on September 9, 2013.

DOC Energy Environmental Review and Analysis (EERA) staff is responsible for conducting the environmental review for CN applications submitted to the Commission (Minn. Rule 7849.1200) and the environmental review for route permit applications to the Commission (Minn. Rule 7850.3700). As two concurrent environmental reviews are required – one for the CN Application and one for the Route Permit Application – the Department has elected to combine the environmental review for the two applications (Minn. Rule 7849.1900). Thus, an Environmental Assessment will be prepared to meet the requirements of both review processes.

Scoping Process

EERA staff held environmental assessment scoping meetings in conjunction with Commission public information meetings on October 1, 2013, at Elko New Market Library in Elko New Market and Prior Lake High School in Savage, to discuss the project with the public and gather public input on the scope of the Environmental Assessment to be prepared. Approximately 25 people attended the meeting over the two sessions. Comments were recorded by a court reporter at the meetings. Additionally, the public was given until October 15, 2013, to submit written comments on possible impacts, mitigations and alternatives.

Public Comments

EERA received written comments from five federal and state agencies, the Applicant and 13 residents. Several people also raised topics at the scoping meetings consistent with the draft scoping document, which described issues that EERA would typically include in an EA. Particularly, the public expressed interest in issues about possible health effects including EMF, aesthetics, property values and natural resource impacts.

Several of the letters were from residents on the very north end of the project where GRE has presented an option to relocate a portion of the original route to County Road 27. Residents on the original alignment are concerned about the limited width of the original easement and the impacts of construction and access. Residents along the alternative are concerned about possible new aesthetic and financial impacts. Both options will be reviewed in the EA.

As to possible new route alternatives, one resident recommended moving the segment along Panama Avenue to Zachary Avenue, intending to mitigate potential impacts to wetlands and migratory birds. EERA determined that the alternative shifted the impacts to the alternate location rather than mitigating for them. Another alternative exists to Panama Avenue that will be reviewed in the EA on Texas Avenue.

GRE requested two adjustments to its proposed route alternatives. First, GRE requested an expanded route width at either of two possible route intersections with the Brookings to Hampton 345 kV Transmission Line with a 250 foot radius at the intersection. Second, in conjunction with public comment, GRE requested a widened (additional 500 feet) route width south of 250th Street along Texas Avenue to accommodate the two households immediately across the avenue from one another. These route widths have been included in the scope of the EA as replacements for those in the original application.

The Army Corps of Engineers responded that no St. Paul District real estate, completed projects, or ongoing civil works projects would be affected by the proposed project.

The Minnesota Department of Natural Resources noted that the proposed Project is within, or adjacent to, an area of statewide importance to the Blanding's turtle, a state-listed threatened species. DNR also requested the EA update the threatened and endangered list, include a map with avian flight diverters and provide detail about construction and maintenance clearing methods in forested areas.

The Minnesota Department of Transportation noted that the proposed transmission lines and associated facilities do not directly abut a state trunk highway. Mn/DOT requested to be made aware of any changes to the proposed transmission line that may make the project area close enough to occupy a portion of current Mn/DOT right-of-way.

The Minnesota Pollution Control Agency noted the project may require a CWA Section 401 Water Quality Certification or waiver. It noted that turbidity impairment of certain nearby water bodies will dictate additional increased stormwater treatment during construction and require additional increased permanent treatment post construction.

The Three Rivers Park District noted it is unable to provide land for additional easement width or construction access outside of the existing easement areas. The Park District also requested the Environmental Assessment should acknowledge Doyle-Kennefick Regional Park and the Scott West Regional Trail and their important natural, cultural and recreational value.

Comments can be viewed at <http://mn.gov/commerce/energyfacilities/resource.html?Id=33594>.

Commission Review

On November 5, 2013, EERA notified the Commission of its intention to recommend to the Deputy Commissioner of the Department that the Scoping Decision for the EA include only the routes proposed by GRE in its route permit application and its route width modifications offered during the comment period. On November 26, 2013, the Commission voted to take no action with respect to the route alternatives to be considered.

Having reviewed the matter, consulted with DOC Energy Environmental Review and Analysis staff, and in accordance with Minnesota Rule 7850.3700, I hereby make the following Scoping Decision.

MATTERS TO BE ADDRESSED IN THE EA

Based on the requirements of statute and rule, EERA's experience with past environmental reviews and the comments received by the public, the EA on the proposed Elko New Market Cleary Areas Project will address and provide information on the following matters:

1.0 PROJECT DESCRIPTION

- Purpose of the Transmission Line
- Project Location
- Route Description
- Substation Description
- Route Width
- Rights-of-Way Requirements
- Project Cost

2.0 REGULATORY FRAMEWORK

- CN Process and Procedures
- HVTL Route Permit Process
- Environmental Review Process

3.0 ENGINEERING AND OPERATION DESIGN

- Transmission Line Conductors
- Transmission Line Structures
- Substations

4.0 CONSTRUCTION

- Transmission Line and Structures
- Substations
- Property/Right-of-Way Acquisition
- Cleanup and Restoration
- Damage Compensation
- Maintenance

5.0 POTENTIAL ENVIRONMENTAL IMPACTS AND MITIGATIVE MEASURES

The EA will include a discussion of the following potential human and environmental impacts of the project and its alternatives. Based on the impacts identified, the EA will describe mitigative measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EA will describe any unavoidable impacts resulting from implementation of the proposed project.

Environmental Setting

Socioeconomic Setting

Human Settlement

Displacement

Noise

HVTL & Substation

Construction Activities

Aesthetics

Visual and View-shed

Lighting Requirements

Proximity to Structures

Residences

Businesses

Schools/Daycares

Hospitals

Cemeteries

Existing Utilities

Public Health and Safety

Electric and Magnetic Fields

Implantable Medical Devices

Stray Voltage

Tower Collapse

Security of Facilities, emergency provisions

Recreation

Parks

Trails

Transportation and Public Services

Emergency Services

Airports

Highways, Roads and Bike Paths

Traffic (during construction)

Interference

Radio and Television (digital and satellite)

Internet (Wi-Fi)

Cellular Phone

Current and Future Infrastructure

Emergency vehicle pre-emption devices

Archaeological and Historic Resources

Zoning and Compatibility/Federal, State and Local Government Planning

Land-Based Economies

- Agriculture
- Forestry
- Mining

Property Values

- Residential
- Industrial
- Agriculture

Air Quality

- Construction (heavy equipment, dust)

Natural Resources

- Surface Water
 - Lakes
 - Surface/stormwater Flows
- Groundwater
- Wetlands
- Floodplains
- State Wildlife Management Areas/Scientific Natural Areas
- National Wildlife Refuge/Waterfowl Production Areas

Flora

Fauna

Rare and Unique Natural Resources/Critical Habitat

6.0 ALTERNATIVES TO THE PROPOSED HVTL

No-build Alternative

Demand Side Management

Purchase Power

Alternative Fuels

- Fossil Fuel Technologies

- Renewable Resource Technologies

Upgrading Existing Facilities

New Generation

7.0 ALTERNATIVE ROUTES

The EA will identify and evaluate the proposed route and alternative routes and route segments to the proposed project.¹ The evaluation will contain a comparison of the relative merits of the proposed route and each alternative in view of the factors to be considering in determining a route permit, as per Minnesota Rule 7850.1400. The following alternatives will be evaluated in the EA:

¹ The "proposed project" will include two Applicant requests for changes from the Route Permit Application: 1) a 250 foot radius around any point where the new line intersects the Brookings to Hampton 345 kV line and 2) adding an additional 250 feet either side, total route width of 800 feet for a length of approximately 2,200 feet, on the East Option south of 250th Street and Texas Avenue.

1. On the very north end of the Project, a deviation of approximately 0.6 mile to the west of the existing Great River Energy MV-PN 69 kV line. Beginning on the north side of Dufferin Drive, the alternative would run approximately 280 feet west to the east side of CSAH 27, then follow CSAH 27 in a southerly direction approximately 0.3 mile, then straight south approximately 0.1 mile along a property line, then east approximately 0.2 mile along another property line to the existing MV-PN line.
2. Elko New Market Area.

West Option (5.4 miles)

One possible route for the new double-circuit transmission line (built to 115 kV standards) to the Veseli Breaker Station would run from the MVEC New Market Substation (at the intersection of 250th St. E and CSAH 23) south along CSAH 23 for 3.0 miles, then east along CSAH 86 for 0.9 mile, then south along Halstad Avenue for about 1.5 miles to the Xcel Energy Veseli Breaker Station.

East Option (6.5 miles)

A second possible route for the new double-circuit transmission line to the Veseli Breaker Station would run from the Great River Energy MV-PN 69 kV line (at the intersection of 250th Street and CSAH 27 (Texas Avenue)), south on CSAH 27 for 3.0 miles to CSAH 86, then west along CSAH 86 for 2.0 miles, then south along Halstad Avenue for 1.5 miles to the Xcel Energy Veseli Breaker Station.

8.0 REQUIRED PERMITS AND APPROVALS

The EA will include a list of permits and approvals that may be required for the project.

(Note: The above outline is not intended to serve as a “Table of Contents” for the EA document. The organization (i.e., structure of the document) of the data and analysis may not exactly reflect that appearing in the EA.)

ISSUES OUTSIDE THE SCOPE OF THE EA

The following issues will not be considered or evaluated in the EA:

- Any route or substation alternatives not specifically identified in this scoping decision.
- Any system alternatives not specifically indentified in this scoping decision.
- The manner in which landowners are paid for transmission rights-of-way easements.

SCHEDULE

The EA is scheduled to be available by February 21, 2013

Signed this 27th day of November 2013

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

A handwritten signature in black ink, appearing to read 'W. Grant', is written over a horizontal line.

William Grant, Deputy Commissioner



