

Revised Staff Briefing Papers Re: Draft Route Permit Condition 6.5

Meeting Date February 5, 2026

Agenda Item *8**

Company Northern States Power Co. d/b/a Xcel Energy

Docket No. E002/CN-22-532, TL-23-157

In the Matter of the Application of Xcel Energy for a Certificate of Need and Route Permit for the Mankato – Mississippi 345 kV Transmission Line Project in Southeast Minnesota

Staff included permit condition 6.5 **Tree Replacement Plan** with the Draft Route Permit for this filed on January 21, 2025, and omitted to provide any supporting information in briefing papers as for the origin of the language. Condition 6.5 states:

6.5 Tree Replacement Plan

The Permittee in coordination with impacted landowners, the DNR and the affected counties shall develop a plan to replace any trees that are removed for construction of the project by planting new trees first on impacted landowner property or if that's not practical in the affected counties near the project area, and file the plan with the Commission at least 14 days before the pre-construction meeting. At least 90 days prior to the preconstruction meeting, and after consultation with landowners, the DNR, and the affected counties, the Applicant shall make a tree replacement plan compliance filing including an estimate of costs. For Xcel Energy's share of any prudent and reasonable costs associated with any tree replanting requirement may be recoverable under its Renewable Resources Rider.

Similar language was adopted by the Commission on January 21, 2026 during the final decision in docket 24-264, In the Matter of Route Permit Application for the Appleton to Benson 115 kV Transmission Line Project.¹

¹ *The Permittee in coordination with impacted land owners, the DNR, and Swift County shall develop a plan to replace any trees that are removed for construction of the project by planting new trees first on impacted landowner property or if that is not practical in Swift County near the project area, and file the plan with the Commission at least 14 days before the preconstruction meeting. At least 90 days prior to the pre-construction*

Similar language was also used in two recent solar site permit dockets²³ that were approved by the Commission.

Xcel's Response to Tree Replacement Plan Permit Condition

On January 30, 2026, Xcel Energy filed a response to staff's briefing paper, draft permit and the proposed decision options. Xcel's comments addressed the practicality and cost of implementing this permit condition for a large transmission project. Xcel stated that if the Commission adopts this proposed condition Xcel proposed some modifications to the condition as follows:

The Permittee in coordination with impacted landowners, the DNR and the affected counties shall develop a plan to replace any trees that are removed for construction of the project by planting new trees first on impacted landowner property or if that's not practical in the affected counties near the project area, and file the plan with the Commission at least 14 days before the pre-construction meeting. At least ~~90~~ 14 days prior to the preconstruction meeting, ~~and after consultation with landowners, the DNR, and the affected counties,~~ the Applicant shall make a tree replacement plan compliance filing including an estimate of costs for that construction segment. For Xcel Energy's share of any prudent and reasonable costs associated with any tree replanting requirement may be recoverable under its ~~Renewable Resources~~ Transmission Cost Recovery Rider.

The additional cost associated with the tree replacement plan will need to be included in a final cost estimate for the project. The current proposed decision option 7.A from Staff briefing papers requires Xcel Energy to file a final cost estimate for the Project within 60 days of the Commission's Order determining the route. If Xcel's tree replacement plan requires the review and consideration of the Commission, the timing of 14 days prior to preconstruction meeting, as proposed by Xcel, would provide insufficient time for the Commission to make that determination. In addition, Staff submits that the Commission typically takes more than 14 days for a matter to be scheduled for a Commission hearing and a final order to be issued. Staff recommends that the timing of the submission of Xcel's replacement plan and the review and

meeting, and after consultation with landowners, the DNR, and Swift County, the Permittee shall make a tree replacement plan compliance filing including an estimate of costs. Otter Tail's share of any prudent and reasonable costs associated with any tree replanting requirement may be recoverable under their Renewable Resources Rider.

² GS-23-423 Benton Solar Project, Commission Order, January 28, 2026

³ GS-23-414 Iron Pine Solar Project, Commission Order, July 15, 2025

approval or acceptance of it should be discussed and considered by the Commission during the agenda meeting.

Cost Recovery:

As reflected in its proposed modification, Xcel Energy also requested that cost recovery be allowed through the Transmission Cost Recovery Rider, where recovery of other costs for the project will be reviewed.