

Minnesota Public Utilities Commission

Staff Briefing Papers

Meeting Date: January 30, 2014. Agenda Item # *1

Company: **Minnesota Power**

Docket No. **E015/TL-13-805**

In the Matter of the Minnesota Power Route Permit Application for the Canisteo HVTL Project in Itasca County

Issue(s): What action should the Commission take regarding route alternatives to be evaluated in the environmental assessment?

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Relevant Documents

ApplicationOctober 9, 2013
Minnesota Department of Natural Resources Comments (2 parts) January 3, 2014
Department of Commerce EERA – Draft EA Scoping Document January 3, 2014
Minnesota Department of Transportation Comments January 3, 2014
Department of Commerce EERA – Public Comments from Scoping Meeting January 3, 2014
EERA Memo January 7, 2014

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless otherwise noted.

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I. Statement of the Issue

What action should the Commission take regarding route alternatives to be evaluated in the environmental assessment?

II. Project Overview

Minnesota Power filed a route permit application to construct two approximately 5.2-mile 115 kilovolt (kV) high-voltage transmission lines (HVTLS) and a substation in Itasca County near the cities of Bovey and Coleraine (the project). The two transmission lines would be constructed parallel to one another with an overlapping right of way of 160 feet. Minnesota Power has stated that the project is needed to support projected load growth for the planned Magnetation plant.

III. Procedural History

On October 9, 2013, Minnesota Power (MP) filed a route permit application under the alternative permitting process for the project.¹

On December 17, 2013, the Commission issued an Order Finding Application Complete, Granting Variance, and Referring Application to the Office of Administrative Hearings.

On December 17, 2013, Minnesota Power filed comments for consideration during the environmental assessment scoping. MP stated that, subsequent to the submission of the route permit application Magnetation indicated a change in the location of their facility; and therefore the location of the proposed substation location also needed to be changed. MP indicated that the new proposed substation would be located a half mile to the east, thereby shortening the proposed route by about 2,600 feet. MP included information regarding the potential environmental and land use impacts associated with the change.

On December 18, 2013, a public information and environmental assessment scoping meeting was held in Bovey. Public comments on issues and alternative routes for consideration in the environmental assessment scoping decision were accepted until January 3, 2014.

On January 3, 2014, comments were received from the Minnesota Department of Natural Resources and the Minnesota Department of Transportation.

Also on January 3, 2014, the Department of Commerce Energy Environmental Review and Analysis staff (Department) filed a Draft Environmental Assessment Scoping Document.

On January 7, 2014, the Department filed a Summary of the Public Information and Scoping meeting.

¹ See Minnesota Statutes, section 216E.04 and Minnesota Rules, parts 7850.2800 to 7850.3900.

IV. Statutes and Rules

The Department is responsible for preparing an environmental assessment for high-voltage transmission line projects being reviewed under the alternative permitting process in accordance with Minn. Rules, part 7850.3700. The environmental assessment must provide information on the human and environmental impacts of the proposed project and of alternative sites or routes, including methods to mitigate such impacts.

In accordance with Minn. Rules, part 7850.3700, subp. 3, the Department must determine the scope of the environmental assessment within 10 days after close of the public comment period. In addition, Minn. Stat. § 216E.04, subd. 5, anticipates that the Commission will have the opportunity to identify other routes for consideration prior to environmental review of a project. Because the 10-day timeline of Minn. Rules, part 7850.3700, limits the Commission's ability to evaluate public input and identify other possible routes prior to issuance of the scope, the Commission granted a variance to the 10-day time limit.

V. Scoping Comments

Members of the public expressed their support for the project during the December 18, 2013 public information and scoping meeting. No written comments from the public during the comment period.

The Minnesota Department of Natural Resources (DNR) provided written comments expressing substantial concerns regarding the location of the substation as proposed in the application and its encumbrance of state mineral resources. The DNR provided an alternative location that would help address their concerns, though conditions specific to encumbering state mineral resources would remain necessary in the License to Cross Public Lands and Waters.

The Minnesota Department of Transportation (MNDOT) provided written comments stating that the locations of the proposed transmission lines and substation do not directly abut a state trunk highway.

VI. Department of Commerce Comments

On January 7, 2014, the Department filed comments and recommendations that discussed the environmental assessment scoping process and route alternatives proposed during that process. The Department stated that no additional route alternatives were put forth during the scoping process.

The Department agreed to incorporate the items and issues raised during the public comment period into their recommendation for the Environmental Assessment Scoping Decision. The Department stated that a discussion of potential routes reviewed and rejected by the application would also be provided in the Environmental Assessment.

VII. Staff Discussion

Commission staff has reviewed the route permit application along with the comments received during the comment period and agrees with the Department's decision to evaluate only the routes proposed by Minnesota Power in its application (as amended), along with a discussion of potential route reviewed and rejected by the applicants. Therefore, staff recommends that the Commission not take action on route alternatives in this matter. If the Commission takes no action, the Department may proceed with issuing the scoping decision without an order from the Commission.

Separately, staff will e-file a route permit template. The intent of the template is to provide interested parties and governmental agencies an opportunity to review the standard permit language early in the process so they may begin to develop additional language and/or special conditions specific to the proposed project. Having a generic permit template will allow for greater discussion and will provide the administrative law judge with a foundation to build on during the hearing process and when preparing the final hearing report and recommendations.

VIII. Commission Decision Alternatives

- A. What action should the Commission take regarding route alternatives or other significant issues to be evaluated in the environmental assessment?
1. Propose additional routes for inclusion in the scoping decision for the environmental assessment.
 2. Take no action.
 3. Take some other action deemed appropriate.

Staff Recommendation: **A.2**