

Staff Briefing Papers

Meeting Date May 21, 2026

Agenda Item 1*

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

Docket No. E002/ESS-25-319

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Site Permit for the up to 600 MW Sherco South & West Battery Energy Storage Project in Sherburne County, Minnesota.

- Issues**
- Should the Commission grant a site permit for the proposed project?
 - If granted, what additional conditions or requirements should be included in the site permit?
 - Should the Commission approve and adopt the applicant's proposed Findings of Fact and Conclusions for the project as amended by staff?

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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 noted otherwise.

✓ **Relevant Documents**

	Date
Xcel Energy – Application (14 parts)	12/05/2025
Public Utilities Commission, Energy Infrastructure Permitting Staff (PUC EIP Staff, Commission Staff, or Staff) – Notice of Site Permit Application Completeness Determination and Public Information Meetings (2 parts)	12/19/2025
Xcel Energy - Affidavit of Publication	01/08/2026
PUC EIP – Sample BESS permit	01/12/2026
Minnesota Department of Natural Resources (DNR) - Natural Heritage Review Letter	01/26/2026
DNR - Comments	01/26/2026
PUC - Written Public Comments Received	01/28/2026
PUC - Oral Comments from Public Information and Scoping Meetings	01/28/2026
PUC EIP - EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum	02/04/2026
CAH - Order for Public Hearings	02/19/2026
PUC- Order	02/25/2026
PUC- Notice of Public Hearings and Availability of Draft Permit	02/27/2026
PUC - EQB Monitor Notice of Public Hearings and Availability of Draft Permit	03/10/2026
Xcel Energy – Direct Testimony – Clitty	03/11/2026
DNR - Comments	03/30/2026
Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) - Comments	03/30/2026
PUC - EIP Staff Comments	04/02/2026
Xcel Energy - Response to Public Comments and Proposed FOF	04/06/2026
CAH – Summary of Public Comments	05/01/2026

Attachments

- Attachment A: Table 1 - Proposed Site Permit Language
- Attachment B: Table 2 - Summary Table of Staff Proposed Findings
- Attachment C: Staff Proposed Findings
- Attachment D: Staff Proposed Site Permit
- Attachment E: Complaint Handling Procedures for Permitted Energy Facilities
- Attachment F: Compliance Filing Procedures for Permitted Energy Facilities
- Attachment G: Site Permit Maps

I. ISSUES

- Should the Commission grant a site permit for the proposed project?
- If granted, what additional conditions or requirements should be included in the site permit?
- Should the Commission approve and adopt the applicant's proposed Findings of Fact and Conclusions for the project as amended by staff?

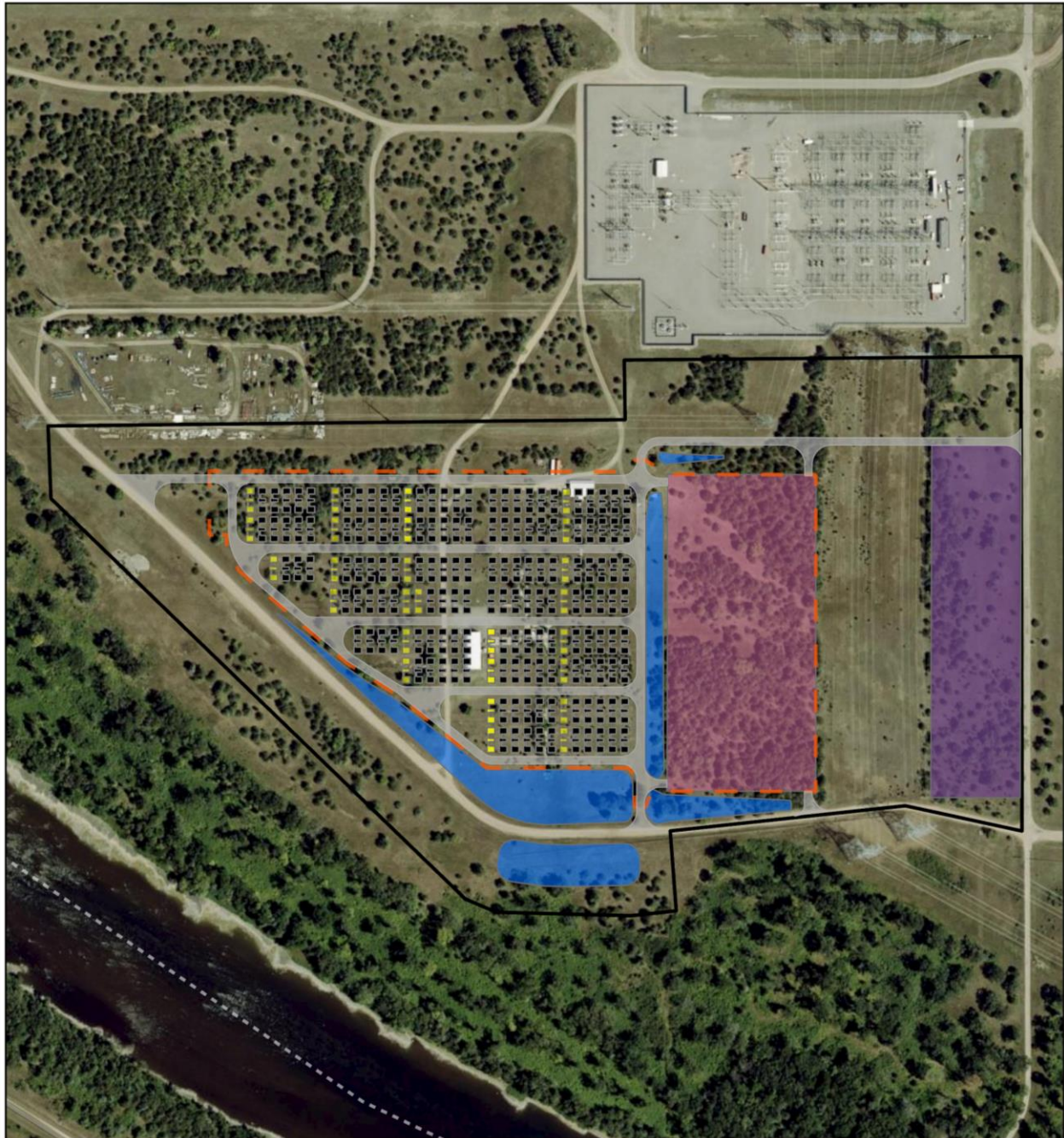
II. PROJECT BACKGROUND

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or applicant), submitted a site permit application (Application) for the up to 600 megawatts (MW) Sherco South & West Battery Energy Storage Project (Project or Sherco BESS) in the City of Becker, Sherburne County, Minnesota. The proposed Project would involve construction and operation of a battery energy storage system (BESS) with a nominal power rating of up to 600 MW alternating current with approximately 2,400 megawatt-hours (MWh) of energy capacity on a site consisting of approximately 62 acres adjacent to the Sherburne County Generating Station in the City of Becker, Sherburne County, Minnesota.

The proposed Project would be located on land owned by Xcel Energy, with approximately 35 acres of the site permanently occupied by Project infrastructure. The preliminary design of the BESS units proposes Lithium Iron Phosphate (LFP) battery technology. Project infrastructure would include 704 BESS units, 88 medium voltage transformers, and four main power transformers. Additionally, the Project will consist of inverters and electrical feeder lines, a 345 kV generation interconnect (gen-tie) transmission line of up to 600 feet, Project substation, storage, access roads, fencing, and stormwater basins. The proposed Project will interconnect via a gen-tie line from the Project substation to the adjacent existing Sherburne County Station. Xcel Energy proposed to begin construction in the third quarter of 2026.

As described in the Application, estimated project costs are between \$698 million and \$1.03 billion for construction, between \$6.8 million and \$10 million for operation and maintenance, and \$38.1 million for decommissioning.

PROJECT OVERVIEW MAP

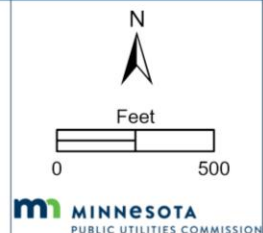


Sherco South and West Battery Energy Storage System Project Overview



Proposed Activities

- | | |
|---------------------|-------------------|
| Access Roads | Laydown Yard |
| BESS Container | Stormwater Basins |
| Future Augmentation | Substation |
| Fencing | Site Boundary |



III. RULES AND STATUTES

A. Certificate of Need

Under Minn. Stat. § 216B.243, subd. 8(a)(9), this project is exempt from a certificate of need as it is an energy storage system, as defined in Minn. Stat. §216I.02, subd. 6.

B. Site Permit

Under Minn. Stat. §216I.02, subd. 6, an energy storage system means equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage. The proposed Project would have a nominal power rating of up to 600 MW alternating current with approximately 2,400 MWh of energy capacity and is therefore defined as an energy storage system.

Under Minn. Stat. §216I.05, subd. 1(a), an energy storage system may not be constructed in Minnesota without a site permit from the Commission. The proposed Project requires a site permit because it is an energy storage system.

Applicants seeking a site permit for an energy storage system may elect to follow the standard review process described in Minn. Stat. §216I.07.

C. Procedural Treatment of Application

The Commission authorized the following procedures to review the site permit Application: (1) use of the standard review process; and (2) a request that the Court of Administrative Hearings (CAH) appoint an Administrative Law Judge (ALJ) to conduct public hearings and to prepare a report consistent with Minn. Stat. §216I.07, subd. 4(c).

IV. PROCEDURAL HISTORY

1) Application Completeness

On December 5, 2025, Xcel Energy submitted a site permit Application for the Sherco South & West Battery Energy Storage Project.¹

On December 19 and 22, 2025, PUC EIP staff issued a notice of site permit Application completeness determination and public information meetings.²

¹ Xcel Energy – [Application for a Site Permit and Environmental Assessment](#), 12/05/2025

² PUC EIP – [Notice of Site Permit Application Completeness Determination and Public Information Meetings](#), 12/19/2025

On January 12, 2026, PUC EIP staff filed a sample BESS Permit.³

2) Public Meeting, Environmental Assessment Addendum, and Draft Permit

On January 13, 2025, a virtual public information and scoping meeting was held via Webex. Three individuals attended the virtual meeting. One individual asked where the BESS components were made, and one local government representative said they were coordinating with the applicant. An in-person public meeting was held on January 14, 2025, at the Becker Community Center. Four individuals attended the in-person meeting, and Nathan Runke, representing the International Union of Operating Engineers Local 49 (IUOE Local 49) provided a comment about local jobs and wanted to ensure the record addressed local job creation.⁴

On January 26, 2026, the Minnesota Department of Natural Resources (DNR) filed comments and a Natural Heritage Review Letter.⁵ In their comments, DNR requested additional analysis of potential wildlife impacts associated with the proposed security fencing, including the extent to which the fence could impede wildlife travel corridors. Additionally, DNR suggested special permit conditions for tree removal timing restrictions, a security fencing plan, and a vegetation management plan (VMP). DNR suggested special permit condition language similar to 5.7 (Security Fencing) and 5.5 (Vegetation Management Plan) of the Snowshoe Energy Storage Project permit (Docket No. ESS-24-279).⁶ DNR also recommended the VMP include more detailed explanation regarding vegetation reestablishment phases, types of vegetation for reestablishment, and the diversity of native species that will be planted to minimize erosion and storm runoff.

On February 4, 2026, PUC EIP staff filed recommendations on a draft site permit and the need for an environmental assessment addendum.⁷ PUC EIP staff recommended that the Commission: (1) not require an addendum to the EA, (2) issue a draft site permit (DSP) with special permit conditions, and (3) refer the docket to the Court of Administrative Hearings (CAH) to conduct hearings and prepare a summary of public comments.

On February 19, 2026, CAH issued an order for public hearing proceedings and a summary of public comments, pursuant to the Commission's forthcoming order referring the matter to CAH.⁸

On February 25, 2026, the Commission issued an order (1) determining that an environmental assessment addendum is not required, (2) issuing a draft site permit prepared by EIP staff,

³ PUC EIP – [Sample BESS Permit](#), 01/12/2026

⁴ PUC EIP – [Oral Comments from Public Information and Scoping Meetings](#), 01/28/2026

⁵ DNR – [Natural Heritage Review Letter](#), 01/26/2026

⁶ Commission – [Order](#), Snowshoe BESS, 09/22/2025

⁷ PUC EIP – [EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum](#), 02/04/2026

⁸ CAH – [Order for Public Hearings](#), 02/19/2026

including special permit conditions, and (3) requesting that an administrative law judge (ALJ) from the CAH conduct public hearings for the project and prepare a summary of public testimony as expeditiously as possible.⁹

3) Public Hearings

On February 27, 2026, PUC EIP staff issued a notice of public hearings and availability of the draft permit.¹⁰

On March 11, 2026, Xcel Energy filed the direct testimony of Jordan Clitty.¹¹

On March 18, 2026, an in-person public hearing was held at the Becker Community Center and one individual attended. Mark Kolbinger, the mayor of the City of Becker, attended the hearing and spoke in support of the proposed Project. He stated that he serves as the chairman of the Becker Joint Powers Board which is co-managed with Becker Township and explained that the Joint Powers Board would provide fire and EMS services to the Project. Mr. Kolbinger further discussed the importance of proactive engagement regarding equipment and training needs for the fire department and flexibility with training schedules to ensure proper training of emergency staff.¹²

On March 19, 2026, a virtual public hearing was held via Webex. No members of the public attended the virtual public hearing.

On March 30, 2026, the Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) filed comments regarding the draft VMP.¹³ The VMPWG stated that no Commission action is recommended at this time but provided recommended modifications to the VMP to align with the typical site permit condition.

Also on March 30, 2026, DNR filed comments regarding permit conditions included in the DSP.¹⁴ DNR supported special conditions 5.1 (Vegetation Management Plan), 5.4 (Tree Removal Timing Restrictions), and 5.9 (Security Fencing) as written in the DSP. In response to Jordan Clitty's direct testimony, DNR disagreed with Xcel's assertion that the tree removal timing restriction was ineffective and reiterated support for special condition 5.4. Additionally, the DNR suggested a special permit condition that would require the applicant to coordinate with the DNR regarding rare species, similar to the Norther Long-Eared Bats condition included in the permit for the Benton Solar Project (Docket No. IP-7155/ESS-24-283).¹⁵ Regarding special

⁹ Commission – [Order](#), 02/25/2026

¹⁰ PUC EIP – [Notice of Public Hearings and Availability of Draft Permit](#), 02/27/2026

¹¹ Xcel Energy – [Direct Testimony – Jordan Clitty](#), 03/11/2026

¹² Shaddix & Associates - Stenographic Court Reporters, [Public Hearing Transcript](#), 04/03/2026

¹³ VMPWG – [Hearing Comments](#), 03/30/2026

¹⁴ DNR - [Comments](#), 03/30/2026

¹⁵ Commission – [Order](#), Benton Solar Project

condition 5.7 (Tree Replacement Plan) of the DSP, the DNR recommended adding additional text to establish a de minimis threshold of tree removal and definition of a tree.

On April 2, 2026, PUC EIP staff filed comments regarding the applicant's draft decommissioning plan.¹⁶ PUC EIP staff highlighted key areas of the draft decommissioning plan that did not meet staff expectations or needed further clarifications and recommended that the applicant revise their draft plan prior to filing the pre-construction decommissioning plan.

On April 6, 2026, Xcel Energy filed responses to public comments received and proposed findings of fact.¹⁷ Their responses are as follows:

City of Becker

In response to Mayor Kolbinger's hearing comments in support of the project and requesting proactive coordination with emergency services, Xcel Energy stated they will work with the Joint Powers Board.

DNR

In response to DNR's March 30, 2026, comments on recommended permit conditions, Xcel stated that they do not object to special permit conditions requiring coordination on rare species and coordination on a final fencing plan with DNR. The Applicant also stated they will coordinate with the DNR and the Commission on a tree replacement plan, as suggested in special permit condition 5.7 of the DSP.

However, Xcel Energy reiterated that they disagree with special permit condition 5.4 requiring tree clearing restrictions from June 1 to August 15 and stated that the record does not support its inclusion. The Applicant further stated that there are no known Northern Long Eared Bat (NLEB) maternity roost trees or hibernacula in Sherburne County, and that the Project site has limited suitable habitat. Additionally, Xcel Energy discussed that the tree clearing restriction may delay the start of construction for the Project and instead proposed the following permit condition language:

"The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff."

Regarding DNR's recommendation that the VMP include greater detail on reestablishment phases, specifying plant species, and use of a diverse mix of native plants, Xcel Energy also

¹⁶ PUC – [EIP Staff Comments](#), 04/02/2026

¹⁷ Xcel Energy – [Response to Public Hearing Comments and Proposed Findings of Fact](#), 04/06/2026

discussed that they would continue to work with the VMPWG to finalize the VMP ahead of construction.

VMPWG

In response to the VMPWG's comments regarding recommendations on the VMP, Xcel Energy stated they will continue to work with the VMPWG to finalize the VMP in alignment with the draft site permit and agency guidance ahead of construction.

PUC EIP

In response to PUC EIP's April 2, 2026, comments, Xcel Energy stated that they will continue to work with PUC EIP staff to incorporate recommendations and revise the Decommissioning Plan prior to Project construction.

On May 1, 2026, CAH filed a summary of public comments to the record.¹⁸

V. ADMINISTRATIVE LAW JUDGE SUMMARY OF PUBLIC TESTIMONY

Administrative Law Judge, Kristien R.E. Butler, presided over the public hearings and prepared a summary of verbal and written public hearing comments for the Commission. The ALJ provided the following summary of the one verbal comment received from Mayor Mark Kolbinger:

"One member of the public provided oral testimony at the in-person public hearing. Mark Kolbinger, mayor of Becker and chairperson of the Becker Joint Power Spire Board, spoke on behalf of both Becker and Becker Township. Kolbinger wanted to ensure the Project would keep fire and emergency medical services factors at the forefront. Kolbinger made it clear that anything relating to the fire department and its services would equally impact Becker and Becker Township in terms of budgets and services providers. All of the fire department services providers are volunteers, and 35 of the total 36 services providers have other full-time employment. Given this, Kolbinger requested that all services providers be able to receive any required training—regarding specialized equipment or otherwise—with reasonable flexibility taken into consideration. Kolbinger stressed that the safety of the services providers was of paramount concern to Becker and Becker Township."

VI. PUC STAFF DISCUSSION

The following issues are before the Commission:

- Should the Commission grant a site permit for the proposed project?

¹⁸ CAH – [Summary of Public Comments](#), 05/01/2026

- If granted, what additional conditions or requirements should be included in the site permit?
- Should the Commission approve and adopt the applicant's proposed Findings of Fact and Conclusions for the project as amended by staff?

Based on information in the permit Application, the analysis provided in the Environmental Assessment, public comments, direct testimony, the ALJ summary of public testimony, and other evidence in the record, PUC staff provides the discussion below.

A. Site Permit

Staff finds that the applicant has met all applicable statutory and rule criteria for obtaining a site permit for the project and recommends that the Commission grant Xcel Energy a site permit to construct and operate the up to 600-megawatt Sherco South and West Battery Energy Storage System Project. A proposed site permit with staff-supported permit language is provided as **Attachment D** to these briefing papers. Permit condition language agreed upon by the applicant and PUC EIP staff is marked in normal black text in the proposed site permit. Two permit conditions, marked in blue text in the proposed permit, are discussed further here – Section 5.4 Tree Clearing and Section 5.7 Tree Replacement Plan.

B. Permit Conditions - Tree Clearing and Tree Replacement

In addition to the proposed site permit (**Attachment D**) staff provides the following discussion of two special permit conditions – tree clearing and tree replacement. The language of these permit conditions is also included in a summary table of proposed permit conditions in **Attachment A**.

Tree Clearing (Special Permit Condition 5.4)

The DNR recommended that tree removal be avoided to minimize impacts to roosting bats and migratory birds from June 1 through August 15. This language was included in the draft site permit issued by the Commission. The applicant argued that this language is broader than what is necessary for the site and provided alternative language that they believe is more aligned with other dockets:

~~The permittee shall not remove trees from the site from June 1 to August 15.~~
The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

Staff notes that the applicant's proposed language does not include coordination with the DNR.

The DNR proposed the language in the draft site permit to mitigate impacts to bats and birds. Staff recommends permit language that removes specific dates from the permit condition and that requires coordination with both the DNR and the United States Fish and Wildlife Service (USFWS). To ensure that the project may proceed if the USFWS is not responsive to coordination efforts, staff recommend language that allows the applicant to rely on existing USFWS guidance.

Staff notes that the applicant has proposed starting construction in the third quarter of 2026.

Tree Replacement Plan (Special Permit Condition 5.7)

The DNR requested that special condition 5.7 establish a de minimis threshold of tree removal and include a definition of a tree. The DNR also recommended that the tree replacement plan prioritize replacing habitat beyond visual screening plantings and provided species-specific details to consider for the site. The applicant did not oppose the DNR's recommendation and stated that they will coordinate with the DNR and the Commission on a tree replacement plan.

Staff notes that the Commission has included tree replacement plan conditions in several recent permits, and that the permit language has continued to evolve. Staff have amended the tree replacement language of the proposed site permit to reflect refinements made to this permit condition in other recent dockets, specifically to include language that provides some general direction on the size and location of replacement plantings as well as the option to fund plantings conducted by public programs such as DNR Forestry Program.

Staff appreciates DNR's recommendations regarding tree replacement plans and will consider these suggestions during preparation of guidance intended to assist applicants in developing tree replacement plans.

C. Findings of Fact and Conclusions

Staff has reviewed the applicant's proposed findings and made corrections and additions as appropriate. These changes are reflected in PUC Staff's Proposed Findings of Fact and Conclusions of Law (**Attachment C**) and the summary table of staff's proposed changes (**Attachment B**). With the modifications recommended by Commission staff, staff believe **Attachment C** accurately reflects the record; addresses all factors outlined in Minn. Stat. § 216I.05, subd. 11; and contains all findings and conclusions required to issue a permit under Minn. Stat. ch. 216I. If the Commission agrees, staff recommend that the Commission adopt these proposed findings and conclusions to the extent they are consistent with the Commission's decisions in this matter.

D. Tribal Participation

As discussed in their Application for the Sherco BESS Project, Xcel Energy provided a mailed Project introduction letter to the 11 federally-recognized Minnesota Tribal Nations and

followed up by phone and email to solicit feedback.¹⁹ Of the Tribal Governments contacted, Xcel Energy received responses from the Leech Lake Band of Ojibwe and the Shakopee Mdewakanton Sioux Community Tribal Historic Preservation Officers (THPOs). The Leech Lake Band of Ojibwe THPO responded and stated that they do not have any recorded historic properties within the Project area, but if human remains or suspected human remains are encountered, all work on the Project should cease and notice should be given to all necessary stakeholders. The Shakopee Mdewakanton Sioux THPO stated that they have no concerns regarding the proposed Project.

¹⁹ Xcel Energy – [Appendix C - Agency, and Tribal Outreach and Correspondence](#), 12/05/2025

COMMISSION DECISION OPTIONS

Site Permit

1. Grant a site permit to Xcel Energy for the up to 600-MW Sherco South & West Battery Energy Storage Project with the standard and special conditions identified in the attached proposed site permit. (See **Attachment D** to these briefing papers) (Applicant, PUC EIP Staff).

And

2. Adopt the following special site permit conditions. (See **Table 1** of **Attachment A** to these briefing papers) (PUC EIP Staff)
 - a. Special Condition 5.4 – Tree Clearing (PUC EIP Staff)
 - b. Special Condition 5.7 - Tree Replacement Plan (PUC EIP Staff)

Or

3. Deny a site permit for the up to 600-MW Sherco South & West Battery Energy Storage Project.

Findings of Fact

4. Adopt PUC EIP staff's Proposed Findings of Fact and Conclusions of Law to the extent that they are consistent with the Commission's decision. (PUC EIP Staff)

Administrative

5. Delegate authority to the Executive Secretary to modify the site permit and the Staff Proposed Findings of Fact and Conclusions of Law to correct any typographic and formatting errors and to ensure consistency with the Commission's order. (PUC EIP Staff)

Staff Recommendation: 1, 2a-b, 4, 5

Table 1: Proposed Site Permit Language

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
Permit Language that Requires Additional Consideration					
Special Permit Condition - 5.4	Tree Removal Timing Restrictions	DNR (Recommended in January 26, 2026 comments)	<u>The permittee shall not remove trees from the site from June 1 to August 15.</u>	[Proposed Language by Xcel Energy] ~~The permittee shall not remove trees from the site from June 1 to August 15. The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.~~	[Staff recommended language] The Permittee shall coordinate with the DNR and the U.S. Fish and Wildlife Service (USFWS) regarding the timing of tree clearing and any related conservation measures to mitigate impacts to birds and bats. If the USFWS is not responsive to coordination requests, the Permittee may rely on existing USFWS guidance. The Permittee shall maintain an inventory of the trees cleared for the project sufficient to inform the tree replacement required by Section 5.7 of this permit. The Permittee shall keep records of compliance with this

Attachment A

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
					section and provide them upon the request of Commission staff. Staff recommends permit language that removes specific dates from the permit condition and that requires coordination with both the DNR and the United States Fish and Wildlife Service (USFWS). The applicant and DNR have not reviewed Staff's proposed language, and the Commission may want to consider seeking clarification from them on their support for the language.
Special Condition - 5.7	Tree Replacement Plan	EIP staff (Recommended in the DSP)	<u>The Permittee shall, in coordination with the Minnesota Department of Natural Resources and Sherburne County, develop a tree replacement plan to replace any trees that are removed for the</u>	DNR requested that special condition 5.7 establish a de minimis threshold of tree removal and include a definition of a tree. The DNR also recommended that the tree replacement plan	[Staff recommended language] <u>The Permittee shall, in coordination with affected landowners and the DNR, develop a tree replacement</u>

Attachment A

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>construction of the Project and file the plan with the Commission at least 14 days before the pre-construction meeting.</u> <u>Replacement trees may be planted on public lands with the permission of the public entity/owner.</u>	prioritize replacing habitat beyond visual screening plantings and provided species-specific details to consider for the site	<u>plan to replace any trees that are removed for the construction of the Project and file the plan with the Commission at least 14 days before the pre-construction meeting.</u> <u>Replacement plantings may be new seedling or sapling trees. Replacement plantings may occur on public or private lands with the permission of the landowner or public entity and shall be prioritized within the county where the project is located. The tree replacement plan may include an alternative proposal to fund tree replacements through DNR Forestry Programs or other similar public programs.</u> Staff recommends permit language for the tree replacement plan special condition in the proposed site permit to include

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
					language that provides some general direction on the size and location of replacement plantings as well as the option to fund plantings conducted by public programs such as DNR Forestry Program. The applicant and DNR have not reviewed Staff's proposed language, and the Commission may want to consider seeking clarification from them on their support for the language.
Agreed Upon Permit Conditions					
Special Condition - 5.1	Vegetation Management Plan	DNR (Recommended in January 26, 2026 comments, included in the DSP)	<u>The Permittee shall develop a vegetation management plan (VMP), in coordination with the Vegetation Management Plan Working Group (VMPWG), using best management practices established by the DNR and BWSR. The Permittee shall file the VMP and documentation of</u>		Supported by DNR, the applicant, and PUC EIP staff.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>the coordination efforts between the Permittee and the coordinating agencies with the Commission at least 14 days prior to the pre-construction meeting.</u> <u>Landowner-specific vegetation requests resulting from individual consultation between the Company and a landowner need not be included in the VMP. The Permittee shall provide all landowners within the Designated Site copies of the VMP. The Permittee shall file with the Commission an affidavit of its distribution of the VMP to landowners at least 14 days prior to the pre-construction meeting.</u> <u>The VMP must include the following:</u> <u>A. management objectives addressing short term (year 0-5, seeding and establishment) and long term (year 5 through the life of the Project) goals;</u> <u>B. a description of planned</u>		

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>restoration and vegetation management activities, including how the site will be prepared, timing of activities, how seeding will occur (e.g., broadcast, drilling, etc.), and the types of seed mixes to be used;</u> <u>C. a description of how the site will be monitored and evaluated to meet management goals;</u> <u>D. a description of the management tools used to maintain vegetation (e.g., mowing, spot spraying, hand removal, fire, grazing, etc.), including the timing and frequency of maintenance activities;</u> <u>E. identification of the third-party (e.g., consultant, contractor, site manager, etc.) contracted for restoration, monitoring, and long-term vegetation management of the site;</u> <u>F. identification of on-site noxious weeds and invasive species (native and non-native) and the monitoring and management practices to be</u>		

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>utilized; and</u> <u>G. a marked-up copy of the Site Plan showing how the site will be revegetated and that identifies the corresponding seed mixes.</u> <u>Best management practices should be followed concerning seed mixes, seeding rates, and cover crops.</u>		
Special Condition - 5.2	Pre-construction Noise Modeling and Impact Assessment	EIP staff (Recommended in the DSP)	<u>The Permittee shall file a noise impact assessment at least 14 days prior to the pre-construction meeting. The noise impact assessment shall summarize the results from noise propagation modeling that incorporates noise inputs from the selected equipment and the facility layout shown in the site plans required in Section 8.3 of this permit. The permittee shall file an updated noise impact assessment including any revisions to selected equipment or facility layout prior to any modifications to the facility over</u>		Supported by PUC EIP staff. The applicant has not opposed this condition.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>its operating life.</u>		
Special Condition - 5.3	Noise Studies and Noise Mitigation	EIP staff (Recommended in the DSP)	<u>The permittee shall use low-noise air-cooled heat exchangers and perform operational phase noise monitoring to monitor effectiveness of this technology, as described below. The permittee shall update the noise modeling assessment when augmentation energy storage system units are to be installed.</u> <u>The Permittee shall file a proposed methodology for the conduct of a post-construction noise study at least 14 days prior to the pre-construction meeting. The Permittee shall develop the post-construction noise study methodology in consultation with Commission staff. The Permittee must conduct the postconstruction noise study and file with the Commission the completed post-construction noise study within 18 months of commencing commercial operation.</u>		Supported by PUC EIP staff. The applicant has not opposed this condition.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>The BESS facilities and associated facilities shall be constructed and operated such that the Permittee shall, at all times, comply with noise standards established by the MPCA. Operation of the facility shall be modified, or project components shall be removed from service if necessary to comply with these noise standards.</u>		
Special Condition - 5.5	Battery Augmentation	EIP staff (Recommended in the DSP)	<u>The Permittee shall notify the Commission of scheduled augmentation at least 30 days prior to commencing augmentation activities. In its filing, the Permittee shall describe the number and types of batteries included in the augmentation. The Permittee shall indicate the location of the augmentation on the project Site Plan. In its filing the Permittee shall demonstrate compliance with the noise impact assessment submitted to the Commission as required in Section 5.2 of this permit.</u>		Supported by PUC EIP staff. The applicant has not opposed this condition.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
Special Condition - 5.6	Hazard Mitigation Analysis	EIP staff (Recommended in the DSP)	<u>The Permittee shall file a Hazard Mitigation Analysis detailing the results of the equipment testing, and the risks associated with the technology, along with an affidavit of distribution of the Hazard Mitigation Analysis to emergency responders with jurisdiction over the project, at least 30 days prior to the pre-construction meeting.</u>		Supported by PUC EIP staff. The applicant has not opposed this condition.
Special Condition - 5.8	Annual Report	EIP staff (Recommended in the DSP)	<u>The Permittee shall, by February 1st following each complete or partial year of Project operation, file a report with the Commission on the monthly availability of the facility including:</u> <u>a. the installed nameplate capacity of the permitted facility;</u> <u>b. the monthly and annual availability of the facility;</u> <u>c. the operational status of the facility and any major outages, major repairs, battery</u> <u>d. augmentation, or performance improvements occurring in the previous year; and</u>		Supported by PUC EIP staff. The applicant has not opposed this condition.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>e. any other information reasonably requested by the Commission.</u> <u>The Permittee shall file this information in a format recommended by the Commission. This information shall be considered public and must be filed electronically.</u>		
Special Condition - 5.9	Security Fencing	DNR (Recommended in January 26, 2026 comments, included in the DSP)	<u>The Permittee shall design the security fence surrounding the energy storage system to minimize the visual impact of the Project while maintaining compliance with the National Electric Safety Code. The Permittee shall develop a final fence plan for the specific site in coordination with the DNR. The final fence plan shall be submitted to the Commission as part of the Site Plan pursuant to Section 8.3 of this permit.</u>		Supported by DNR, the applicant, and PUC EIP staff.
Special Permit Condition - 5.10	State-Listed Species	DNR (Recommended in January 26, 2026 comments, was not included	<u>Prior to the start of construction, the Permittees shall resubmit a Natural Heritage Review and continue to consult with the DNR</u>		Similar special conditions were included in Benton Solar (23-423; 23-425) and Otto Tap 115 kV Transmission Project (25-

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
		in the DSP but recommended in attach briefing paper)	<u>regarding implementation of avoidance measures for state-protected threatened and endangered species. The Permittees will comply with applicable DNR requirements related to state-listed endangered and threatened species in accordance with Minnesota's Endangered Species Statute (Minn. Stat. § 84.0895) and associated Rules (Minn. R. 6212.1800 to 6212.2300 and Minn. R. 6134). The Permittees shall file records of coordination with the DNR at least 14 days before the pre-construction meeting.</u>		269). Supported by the applicant and PUC EIP staff.

Staff Proposed Modifications to Applicants' Findings

Finding	Issue	Proposed Modification	Comment
Title	Title	STATE OF MINNESOTA ~~COURT OF ADMINISTRATIVE HEARINGS FOR~~ PUBLIC UTILITIES COMMISSION	Modified to clarify Author.
Title	Docket Number	MPUC Docket No. E002/ESS-25-319 ~~CAH Docket No. 24-2500-41543-~~	Edited for clarity.
Title	Findings Author	~~NORTHERN STATES POWER COMPANY'S~~ PUC STAFF'S PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW	Modified to clarify the proposed findings incorporate staff recommendations.
11	Procedural History	On February 25, 2026, the Commission ~~issued~~ <u>filed</u> an Order: (1) finding an EA addendum is not required, (2) issuing the DSP prepared by EIP, including special permit conditions, and (3) requesting an Administrative Law Judge from CAH conduct public hearings.	Edited for clarity.
13	Procedural History	The ~~Commission~~ <u>Xcel Energy</u> published notice of the Project in the Patriot News MN newspaper on March 7, 2026, and the <u>Commission published notice of the Project in the</u> EQB Monitor on March 10, 2026.	Modified to reflect the record.
16	Procedural History	<u>On March, 30, 2026, the Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) and the DNR filed comments.</u>	New finding to reflect the record.
17	Procedural History	<u>On April 6, 2026, the Applicant filed a response to public comments and proposed findings of fact and conclusions of law.</u>	Modified to clarify date and organize findings in chronological order.
18	Procedural History	On ~~May~~ <u>April —1</u> , 2026, Administrative Law Judge Butler provided a summary of public comments. His summary is hereby incorporated into these findings.	Modified to reflect the record.
20	Description of the Project	The ~~proposed~~ Project will interconnect via a less ~~than~~ <u>than</u> 600 foot single-span <u>345</u> kilovolt (kV) generation interconnect (gen-tie) line from the Project substation to the adjacent existing Sherburne County Substation.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
26	Summary of Public Comments	The Public Information and ~~EA~~ Scoping meetings were held on January 13 and 14, 2026. Three members of the public provided oral comments during the Public Information and ~~EA~~ -Scoping Meetings. One individual asked where the battery energy storage components were made; one local government representative stated that they were coordinating with the Applicant regarding the Project; and one representative of the IUOE Local 49 spoke about local labor and ensuring that the EA for the Project addressed local job creation.	Modified to reflect the record.
30	Summary of Public Comments	DNR, in its March 30, ~~2026~~ <u>2026</u> , public comments on the DSP, focused on several overarching environmental protection and habitat preservation themes. DNR continued to advocate for a seasonal tree-clearing restriction from June 1–August 15, over Xcel Energy’s opposition, maintaining that the restrictions are warranted to protect bat species and nesting birds, particularly given the Project’s proximity to the Mississippi River migration corridor. It also advocated for more robust and ecologically meaningful tree replacement and vegetation management standards, urging that replacement efforts prioritize habitat restoration over mere visual screening and that the VMP include detailed, native-species-focused revegetation commitments. Additionally, the DNR called for a dedicated permit condition requiring compliance with Minnesota’s endangered and threatened species statutes and rules—modeled on the condition used in the Benton Solar Project (<u>Docket No. IP-7115/ESS-24-283</u>)—before any project activities commence.	Modified to include reference to Benton Solar Project Docket Number.

Finding	Issue	Proposed Modification	Comment
31	Summary of Public Comments	~~Minnesota Interagency Vegetation Management Planning Working Group~~ (The VMPWG) filed written comments ~~recommending the Commission not act at this time in which it did not recommend any action by the Commission at this time.~~ Instead, the VMPWG outlined ~~ed~~ revisions so the VMP meets pre-construction compliance and anticipated permit conditions, and request ~~ed~~ continued coordination with EIP, agencies, and VMPWG through pre-construction review. The plan should clearly cover objectives, activities, responsible parties, tools, monitoring, invasive control, and marked-up site plans with seed mixes.	Edited for clarity.
33	Summary of Public Comments	On April 6, 2026, Xcel Energy submitted its response to public hearing comments submitted at the public hearing and through the March 30, ~~2026~~ 2026, comment deadline submitted by DNR and VMPWG, and also its response to the draft Decommissioning Plan comments submitted by EIP Staff on April 2, 2026. Xcel Energy <u>stated that it</u> remains committed to working cooperatively with EIP as it prepares and submits its pre-construction filings, including updates ~~ed~~ to the Decommissioning Plan, and will continue to address the specific issues raised to support regulatory compliance. Furthermore, Xcel Energy <u>stated that it</u> will continue to work with DNR and VMPWG to incorporate the recommendations and finalize the VMP prior to the start of construction.	Edited for clarity.
37	Public and Local Government Participation	Also, in July 2025, Xcel Energy sent notification letters to Tribal governments. These letters stated that Xcel Energy intended to file a site permit application for the Project. Xcel Energy followed up with a phone call to Tribes who had not responded to the notice letter on November 7, 2025, leaving voicemails where applicable. <u>To date, two Tribes have responded.</u>	Modified to reflect the record.

Finding	Issue	Proposed Modification	Comment
41	Site Permit Criteria	~~Under Minn. Stat. § 216I.05, subd. 4 (2025) and the Application Guidance for Large Energy Infrastructure Facilities in Minnesota – Standard Review (MPUC 2025),~~ ESS are eligible for the Standard Review process under Minn. Stat. § 216I.07, subd. 2. ~~and, therefore, the~~ The Application must contain an EA with information on the proposed Project’s human and environmental impacts and potential mitigation measures associated with the identified impacts. The EA is the only state environmental review document required to be prepared on the Project.	Edited for clarity.
43	Human Settlement	Minnesota law requires <u>applicants to submit information about</u> ~~consideration of~~ the Project’s effects on human settlement, including but not limited to displacement of residences and businesses, noise created by construction and operation of the Project, and impacts to aesthetics, cultural values, recreation, and public services.	Edited for clarity.
51	Visual and Aesthetic Resources	The record demonstrates that Xcel Energy has taken steps to avoid and minimize visual <u>and aesthetic</u> impacts.	Edited for clarity.
62	Noise	The record demonstrates that Xcel Energy has taken steps to avoid and minimize noise impacts. Further, the DSP requires the permittee to comply with ~~noise standards established under~~ Minnesota noise standards as defined under Minnesota Rule, part 7030.0010 to 7030.0080, and to limit construction and maintenance activities to daytime hours to the extent practicable.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
68	Land Use and Zoning	~~The Project makes good use of the land.~~ Development of an ESS in this area is consistent with the types of permitted uses in the City of Becker's General Industrial (GI) Zoning District, which was established to provide an area intended to regulate industrial, manufacturing, and related uses, as well as to provide for separation from adjacent commercial or residential uses. The Project is located in an industrial area, sited immediately adjacent to the existing Sherburne County Generating Station and associated infrastructure. The Project is consistent with Becker 2040's vision for strategic industrial expansion, supports key goals related to infrastructure modernization and environmental stewardship, and aligns with the Sherco Master Plan's emphasis on modern, clean energy redevelopment by leveraging existing transmission interconnections and substation infrastructure.	Removed subjective language not supported by specific evidence in the record.
70	Land Use and Zoning	Xcel Energy has developed a <u>draft</u> decommissioning plan that will be implemented at the conclusion of the Project. The decommissioning plan outlines the plan to remove all Project-related infrastructure and restore and reclaim the site to pre-Project conditions to the extent feasible.	Modified to reflect that the decommissioning plan in the record is a draft.
71	Land Use and Zoning	<u>Commission staff have reviewed the draft decommissioning plan and provided recommended modifications for the final decommissioning plan. The applicant filed a response stating that they would continue to coordinate with staff to revise the plan prior to construction. Under permit condition 9.1, the Permittee is required to file a decommissioning plan incorporating comments and information from the permit application process and any updates associated with the final construction plans with the Commission at least fourteen (14) days prior to the pre-construction meeting.</u>	New finding to reflect the record.

Finding	Issue	Proposed Modification	Comment
87	Socioeconomics	The potential impact intensity level is anticipated to be both short- and long-term minimal benefits. Effects associated with construction will, overall, be short-term and minimal. ~~Significant positive effects may occur for individuals.~~ Impacts from operation will be long-term and negligible.	Removed subjective language not supported by specific evidence in the record.
88	Socioeconomics	Construction of the Project is likely to result in increased expenditures for lodging, food and fuel, transportation, and general supplies at local businesses during construction. Construction of the Project will create local job opportunities for various trade professionals and will also generate and circulate income throughout the community by investing in local business expenditures as well as state and local taxes. <u>The Permittee, their contractors, and subcontractors will pay no less than the "prevailing wage rate" as defined in Minn. Stat. § 177.42.</u>	Modified to clarify that the permittees are required to pay no less than prevailing wage.
89	Socioeconomics	The Project is expected to create approximately 150 ~~workers jobs~~ on site during the construction phase, and 10 long-term ~~personnel positions~~ during the operations phase.	Edited for clarity.
91	Socioeconomics	~~SAs~~ socioeconomic impacts are anticipated to be beneficial.	Edited for clarity.
	Header Title	Public Health <u>and</u> Safety ~~and Emergency Services~~	Modified to reflect the record.
95	Public Health and Safety	Minnesota law requires <u>applicants to submit information about</u> ~~consideration of~~ the Project's potential effect on public health and safety.	Edited for clarity.
97	Electric and Magnetic Fields (EMF)	The Commission has ~~adopted~~ <u>established a standard that limits the</u> ~~maximum electric field limit of to~~ eight kV per meter (measured one meter above ground) but has not adopted a magnetic field standard.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
108	Public Safety and Emergency Services	Xcel Energy will develop a Project-specific Emergency Response Plan (ERP) in coordination with local emergency responders prior to construction. As requested by the City of Becker and the Commission, a Project information sheet on fire suppression practices and the ERP will be provided to local emergency responders, with a formal training session planned before construction begins. The ERP <u>will be provided to the Commission prior to operation and</u> will mandate quarterly on-site safety drills and annual training for local first responders, ~~and will be provided to the Commission prior to operation~~ . Construction and operation of the Project will have negligible impacts on local safety.	Edited for clarity.
109	Public Safety and Emergency Services	At the in-person hearing held on March 18, 202 ~~6~~ ⁵ , the Mayor of the City of Becker appeared and spoke on behalf of the joint fire board for the City of Becker and Becker Township. The Mayor requested that Xcel Energy engage in early <u>and proactive</u> coordination with the joint fire board regarding the Company's activities in the area. Xcel Energy agreed to work with the joint fire board to provide such early coordination.	Edited for clarity.
113	Land-Based Economics	Minnesota law requires <u>applicants to submit information about</u> ~~consideration of~~ the Project's potential effect on land-based economies – specifically, agriculture, forestry, tourism, and mining.	Edited for clarity.
115	Archaeological, Cultural, and Historic Resources	Minnesota law requires <u>consideration of applicants to submit information about</u> the Project's potential effects on historic and archaeological resources.	Edited for clarity.
119	Natural Resources	Minnesota law requires <u>applicants to submit information about</u> ~~consideration of~~ the Project's potential effects on the natural environment, including effects on air and water quality resources and flora and fauna.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
126	Air Quality and Greenhouse Gases	As a component of the <u>National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS)</u> construction stormwater permit (CSW Permit) that will be obtained for the Project, a ~~National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS)~~ , CSW Permit, and an associated Stormwater Pollution Prevention Plan (SWPPP) will be developed and implemented prior to construction in order to minimize the potential for fugitive dust emissions.	Edited for clarity.
145	Vegetation	~~EIP Staff~~ <u>The VMPWG</u> submitted formal comments to promote a transparent record and guide a pre-construction VMP in coordination with the ~~Vegetation Management Plan Working Group (VMPWG)~~ , using BMPs established by the DNR and Board of Water & Soil Resources (BWSR). Under proposed Special Condition 5.1, ~~EIP recommends that~~ the VMP and documentation of coordination efforts must be filed at least 14 days prior to the pre-construction meeting. ~~EIP recommends that t~~ The VMP must include: short-term and long-term management objectives; planned restoration and vegetation management activities; monitoring and evaluation methods; management tools and timing; identification of the third-party contractor; identification of on-site noxious weeds and invasive species; and a marked-up copy of the Site Plan showing revegetation and seed mixes.	Modified to reflect the record and edited for clarity.
151	Wildlife and Habitat	The Project is located within the Mississippi Flyway, which is a major north-south migration route. It is also located in the Prairie Hardwood Transition Bird Conservation Region. <u>The U.S. Fish and Wildlife Service (USFWS) Information for Planning and Consultation ("IPaC") report identified ten species of concern that could potentially occur in the Project Area.</u> Field investigations in March 2025 did not identify any high-quality or unique nesting habitat within the Project site for listed avian species, and observers did not note any stick nests within the Project site.	Modified to reflect the record.

Finding	Issue	Proposed Modification	Comment
153	Wildlife and Habitat	<u>The limited forest habitat within the Project site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat; however, there is much greater habitat available along the Mississippi River southwest of the project site.</u> Though limited tree clearing is expected within the Project site, impacts to birds selecting forested habitats are not anticipated due to the greater quality habitat southwest of the Project site. Xcel Energy has coordinated with the ~~U.S. Fish and Wildlife Service (USFWS)~~ and DNR regarding avoidance and minimization measures for potentially suitable habitat for protected species.	Modified to reflect the record.
156	Wildlife and Habitat	Xcel Energy propose ~~d~~ <u>s</u> fencing around the Project, which ~~does~~ creates potential for wildlife impacts. Although deer can jump many fences, they can become tangled in both smooth and barbed-wire fences. Predators can also use fences to corner and kill prey species. Nevertheless, the Project has a relatively small footprint and the Project site has an industrial nature, thus the fencing impact is anticipated to be minor.	Edited for clarity.
158	Wildlife and Habitat	The DNR recommended that the site permit include a special condition requiring the Permittee to coordinate with the DNR to finalize the security fencing plan, similar to Special Condition 5.7 included in the permitted Snowshoe Energy Storage Project (Docket <u>No. IP-7139/-ESS-24-279</u>).	Modified to add docket number reference.

Finding	Issue	Proposed Modification	Comment
161	Wildlife and Habitat	Xcel Energy submitted reply comments through its direct testimony on March 11, 2026 wherein it opposed the inclusion of a ~~blanket~~ seasonal tree clearing restriction prohibiting tree removal from June 1 to August 15. <u>Xcel Energy claims</u> ~~the~~ record does not support such a broad prohibition ~~as~~ there are no known Northern Long-Eared Bat (NLEB) maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited amounts of suitable forested habitat, consisting primarily of sparse conifers. <u>Xcel Energy states that a</u> rigid seasonal prohibition would unnecessarily constrain ~~Xcel Energy's~~ <u>the</u> construction schedule without a corresponding environmental benefit proportionate to the restriction.	Edited for clarity.
162	Wildlife and Habitat	Xcel Energy asserted that rather than imposing a blanket restriction unsupported by site-specific conditions, the Commission should adopt a permit condition requiring Xcel Energy to coordinate directly with the USFWS regarding the timing of tree-clearing and any other construction or restoration actions that may impact the NLEB, and to maintain records of compliance for Commission staff <u>to</u> review upon request. <u>Xcel Energy believes t</u> ~~his~~ approach ensures that any tree-clearing activities are carried out in a manner informed by the best available science and current federal guidance, while preserving the scheduling flexibility necessary for Xcel Energy to meet the Project's anticipated commercial operation date. ~~Coordination with the USFWS—the federal agency with direct authority over listed species—provides a more targeted, science-based safeguard than an arbitrary calendar-based restriction that bears no demonstrated nexus to actual habitat conditions at this site.~~	Edited for clarity and removed subjective language not supported by specific evidence in the record.
163	Wildlife and Habitat	DSP Special Permit Condition 5.4 ~~is a blanket prohibition forbidding~~ <u>prohibits</u> Xcel Energy from removing trees from the site from June 1 to August 15 to protect nesting birds and roosting bats	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
165	Wildlife and Habitat	DSP 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements ~~already collectively~~ provide ~~robust~~ wildlife and vegetation protections.	Edited for clarity.
166	Wildlife and Habitat	Xcel Energy proposed the Commission replace Special Condition 5.4 with the following language, ~~given that the record demonstrates the blanket prohibition is unnecessary for the reasons stated in finding 155 and 156:~~ <i>The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.</i>	Removed subjective language not supported by specific evidence in the record.
171	Rare and Unique Resources	Minnesota law requires <u>applicants to submit information about</u> ~~consideration of~~ the Project's potential effects on rare and unique natural resources.	Edited for clarity.
175	Rare and Unique Resources	Minnesota DNR performed an ~~a~~ <u>Natural Heritage Information System (NHIS)</u> review, providing results on September 9, 2025 and concluded that impacts to state-listed species are not anticipated. ~~Nevertheless, it~~ <u>In this review, DNR</u> recommended that tree removal be avoided from June 1 through August 15 to minimize potential impacts to bats.	Edited for clarity.
179	Application of Various Design Considerations	Minnesota law requires <u>applicants to submit information about</u> ~~consideration of the application of possible~~ design options <u>to accommodate the facility's future expansion and any other sites or routes that were considered and rejected by the applicant that maximize energy efficiencies, mitigate adverse environmental effects, and could accomodate expansion of transmission or generating capacity.</u>	Edited to make language consistent with cited statutory provisions.

Finding	Issue	Proposed Modification	Comment
180	Application of Various Design Considerations	Xcel Energy considered locating the Sherco West Battery Energy Storage System Project adjacent to the Sherco Solar 1 Project, northwest of the intersection of River Road SE and 115th Avenue in the City of Becker. Xcel Energy determined that this location did not provide sufficient space to accommodate all Sherco West Battery Energy Storage System facilities. Xcel Energy considered the Sherco South Battery Energy Storage System Project only at its current location, and did not further evaluate alternative locations. The current location has room for future augmentation that may be required over time. Through the selection of the current location, Xcel Energy has accommodated for future expansion. <u>DSP Special Permit Condition 5.5 requires the applicant to notify the Commission of any scheduled augmentation 30 days prior to commencing augmentation activities, including the number, type, and location of batteries, and demonstrate compliance with special permit condition 5.2.</u>	Modified to address special condition for notifying the commission of battery augmentation activities (condition 5.5 of the proposed permit).
186	Cost of Constructing, Operating, and Maintaining the Facility	Minnesota law requires <u>applicants to submit information about</u> ~~consideration of~~ the costs of constructing, operating, and maintaining a facility which are dependent on design and route.	Edited for clarity.
191	Adverse Human and Natural Environmental Effects that Cannot be Avoided	As discussed in detail above, ~~the unavoidable impacts can be mitigated, and~~ the DSP conditions will mitigate the unavoidable adverse impacts to the extent possible.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
198	Site Permit Conditions	~~Based on the record, In their direct testimony, the Applicant argued that Special Condition 5.4's blanket prohibition~~ timing restrictions on tree removal from June 1 to August 15 should be replaced with a condition requiring USFWS coordination regarding tree-clearing activities that may impact the NLEB. The <u>Applicant state that the</u> record demonstrates there are no known NLEB maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited suitable forested habitat, primarily sparse conifers. The <u>Applicant also note that the</u> DSP ~~already provides robust wildlife and vegetation protections—including contains other protections for wildlife and vegetation including~~ Section 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements ~~—rendering a rigid seasonal prohibition disproportionate and unnecessary. Accordingly, the record supports replacing Special Condition 5.4 with Xcel Energy's proposed USFWS coordination condition. The DNR~~ filed comments stating that the seasonal tree clearing restriction is not limited to NLEB or other bat species since it also provides protections for nesting birds. The DNR further noted that, although no bat records exist for the immediate area, all of Minnesota's bat species can occur statewide, and that the Project's proximity to the Mississippi River suggests nesting birds are likely present in the vicinity. The Site Permit Application discusses the wildlife species that may be present and acknowledges that although surveys have not verified presence, these species may still occur within or near the project site, and may be displaced to adjacent habitats during construction. The Application also states that the limited forest habitat within the site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat. EIP staff proposed permit condition 5.4 that removed the specific dates and required permittees to coordinate with both the Minnesota Department of Natural Resources and	Modified to reflect the record and remove subjective language.

Finding	Issue	Proposed Modification	Comment
		<u>the U.S. Fish and Wildlife Services regarding the timing of tree clearing and any additional conservation measures necessary to minimize impacts.</u>	
199	Special Permit Conditions	<u>In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended the language for special permit condition 5.7 be amended to include a de minimis threshold of tree removal and definition of a tree. EIP staff proposed permit condition 5.7 amended the condition language.</u>	New finding to address amended language for special condition 5.7.
200	Special Permit Conditions	<u>In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended a special permit condition requiring the Applicant to resubmit a Natural Heritage Review and continue to consult with the DNR regarding implementation of avoidance measures for state-listed species. EIP staff proposed permit condition 5.10 to address this recommendation.</u>	New finding to address new special condition for state-listed species requested by DNR (Condition 5.10 of proposed permit).
XIV	Environmental Assessment	~~COMPLETENESS OF ENVIRONMENTAL ASSESSMENT~~	Edited for clarity.
204	Environmental Assessment	<u>The applicant prepared an EA process is the alternative environmental review approved for ESS and submitted it with its Site Permit Application pursuant to the Standard Review Process.</u>	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
205	Environmental Assessment	~~The Commission is required to determine the completeness of the EA. An EA is complete if it addresses the requirements identified in Minn. Stat. § 216I.05, subd. 4.~~ On February 4, 2026, and following the January 13 and 14, 2026, public information and scoping meetings, Commission EIP Staff submitted a Scoping Summary and Recommendations, ~~finding-recommending~~ that ~~the Commission not require~~ an EA addendum ~~is not required~~ for the Project. <u>On February 25, 2026, the Commission issued an order finding that an EA addendum is not required for the Project. The evidence in the record demonstrates that the EA is adequate.</u>	Under 216I, there is no legal requirement to make a finding about EA adequacy or completeness for an application processed under standard review.
206	Environmental Assessment	The record ~~further~~ establishes that ~~the~~ EA ~~otherwise~~ meets the <u>relevant statutory</u> criteria and contains <u>the</u> information prescribed by Minn. Stat. §§ 216I.05, subd.4 and 216I.07, subd. 3.	Edited for clarity.
207	Environmental Assessment	<u>Minnesota law requires the Commission to consider the EA and the entirety of the record related to human and environmental impacts when making a final decision on a site permit application.</u>	New finding to clarify statutory requirement.
	Conclusions of Law	~~Any of the foregoing Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.~~	Removes duplication.
1	Conclusions of Law	The Commission has jurisdiction over the Application for a site permit for the ~~up to 600 MW~~ proposed Project pursuant to Minn. Stat. §§ 216I.03, ~~216I.05 and 216I.07 (2025).~~	Edited for accuracy.
3	Conclusions of Law	The Applicant prepared an EA for the Project for the purposes of this proceeding, which satisfies the requirements of Minn. Stat. §§ 216I.05, subd. 4 and 216I.07, subd. 3. <u>The Commission has considered the EA and the entirety of the record related to human and environmental impacts as required by Minn. Stat. § 216I.07, subd. 3(b).</u>	Edited for clarity.
5	Conclusions of Law	Xcel Energy and the Commission have ~~substantially~~ complied with the notice and procedural requirements of Minn. Stat. Ch. 216I (2025).	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
6	Conclusions of Law	Public hearings were held on March 18, 2026 (in-person) and March 19, 2026 (remote-access). Proper notice of the public hearings was provided as required by §§ 216I.05, subd. <u>89</u> , and 216I.07, subd. 4, and the public was given an opportunity to speak at the hearings and to submit written comments.	Corrects statutory reference.
9	Conclusions of Law	The Project, with the permit conditions discussed above, satisfies the Site Permit criteria for an ESS in Minn. Stat. § 216I.05 (2025) and meets all other applicable legal requirements. <u>The record demonstrates that issuing a Site Permit for the Project is in the public interest.</u>	Edited for clarity.
10	Conclusions of Law	The Project, with the permit conditions discussed above, does not present a potential for significant adverse environmental effects <u>and will not significantly affect the quality of the environment</u> pursuant to the <u>Minnesota Environmental Rights Act and/or the</u> Minnesota Environmental Policy Act.	Edited for clarity.
11	Conclusions of Law	<u>The Project, with the permit conditions discussed above, will not result in the pollution, impairment, or destruction of the air, water, land, or other natural resources as defined in the Minnesota Environmental Rights Act.</u>	New finding to align with relevant language in MERA.

STATE OF MINNESOTA
~~COURT OF ADMINISTRATIVE HEARINGS~~
~~FOR THE~~ PUBLIC UTILITIES COMMISSION

In the Matter of the Application of
Northern States Power Company
D/B/A Xcel Energy for a Site Permit
for the up to 600 MW Sherco South &
West Battery Energy Storage Project
in Sherburne County, Minnesota

MPUC Docket No. E002/ESS-25-319

~~CAH Docket No. 24-2500-41543~~

~~NORTHERN STATES POWER~~
~~COMPANY'S~~ MPUC STAFF'S
PROPOSED FINDINGS OF FACT
AND CONCLUSIONS OF LAW

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STATE OF MINNESOTA
~~COURT OF ADMINISTRATIVE HEARINGS~~
~~FOR~~ PUBLIC UTILITIES COMMISSION

**In the Matter of the Application of
 Northern States Power Company
 D/B/A Xcel Energy for a Site Permit
 for the up to 600 MW Sherco South &
 West Battery Energy Storage Project
 in Sherburne County, Minnesota**

MPUC Docket No. E002/ESS-25-319

~~CAH Docket No. 24-2500-41543~~

~~NORTHERN STATES POWER~~
~~COMPANY'S~~ SPUC STAFF'S
PROPOSED FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

Northern States Power Company D/B/A Xcel Energy (Xcel Energy or Applicant) has applied for a Site Permit (Application) to construct and operate an up to 600 megawatt (MW) Battery Energy Storage System (ESS) located in the City of Becker (or City) in Sherburne County, Minnesota (Project).

Public hearings on the Application were held on March 18, 2026 (in-person) and March 19, 2026 (remote-access). The factual record remained open until April 6, 2026, for the receipt of written comments.

STATEMENT OF ISSUES

Has Xcel Energy satisfied the criteria established in Minn. Stat. Ch. 216I (2025) for a site permit for the Project?

SUMMARY

Xcel Energy has satisfied the applicable legal requirements and, accordingly, the Minnesota Public Utilities Commission (Commission) GRANTSs a site permit for the Project, subject to the conditions discussed below.

Based on the evidence in the hearing record, the Commission makes the following:

FINDINGS OF FACT

I. APPLICANT

1. Xcel Energy is a public utility that provides electricity and energy services in parts of Minnesota, Wisconsin, South Dakota, North Dakota, and the upper peninsula of Michigan.¹

II. PROCEDURAL HISTORY

2. On December 5, 2025, Xcel Energy submitted the Application for the Project.²

3. On December 19, 2025, the Commission determined the ~~a~~Application to be sufficiently complete to begin the permitting review process. It published a Notice of Site Permit Application Completeness Determination and Public Information Meetings, scheduling the meetings for January 13, 2026 (remote-access) and January 14, 2026 (in-person), opening a public comment period until January 26, 2026, and requesting responses to two questions regarding the Project: (1) Are there potential human and environmental impacts or unique characteristics of the proposed project that are not addressed in the Environmental Assessment (EA) prepared by the Applicant?; (2) Are there any methods to mitigate potential impacts of the proposed Project that require further evaluation?³

4. The Commission provided notice of the Project in the Environmental Quality Board (EQB) Monitor on December 23, 2025, and in the Patriot News MN newspaper on December 27, 2025.⁴

5. On January 12, 2026, the Commission filed a sample ESS site permit.⁵

6. On January 13-14, 2026, the Commission and the Commission's Energy Infrastructure Permitting (EIP) Staff conducted Public Information and EA Scoping meetings.⁶ Three members of the public provided oral comments at these meetings. One individual asked where the battery energy storage components were made; one local government representative stated that they were coordinating with the Applicant regarding the Project; and one representative of the International Union of Operating

¹ Ex. App.-1 at 5 (Application).

² Ex. App.-1 at 5 (Application).

³ Ex. PUC-1 (Notice of Site Permit Application Completeness Determination and Public Information Meetings).

⁴ Ex. PUC-3 (EQB Monitor); App.-2 (Affidavit of Publication).

⁵ Ex. PUC-4 (Sample ESS Permit).

⁶ Ex. PUC-6 (Oral Comments from Public Information and Scoping Meetings).

Engineers (IUOE) Local 49 spoke about local labor and ensuring that the EA for the project addressed local job creation.

7. On January 26, 2026, the Minnesota Department of Natural Resources (DNR) filed a Natural Heritage Review Letter.⁷ DNR also filed scoping comments.⁸

8. On January 28, 2026, the Commission filed the written⁹ and oral¹⁰ public comments from the Public Information and Scoping Meetings.

9. On February 4, 2026, EIP Staff filed recommendations on the Project's scope, recommending the Commission (1) find that an EA addendum is not required for the Project, (2) issue the Draft Site Permit (DSP) prepared by EIP Staff, and (3) request that an Administrative Law Judge conduct public hearings for the Project and prepare a summary of public testimony as expeditiously as possible.¹¹

10. On February 19, 2026, the Court of Administrative Hearings (CAH) filed an Order requiring public hearings, with an in-person public hearing scheduled for March 18, 2026, and a virtual public hearing scheduled for March 19, 2026.¹² A prehearing conference was also held on February 19, 2026.¹³

11. On February 25, 2026, the Commission ~~issued~~filed an Order: (1) finding an EA addendum is not required, (2) issuing the DSP prepared by EIP, including special permit conditions, and (3) requesting an Administrative Law Judge from CAH conduct public hearings.¹⁴

12. On February 27, 2026, the Commission submitted the Notice of Public Hearings and Availability of Draft Permit.¹⁵

13. ~~The Commission~~Xcel Energy published notice of the Project in the Patriot News MN newspaper on March 7, 2026, and the Commission published notice of the Project in the EQB Monitor on March 10, 2026.¹⁶

⁷ DNR Natural Heritage Review Letter (January 26, 2026) (eDocket No. [20261-227413-02](#)).

⁸ DNR Scoping Comments (January 26, 2026) (eDocket No. [20261-227413-01](#)).

⁹ Ex. PUC-7 (Written Public Comments Received).

¹⁰ Ex. PUC-6 (Oral Comments from Public Information and Scoping Meetings).

¹¹ Ex. EIP-1 (EIP Staff Recommendations on Draft Site Permit and Need for EA Addendum).

¹² CAH Order (February 19, 2026) (eDocket No. [20262-228382-01](#)).

¹³ Prehearing Transcript (February 19, 2026) (eDocket No. 20262-228602-01).

¹⁴ Ex. PUC-9 (Order).

¹⁵ Ex. PUC-11 (Notice of Public Hearings and Availability of Draft Permit).

¹⁶ Ex. PUC-12 (EQB Monitor Notice of Public Hearings and Availability of Draft Permit); Affidavit of Publication (March 31, 2026) (eDocket No. [20263-229837-01](#)).

14. On March 11, 2026, Xcel Energy filed the Direct Testimony of Jordan Clitty.¹⁷

~~15.~~ On March 18 (in-person) and March 19, 2026 (virtual), Administrative Law Judge Kristien R.E. Butler presided over public hearings in this matter. One member of the public attended and provided oral comments at the in-person public hearing at the Becker Community Center. No members of the public provided public comments at the virtual public hearing.

~~15-16.~~ On March 30, 2026, the Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) and the DNR filed comments.

~~17.~~ On April 6, 2026, the Applicant filed a response to public comments and proposed findings of fact and conclusions of law.

~~16-18.~~ On ~~May~~April 1, 2026, Administrative Law Judge Butler provided a summary of public comments. His summary is hereby incorporated into these findings.

~~17.~~ On April 7, 2026, the Applicant filed a response to public comments and proposed findings of fact and conclusions of law.

III. DESCRIPTION OF THE PROJECT

~~18-19.~~ The Project consists of an up to 600 MW alternating current battery ESS with approximately 2,400 megawatt hours (MWh) of energy capacity on a site consisting of approximately 62 acres adjacent to the Sherburne County Generating Station in the city of Becker, Sherburne County, Minnesota.

~~19-20.~~ The ~~proposed~~ Project will interconnect via a less ~~than~~ 600 foot single-span ~~345~~ kilovolt (kV) generation interconnect (gen-tie) line from the Project substation to the adjacent existing Sherburne County Substation.

IV. SITE LOCATION AND CHARACTERISTICS

~~20-21.~~ The Project is situated in the south-central portion of the City of Becker, Minnesota, immediately northeast of the Mississippi River and south of the Sherburne County Generating Station. The Project is in sections 1, 2, 11, and 12 of Township 33N, Range 29W.¹⁸

¹⁷ Ex. App.-3 (Direct Testimony of Jordan Clitty and Schedule 1).

¹⁸ Ex. App.-1 at 9 (Application).

~~21-22.~~ The Project has been sited on land under complete ownership of Xcel Energy. No land leases, easements, or other land use agreements are necessary to accommodate Project development.¹⁹

~~22-23.~~ Land use in the Project Area is predominately industrial business parks and the City of Becker, with residential areas located north of Highway 10. Commercial development is present along major roadways to the east, while residential areas are located farther south and southeast of the Project site, generally separated by wooded areas, topographic variation, and local road networks.

~~23-24.~~ The Project is a permitted use in the City of Becker's Wild and Scenic River Overlay District. Accordingly, the Project complies with the prohibited and exclusion site requirements outlined in Minn. R. 7850.4400.²⁰

V. PROJECT SCHEDULE

~~24-25.~~ Xcel Energy plans to begin construction in the third quarter of 2026, with a commercial operation date currently anticipated by the fourth quarter of 2027.²¹

VI. SUMMARY OF PUBLIC COMMENTS

~~25-26.~~ The Public Information and ~~EA~~ Scoping meetings were held on January 13 and 14, 2026. Three members of the public provided oral comments during the Public Information and ~~EA~~ Scoping Meetings. One individual asked where the battery energy storage components were made; one local government representative stated that they were coordinating with the Applicant regarding the Project; and one representative of the IUOE Local 49 spoke about local labor and ensuring that the EA for the Project addressed local job creation.²²

~~26-27.~~ During the scoping comment period, DNR filed written comments recommending the Commission include an additional analysis of potential wildlife impacts and suggested three special permit conditions.²³ DNR recommended that Xcel Energy (1) coordinate with the DNR on the security fencing plan to address wildlife movement impacts, (2) incorporate a detailed Vegetation Management Plan (VMP) with

¹⁹ Ex. App.-1 at 9, 41 (Application).

²⁰ Ex. App.-1 at 132 (Application).

²¹ Ex. App.-1 at 2 (Application).

²² Ex. PUC-6 (Oral Comments from Public Information and Scoping Meetings).

²³ DNR Scoping Comments (January 26, 2026) (eDocket [20261-227413-01](#)).

native species and reestablishment phases, and (3) avoid tree removal from June 1 to August 15 to protect nesting birds and roosting bats.²⁴

~~27.28.~~ Xcel Energy filed its written direct testimony of Jordan Clitty on March 11, 2026, which included its response to DNR's comments.²⁵

~~28.29.~~ At the in-person public hearing on March 18, 2026, Mr. Mark Kolbinger, the City of Becker Mayor, spoke to provide support for issuing a site permit and to ask for coordination with the City of Becker and Becker Township Joint Fire Board.²⁶ At the virtual hearing on March 19, 2026, no members of the public provided comment.

~~29.30.~~ ~~29.~~—DNR, in its March 30, ~~2026~~2026, public comments on the DSP, focused on several overarching environmental protection and habitat preservation themes. DNR continued to advocate for a seasonal tree-clearing restriction from June 1–August 15, over Xcel Energy's opposition, maintaining that the restrictions are warranted to protect bat species and nesting birds, particularly given the Project's proximity to the Mississippi River migration corridor. It also advocated for more robust and ecologically meaningful tree replacement and vegetation management standards, urging that replacement efforts prioritize habitat restoration over mere visual screening and that the VMP include detailed, native-species-focused revegetation commitments. Additionally, the DNR called for a dedicated permit condition requiring compliance with Minnesota's endangered and threatened species statutes and rules—modeled on the condition used in the Benton Solar Project (Docket No. IP-7115/ESS-24-283)—before any project activities commence.²⁷

~~30.31.~~ ~~30.~~ ~~Minnesota Interagency Vegetation Management Planning Working Group (The VMPWG)~~ filed written comments ~~recommending the Commission not act at this time in which it did not recommend any action by the Commission at this time.;~~ ~~Instead,~~ the VMPWG outlined revisions so the VMP meets pre-construction compliance and anticipated permit conditions, and requesting continued coordination with EIP, agencies, and VMPWG through pre-construction review. The plan should clearly cover objectives, activities, responsible parties, tools, monitoring, invasive control, and marked-up site plans with seed mixes.²⁸

~~31.32.~~ ~~31.~~—On April 2, 2026, EIP Staff submitted comments on the draft Decommissioning Plan that center on the overarching theme that the plan, as filed, requires substantial revision to function as a comprehensive, standalone document that

²⁴ DNR Scoping Comments (January 26, 2026) (eDocket [20261-227413-01](#)).

²⁵ Ex. App.-3 (Direct Testimony of Jordan Clitty and Schedule 1).

²⁶ Becker Public Hearing on 3-18-26 Transcript (April 3, 2026) (eDocket No. 20264-229991-01).

²⁷ DNR Comments (March 30, 2026) (eDocket No. [20263-229782-01](#)).

²⁸ VMPWG Comments (March 30, 2026) (eDocket No. [20263-229772-01](#)).

clearly describes the facility and the permittee's obligations for end-of-life removal and site restoration. It identified several areas where the draft plan does not meet expectations—including the decommissioning objective, scheduled update provisions, project description, and required permits and notifications—and urged Xcel Energy to align the plan with the Commission's Draft Decommissioning Plan Guidance and the terms of the DSP.²⁹

~~32.33.~~ 32.—On April 6, 2026, Xcel Energy submitted its response to public hearing comments submitted at the public hearing and through the March 30, ~~2026~~2026, comment deadline submitted by DNR and VMPWG, and also its response to the draft Decommissioning Plan comments submitted by EIP Staff on April 2, 2026. Xcel Energy stated that it remains committed to working cooperatively with EIP as it prepares and submits its pre-construction filings, including updates~~d~~ to the Decommissioning Plan, and will continue to address the specific issues raised to support regulatory compliance. Furthermore, Xcel Energy stated that it will continue to work with DNR and VMPWG to incorporate the recommendations and finalize the VMP prior to the start of construction.

VII. PERMITTEE

~~33.34.~~ The permittee for the Project is Xcel Energy.³⁰

VIII. PUBLIC AND LOCAL GOVERNMENT PARTICIPATION

~~34.35.~~ Minn. Stat. § 216I.05 requires applicants to provide notice to each local unit of government within the Site, Minnesota Tribal governments, and state technical resource agencies.

~~35.36.~~ In July 2025, Xcel Energy sent initial notification letters to federal, state, and local agencies regarding the Project. These letters stated that Xcel Energy intended to file a site permit application for the Project.³¹

~~36.37.~~ Also, in July 2025, Xcel Energy sent notification letters to Tribal governments. These letters stated that Xcel Energy intended to file a site permit application for the Project. Xcel Energy followed up with a phone call to Tribes who had not responded to the notice letter on November 7, 2025, leaving voicemails where applicable.³² To date, two Tribes have responded.

²⁹ EIP Staff Comments (April 2, 2026) (eDocket No. [20264-229946-01](#)).

³⁰ Ex. App.-1 at 5 (Application).

³¹ Ex. App.-1 (Appx. C); Ex. App.-1 at 132 (Application).

³² Ex. App.-1 (Appx. C); Ex. App.-1 at 132-133 (Application).

IX. CERTIFICATE OF NEED

~~37.38.~~ The Project does not require a certificate of need. Under Minn. Stat. § 216B.243, subd. 8(9), a certificate of need is not required for ESS.³³

X. SITE PERMIT CRITERIA

~~38.39.~~ ESS are governed by Minn. Stat. Ch. 216I (2025) and Minn. R. Ch. 7850. Minn. Stat. § 216I.02, subd. 6 (2025), defines an ESS as “equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.”

~~39.40.~~ A site permit is required prior to construction of the Project.³⁴

~~40.41. Under Minn. Stat. § 216I.05, subd. 4 (2025) and the Application Guidance for Large Energy Infrastructure Facilities in Minnesota — Standard Review (MPUC 2025),~~ ESS are eligible for the Standard Review process under Minn. Stat. § 216I.07, subd. 2. ~~and, therefore, t~~The Application must contain an EA with information on the proposed Project’s human and environmental impacts and potential mitigation measures associated with the identified impacts.³⁵ The EA is the only state environmental review document required to be prepared on the Project.³⁶

~~41.42.~~ The Commission is responsible for evaluating the Application and administering the permitting process.³⁷

XI. APPLICATION OF SITING CRITERIA TO THE PROPOSED PROJECT

A. Human Settlement

~~42.43.~~ Minnesota law requires applicants to submit information about~~consideration of~~ the Project’s effects on human settlement, including but not limited to displacement of residences and businesses, noise created by construction and operation of the Project, and impacts to aesthetics, cultural values, recreation, and public services.³⁸

³³ Ex. App.-1 at 38 (Application).

³⁴ Minn. Stat. § 216I.07, subd. 2(7); Ex. App.-1 at 36 (Application).

³⁵ Minn. Stat. § 216I.07, subd. 3(~~a~~**b**).

³⁶ ~~Id. Ex. App.-1 at 43, Appendix B (Application).~~

³⁷ Minn. Stat. § 216I.05.

³⁸ Minn. Stat. § 216I.05, subd. 4(a)(2).

1. Visual and Aesthetic Resources

43.44. The visible elements of the ESS will consist of battery energy storage units, transformers and inverters, a Project substation, a short transmission line, and security fencing surrounding the Project.³⁹

44.45. The Project is naturally screened by trees and bodies of water. There are existing rows of trees, shrubs, and woody vegetation in conjunction with varying elevations that provide screening from the Mississippi River or adjacent residences surrounding the Project. Fleeting or partial views may be possible from certain vantage points, particularly within the Sherburne County regions of influence (ROI), along U.S. Highway 10 or higher terrain east of the site.⁴⁰

45.46. Exterior security lighting will be installed at the Project substation and within the ESS pad areas for safety and security.⁴¹

46.47. Lighting will be downward facing and will minimize blue hues to minimize impacts from facility lighting.⁴²

47.48. Given the Project's siting within an established industrial setting and its proximity to an existing electrical generating station of similar scale and character, the Project would blend with the prevailing visual context and avoid introducing new or incompatible features. As a result, changes to viewsheds and overall visual character are anticipated to be minor, and the aesthetic impact intensity would be minimal. The Project will convert approximately 35 acres from its current landcover into an ESS facility. Although the change will be noticeable, the facility is similar in appearance to the existing electric infrastructure and other industrial and commercial features in the Project Area.⁴³

48.49. Aesthetic impacts from the Project are anticipated to be minor. The gen-tie structures will be the most visible element of the facility as they are the tallest component of the Project, and the ESS enclosures would be relatively difficult to see due to their relatively low height, the site's topography and distance from roads and residential areas. For individuals with certain vantage points, particularly within the Sherburne County ROI, along U.S. Highway 10, or at a higher terrain east of the site, the view would be fleeting.⁴⁴

³⁹ Ex. App.-1 at 11 (Application).

⁴⁰ Ex. App.-1 at 56 (Application).

⁴¹ Ex. App.-1 at 57 (Application).

⁴² Ex. App.-1 at 57 (Application).

⁴³ Ex. App.-1 at 9, 56-57 (Application).

⁴⁴ Ex. App.-1 at 56-57 (Application).

~~49.50.~~ DSP Special Condition 5.9 would require Xcel Energy to design security fencing to minimize visual impact while maintaining compliance with the National Electric Safety Code. A final fence plan must be developed in coordination with the DNR and submitted to the Commission as part of the Site Plan.⁴⁵

~~50.51.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize visual and aesthetic impacts.⁴⁶

2. *Displacement*

~~51.52.~~ Displacement occurs when residences or other buildings are located within a proposed project site or rights-of-way and would potentially interfere with the safe operation of the project, requiring their removal and relocation. Displacements from large energy facilities are rare and are more likely to occur in heavily populated areas where avoiding all residences and businesses is not always feasible.⁴⁷

~~52.53.~~ The Project is located in an industrial area on Xcel Energy-owned land, and the Project site contains only an existing greenhouse and storage shed. Other nearby structures are limited to the immediately adjacent Sherburne County Substation, the Sherburne County Generating Station approximately 1,100 feet to the north, and a warehouse approximately 5,000 feet to the north.⁴⁸

~~53.54.~~ The nearest residence is located across the Mississippi River, approximately 940 feet south of the Project site boundary, on parcels under Xcel Energy ownership. The landowner has an active lease with Xcel Energy, and there are no plans to modify the existing lease as a result of the proposed Project.⁴⁹

~~54.55.~~ Because the Project is sited on Xcel Energy-owned land in an industrial area with no residences or occupied buildings within the Project site or rights-of-way, no displacement of residences or businesses will be required. The surrounding land uses and distances to the nearest structures confirm that the Project can be constructed and operated without necessitating the removal or relocation of any buildings.⁵⁰

⁴⁵ See Ex. PUC EIP-1 at 15 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁴⁶ Ex. App.-1 at 57 (Application).

⁴⁷ Ex. App.-1 at 57-58 (Application).

⁴⁸ Ex. App.-1 at 58 (Application).

⁴⁹ Ex. App.-1 at 58 (Application).

⁵⁰ Ex. App.-1 at 58 (Application).

3. Noise

55-56. The Minnesota Pollution Control Agency (MPCA) has established standards for the regulation of noise levels. The most restrictive MPCA noise limits are 60–65 A-weighted decibels (dBA) during the daytime and 50–55 dBA during the nighttime.⁵¹

56-57. In Minnesota, noise standards are based on noise area classifications (NAC) corresponding to the location of the listener, referred to as a receptor. NACs are assigned to areas based on the type of land use activity occurring at that location. Household units, designated camping and picnicking areas, resorts and group camps are assigned to NAC 1; recreational activities (except designated camping and picnicking areas) and parks are assigned to NAC 2; agricultural and related activities are assigned to NAC 3.⁵²

57-58. The Project is in an industrial area.⁵³ The primary noise receptors are the local residences.⁵⁴ Although there are no residences within the site, there are residences in local proximity (within 940 feet of the Project site or 1,285 feet of the permanent Project electrical infrastructure).⁵⁵ The local residential homes fall under NAC 1.⁵⁶ Noise receptors could also include individuals working outside of the Project vicinity. Potential noise impacts from the Project are associated with ambient noise of the existing Sherburne County Generating Station, Sherburne County Substation, sand mining, agriculture, traffic on U.S. Interstate 94, U.S. Highway 10, and local roads, railroads, industrial equipment/operations, wind, vehicle traffic, birdsong, and residences.⁵⁷

58-59. Intermittent noise impacts during construction are anticipated. Noise from construction will be temporary and limited to daytime hours.⁵⁸

59-60. Noise levels during operation of the Project are anticipated to be negligible.⁵⁹ The primary noise sources from the ESS facility will be the power transformer in the substation, inverters, and the cooling system in the cabinets.⁶⁰ In its noise analysis, Xcel Energy modeled two Sungrow Power Titan configurations: a base

⁵¹ Ex. App.-1 at 74 (Application).

⁵² Ex. App.-1 at 73 (Application).

⁵³ Ex. App.-1 at 83 (Application).

⁵⁴ Ex. App.-1 at 75 (Application).

⁵⁵ Ex. App.-1 at 57 (Application).

⁵⁶ Ex. App.-1 at 75 (Application).

⁵⁷ Ex. App.-1 at 73 (Application).

⁵⁸ Ex. App.-1 at 76 (Application).

⁵⁹ Ex. App.-1 at 76 (Application).

⁶⁰ Ex. App.-1 at 75 (Application).

design using standard liquid-cooled ESS units with a sound power level of 102 dBA, and a mitigated design using air-cooled ESS units equipped with heat exchangers with a sound power level of 78 dBA. Modeling indicated that the base liquid-cooled configuration would exceed MPCA limits at several of the nearest residences. The mitigated air-cooled configuration would not exceed the nighttime limit of 50 dBA L50 for NAC 1 at any modeled residence, with predicted levels ranging from 33 to 43 dBA. Because Xcel Energy modeled the Project's loudest operating conditions to meet the L50 limits, the L10 limits will also be satisfied. The Project is not expected to be a significant contributor to increases in total sound levels in the Sherburne County area.⁶¹

~~60-61.~~ Sound control devices on vehicles and equipment (e.g., mufflers) conducting construction activities during daylight hours and running vehicles and equipment only when necessary are common ways to mitigate construction noise impacts.⁶²

~~61-62.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize noise impacts. Further, the DSP requires the permittee to comply with ~~noise standards established under~~ Minnesota noise standards as defined under Minnesota Rule, part 7030.0010 to 7030.0080, and to limit construction and maintenance activities to daytime hours to the extent practicable.⁶³

~~62-63.~~ DSP Special Condition 5.2 would require Xcel Energy to file a noise impact assessment summarizing the results of noise propagation modeling (incorporating noise inputs from selected equipment and facility layout) at least 14 days prior to the pre-construction meeting. An updated assessment must be filed prior to any modifications to the facility over its operating life. This condition is consistent with recent Commission permit decisions.⁶⁴ As the EA notes, "[t]he Project is not expected to be a significant contributor to increases in total sound levels in the Sherburne County ROI."⁶⁵ The primary source of noise during operation will be the power transformer in the substation, inverters, and the cooling system in the cabinets.⁶⁶ The modeling estimates facility-only nighttime noise would not exceed the nighttime limits of 50 dBA L50 for NAC-1 with the use of Sungrow noise mitigative containers for all ESS units.⁶⁷ Accordingly, transformer and inverter noise is consistent with existing noise in the area.

⁶¹ Ex. App.-1 at 76 (Application).

⁶² Ex. App.-1 at 76 (Application).

⁶³ Ex. PUC EIP-1 at 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁶⁴ See Ex. PUC EIP-1 at 13-14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁶⁵ Ex. App.-1 at 76 (Application).

⁶⁶ Ex. App.-1 at 75 (Application).

⁶⁷ Ex. App.-1 at 76 (Application).

~~63.64.~~ To ensure that the Project meets MPCA noise limits, DSP Special Condition 5.3 would require Xcel Energy to use low-noise, air-cooled heat exchangers and perform operational noise monitoring to assess effectiveness. Noise modeling must be updated when augmentation units are to be installed. A proposed post-construction noise study methodology must be filed at least 14 days prior to the pre-construction meeting. The completed post-construction noise study must be filed within 18 months of commencing commercial operation. Operations must be modified or project components removed from service if necessary to comply with MPCA noise standards.⁶⁸

4. *Cultural Values.*

~~64.65.~~ The Project is not anticipated to impact or alter the work life and leisure pursuits of residents or visitors in the Project Area or affect land use in such a way as to impact the underlying culture or community unity of the area. As the Project site is located on private land, within an established industrial zone, adjacent to similar existing uses, and sufficiently set back from public rights-of-way, impacts to cultural resources from the Project are anticipated to be negligible.⁶⁹

~~65.66.~~ Project construction and operation aligns with the environmental goals and standards for new technologies and energy conservation that are stated in the Sherburne County strategic and comprehensive plans. The Project aligns with the natural resources goals of Becker 2040 to preserve non-renewable natural resources and the wise consumption of renewable resources (City of Becker 2021). The Project also aligns with this industrial character and does not encroach upon venues, traditions, or gathering spaces that are central to Becker's community life.⁷⁰

~~66.67.~~ Impacts to cultural values or community events are considered to be negligible. No additional mitigation is proposed.⁷¹

5. *Land Use and Zoning.*

~~67.68. The Project makes good use of the land.~~ Development of an ESS in this area is consistent with the types of permitted uses in the City of Becker's General Industrial (GI) Zoning District, which was established to provide an area intended to regulate industrial, manufacturing, and related uses, as well as to provide for separation from adjacent commercial or residential uses. The Project is located in an industrial

⁶⁸ Ex. PUC EIP-1 at 23 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁶⁹ Ex. App.-1 at 59-60 (Application).

⁷⁰ Ex. App.-1 at 60 (Application).

⁷¹ Ex. App.-1 at 60 (Application).

area, sited immediately adjacent to the existing Sherburne County Generating Station and associated infrastructure. The Project is consistent with Becker 2040's vision for strategic industrial expansion, supports key goals related to infrastructure modernization and environmental stewardship, and aligns with the Sherco Master Plan's emphasis on modern, clean energy redevelopment by leveraging existing transmission interconnections and substation infrastructure.⁷²

68-69. The Project would convert approximately 35 acres of land from its current landcover to impermeable surfaces for the life of the Project for energy storage. Xcel Energy intends to utilize best management practices (BMPs) as feasible to reduce the impact on land use.⁷³

70. Xcel Energy has developed a draft decommissioning plan that will be implemented at the conclusion of the Project. The decommissioning plan outlines the plan to remove all Project-related infrastructure and restore and reclaim the site to pre-Project conditions to the extent feasible.⁷⁴

69-71. Commission staff have reviewed the draft decommissioning plan and provided recommended modifications for the final decommissioning plan.⁷⁵ The applicant filed a response stating that they would continue to coordinate with staff to revise the plan prior to construction.⁷⁶ Under permit condition 9.1, the Permittee is required to file a decommissioning plan incorporating comments and information from the permit application process and any updates associated with the final construction plans with the Commission at least fourteen (14) days prior to the pre-construction meeting.

6. *Property Values.*

70-72. Impacts to the value of specific properties within the Project vicinity are difficult to determine but could occur.⁷⁷

74-73. A 2025 University of Pennsylvania study suggests that utility-scale ESS projects do not measurably affect nearby residential property values. It concludes that utility-scale ESS facilities have a neutral impact on surrounding property values.⁷⁸

⁷² Ex. App.-1 at 83-86 (Application).

⁷³ Ex. App.-1 at 84, 118 (Application).

⁷⁴ Ex. App.-1 (Appx. E).

⁷⁵ EIP Staff Comments (April 2, 2026) (eDocket No. 20264-229946-01).

⁷⁶ Xcel Energy Response to Public Comments (April 6, 2026) (eDocket No. 20264-230073-01)

⁷⁷ See Ex. App.-1 at 90 (Application).

⁷⁸ Ex. App.-1 at 90 (Application); Gwee, Yixin. 2025. "The Impact of Utility-Scale Battery Energy Storage System Projects on Property Values in California, Massachusetts, and New York." Master's thesis, The

7. *Tourism and Recreation*

~~72.74.~~ Tourism in the Project Area centers around outdoor recreation, nature, heritage and museums, and local culture. The City of Becker offers golf courses, local restaurants and breweries, the Becker History Center, seasonal farmers markets, and other community festivals.⁷⁹

~~73.75.~~ Recreational activities are available largely through the City of Becker's park system, with popular destinations such as Becker City Park, Carl E. Johnson Park, Kolbinger Park, and Snuffy's Landing, located within one mile of the Project site.⁸⁰ The recreational activities may include fishing, boating, paddleboarding, kayaking, and other water-based recreational experiences. A Sherburne County Snowmobile Trail is present through Snuffy's Landing.⁸¹

~~74.76.~~ Additional tourism in the Project Area related to recreational activities is found at the Becker Community Center—which features an aquatic center, fitness center, library, gym, and event space under one roof—and the Mississippi River State Water Trail located within one mile of the Project site.⁸²

~~75.77.~~ No operational impacts to Snuffy's Landing (including the snowmobile trail) or the Mississippi River State Water Trail are anticipated given the Project site will not be visible from these locations due to distance, existing vegetative screening, and the elevation differences.⁸³

~~76.78.~~ There are no Minnesota DNR scientific and natural areas (SNAs), Wildlife Management Areas (WMAs), walk-in access program sites, Aquatic Management Areas, Fishery Management Areas, snowmobile trails, state trails, state parks, or state forests within or adjacent to the Project site.⁸⁴

~~77.79.~~ Xcel Energy will closely coordinate construction activities with the City of Becker and Sherburne County if any road closures are deemed necessary during the construction phase.⁸⁵

Wharton School, University of Pennsylvania. <https://repository.upenn.edu/entities/publication/985ee8b2-3228-4a70-8f6e-0a92d757fc82> (accessed November 2025).

⁷⁹ Ex. App.-1 at 93 (Application).

⁸⁰ Ex. App.-1 at 86 (Application).

⁸¹ Ex. App.-1 at 87 (Application).

⁸² Ex. App.-1 at 86 (Application).

⁸³ Ex. App.-1 at 87 (Application).

⁸⁴ Ex. App.-1 at 86 (Application).

⁸⁵ Ex. App.-1 at 93 (Application).

~~78-80.~~ The Project is located on private and industrial land. Therefore, impacts are anticipated to be minimal and temporary.⁸⁶ There are no ~~proposed~~-mitigation measures proposed.⁸⁷

8. *Transportation and Public Services*

~~79-81.~~ Potential impacts to the electrical grid, roads and railroads, and other utilities are anticipated to be short-term, intermittent, minor, and negligible during construction.⁸⁸ Impacts to water (wells and septic systems) are not expected to occur.⁸⁹ Impacts to railroads and pipelines are not expected to occur.⁹⁰ Overall, construction-related impacts are expected to be negligible or minor, and are associated with possible traffic delays.⁹¹ During operation, negligible traffic increases would occur for maintenance.⁹² Impacts are unavoidable but can be minimized.

~~80-82.~~ There are no anticipated impacts to geologic or groundwater resources from the Project. No designated sole source aquifers or Wellhead Protection Areas (WHPAs) are located within the Project site. The Project site is not located within a karst-rich area, and no karst features have been identified within ten miles of the Project. Construction of Project facilities is not likely to require subsurface blasting; therefore, disturbances to groundwater flow from newly fractured bedrock are not anticipated. Project facilities are not likely to affect the use of existing active or abandoned and Company-sealed water wells.⁹³

~~81-83.~~ Xcel Energy intends to properly manage the wells during construction to avoid all potential impacts to groundwater. If any previously unmapped wells are discovered, Xcel Energy will coordinate with the Minnesota Department of Health (MDH) and the well owner to mitigate potential impacts, and will also cap and abandon the well in place in accordance with MDH requirements.⁹⁴

~~82-84.~~ Xcel Energy is the electric provider serving the immediate vicinity and many of the industrial users surrounding the Project.⁹⁵ The Project will negligibly impact

⁸⁶ See Ex. App.-1 at 93 (Application).

⁸⁷ Ex. App.-1 at 94 (Application).

⁸⁸ Ex. App.-1 at 80-81 (Application).

⁸⁹ Ex. App.-1 at 81 (Application).

⁹⁰ Ex. App.-1 at 78, 81 (Application).

⁹¹ Ex. App.-1 at 80-82 (Application).

⁹² Ex. App.-1 at 80 (Application).

⁹³ Ex. App.-1 at 109 (Application).

⁹⁴ Ex. App.-1 at 109 (Application).

⁹⁵ Ex. App.-1 at 79 (Application).

existing utilities during the interconnection of the Project substation to the Sherburne County Substation.⁹⁶

~~83.85.~~ The Land Control Area is accessible from U.S. Highway 10, Liberty Lane and Industrial Boulevard. No impacts to roads are anticipated during the operation; negligible traffic increases would occur for maintenance.⁹⁷

~~84.86.~~ No railroads are located within the Project site and therefore will not be impacted.⁹⁸

9. *Socioeconomics.*

~~85.87.~~ The potential impact intensity level is anticipated to be both short- and long-term minimal benefits. Effects associated with construction will, overall, be short-term and minimal. ~~Significant positive effects may occur for individuals.~~ Impacts from operation will be long-term and negligible.⁹⁹

~~86.88.~~ Construction of the Project is likely to result in increased expenditures for lodging, food and fuel, transportation, and general supplies at local businesses during construction. Construction of the Project will create local job opportunities for various trade professionals and will also generate and circulate income throughout the community by investing in local business expenditures as well as state and local taxes.¹⁰⁰
The Permittee, their contractors, and subcontractors will pay no less than the “prevailing wage rate” as defined in Minn. Stat. § 177.42.

~~87.89.~~ The Project is expected to create approximately 150 ~~workers-jobs~~ on site during the construction phase, and 10 long-term ~~personnel-positions~~ during the operations phase.¹⁰¹

~~88.90.~~ Once the Project is operational, Xcel Energy will pay property tax payments of approximately \$234 million to the City of Becker and Sherburne County over the anticipated twenty-year life of the Project.¹⁰²

~~89.91. SAs~~ socioeconomic impacts are anticipated to be beneficial.¹⁰³

⁹⁶ Ex. App.-1 at 81 (Application).

⁹⁷ See Ex. App.-1 at 80 (Application).

⁹⁸ Ex. App.-1 at 81 (Application).

⁹⁹ Ex. App.-1 at 89-90 (Application).

¹⁰⁰ Ex. App.-1 at 89 (Application).

¹⁰¹ Ex. App.-1 at 89-90 (Application).

¹⁰² Ex. App.-1 at 90 (Application).

¹⁰³ Ex. App.-1 at 90 (Application).

10. *Environmental Justice.*

~~90.92.~~ Environmental justice (EJ) means the “fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income in the development, implementation, and enforcement of environmental laws, regulations, and policies.”¹⁰⁴

~~91.93.~~ In Minnesota, EJ areas are defined as census tracts:

- in which at least 40 percent of the population is nonwhite
- in which at least 35 percent of households have income at or below 200 percent of the federal poverty level
- in which at least 40 percent of the population has limited proficiency in English; or
- which are located within Indian Country, which is defined as federally recognized reservations and other Indigenous lands.¹⁰⁵

~~92.94.~~ The Project is not located within any EJ areas of concern. As such, there are no EJ impacts.

B. Public Health and Safety ~~and Emergency Services.~~

~~93.95.~~ Minnesota law requires applicants to submit information about~~consideration of~~ the Project’s potential effect on public health and safety.¹⁰⁶

1. Electric and Magnetic Fields (EMF).

~~94.96.~~ There are no federal or Minnesota-specific regulations regarding extremely low frequency electro and magnetic fields produced by power lines; however, the International Commission on Non-Ionizing Radiation Protection has established a widely accepted public exposure guideline of 833 milligauss (mG).¹⁰⁷

¹⁰⁴ See Ex. App.-1 at 61 (Application).

¹⁰⁵ See Ex. App.-1 at 60 (Application).

¹⁰⁶ Minn. Stat. § 216I.05, subd. 4(a)(2).

¹⁰⁷ See Ex. App.-1 at 66 (Application).

~~95.97.~~ The Commission has ~~adopted~~ established a standard that limits the maximum electric field ~~limit of to~~ eight kV per meter (measured one meter above ground) but has not adopted a magnetic field standard.¹⁰⁸

~~96.98.~~ Primary EMF sources will be the electrical feeder lines, inverter transformers, and the gen-tie line between the Project substation and Sherburne County Substation. Transformers will be enclosed in grounded metal casings to shield and reduce EMF emissions. The battery side will operate using direct current (DC) at approximately 50 volts per cell, producing a static magnetic field that decays exponentially with distance.¹⁰⁹

~~97.99.~~ No health impacts from EMF are anticipated. EMF decreases rapidly with distance; the nearest occupied residence is approximately 1,285 feet from the proposed electrical equipment and 1,325 feet from the nearest inverter. At these distances, fields will have dissipated to background levels, and no measurable magnetic field is anticipated beyond the Project's fenced boundary. No additional mitigation is proposed.¹¹⁰

2. Public Safety and Emergency Services

~~98.100.~~ The Project will be designed and constructed in compliance with applicable electric codes, with all electrical equipment and infrastructure grounded per federal and state standards. Electrical work will be completed by trained and qualified personnel.¹¹¹

~~99.101.~~ The Project's construction and operation will have negligible impacts on the security and safety of the local populace, yet it could increase demand for emergency and public health services. On-the-job injuries of construction workers requiring assistance due to slips, trips or falls, equipment use, or electrocution can create a demand for emergency, public health, or safety services that would not exist if the Project were not to be built.¹¹²

~~100.102.~~ The main safety hazard of an ESS is battery failure leading to thermal runaway which has the potential to spread to nearby batteries and containers, quickly presenting an emergency. However, modern containment, monitoring, and

¹⁰⁸ See Ex. App.-1 at 66 (Application).

¹⁰⁹ See Ex. App.-1 at 65, 67 (Application).

¹¹⁰ See Ex. App.-1 at 65, 67-68, 72 (Application).

¹¹¹ See Ex. App.-1 at 71 (Application).

¹¹² See Ex. App.-1 at 66 (Application).

suppression systems have made ESS facilities highly resistant to large-scale fire propagation.¹¹³

~~404.103.~~ In the unlikely worst-case scenario of a thermal runaway or fire event, the Project site is not adjacent to public roadways, making road shutdowns due to hazardous conditions unlikely.¹¹⁴

~~402.104.~~ Xcel Energy will design, construct, and test all ESS equipment in compliance with industry-recognized standards, including Underwriters Laboratories (UL) 1973, UL 9540, and Institute of Electrical and Electronics Engineers (IEEE) Standard 1547. The ESS equipment will also meet or exceed relevant safety standards applicable at the time of final design, including National Fire Protection Association (NFPA) 68 (Explosion Venting), NFPA 69 (Explosion Prevention Systems), and NFPA 855 (Standard for the Installation of Stationary Energy Storage Systems). The Project will further comply with the latest edition of the International Fire Code, the National Electrical Code (NFPA 70), and the guidelines outlined in NFPA 850 and IEEE 979.¹¹⁵

~~403.105.~~ ESS equipment will undergo UL 9540A testing for thermal runaway fire propagation, conducted by an Occupational Safety and Health Administration (OSHA)-recognized independent third-party laboratory, with test data covering thermal runaway behavior, gas generation, and gas composition.¹¹⁶

~~404.106.~~ Xcel Energy will use Lithium Iron Phosphate (LFP) battery technology, with each battery factory sealed by Sungrow. ESS units will be housed in separate, modular non-walk-in structures with external access only, providing spatial separation that aids heat management and reduces fire propagation risk. Each unit includes integrated HVAC, remote monitoring sensors and controls, and built-in fire, smoke, and gas detection. Equipment spacing will minimize fire propagation risk. An advanced monitoring system tracks parameters at the cell, module, rack, and system levels, with automated control logic that disconnects battery strings or individual racks if operational limits are exceeded.¹¹⁷

~~405.107.~~ Construction must comply with federal and state OSHA requirements and all applicable regulations regarding facility installation and worker qualifications. Workers will receive proper training to reduce associated risks. The ESS

¹¹³ See Ex. App.-1 at 66 (Application).

¹¹⁴ See Ex. App.-1 at 66 (Application).

¹¹⁵ See Ex. App.-1 at 70 (Application).

¹¹⁶ See Ex. App.-1 at 70 (Application).

¹¹⁷ See Ex. App.-1 at 69, 70-72, 75 (Application).

facility and Project substation will be secured with permanent fencing, lockable gates, and prominent warning signage, with access restricted to authorized personnel.

~~406.108.~~ Xcel Energy will develop a Project-specific Emergency Response Plan (ERP) in coordination with local emergency responders prior to construction. As requested by the City of Becker and the Commission, a Project information sheet on fire suppression practices and the ERP will be provided to local emergency responders, with a formal training session planned before construction begins. The ERP will be provided to the Commission prior to operation and will mandate quarterly on-site safety drills and annual training for local first responders, ~~and will be provided to the Commission prior to operation.~~ Construction and operation of the Project will have negligible impacts on local safety.

~~407.109.~~ At the in-person hearing held on March 18, 202~~6~~⁵, the Mayor of the City of Becker appeared and spoke on behalf of the joint fire board for the City of Becker and Becker Township. The Mayor requested that Xcel Energy engage in early and proactive coordination with the joint fire board regarding the Company's activities in the area. Xcel Energy agreed to work with the joint fire board to provide such early coordination.¹¹⁸

~~408.110.~~ DSP Section 5.6 requires Xcel Energy to file a Hazard Mitigation Analysis (HMA) detailing the testing results for the selected equipment and the risks associated with the technology at least 30 days prior to the pre-construction meeting.¹¹⁹

~~409.111.~~ Xcel Energy will use lithium ion phosphate (LFP) technology, and Sherco's facility design uses modular containers that are tested by the manufacturer to ensure fire resistance.¹²⁰ Modern ESS containers include explosion prevention systems to remove flammable gases during a thermal runaway event and relieve pressure to limit gas levels within the containers from reaching levels that can be flammable or explosive.¹²¹ The containers are spaced to minimize the potential for fire to spread to other containers.¹²² The ESS equipment is monitored remotely, tracking cell voltage and temperature to identify and isolate potential issues before they occur. The facility will also install fire detection systems at the containers to recognize incidents and disconnect and isolate failed equipment.¹²³

¹¹⁸ Becker Public Hearing on 3-18-2026 (April 3, 2026) (eDocket No. 20264-229991-01).

¹¹⁹ See Ex. PUC EIP-1 at 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹²⁰ Ex. App.-1 at 13-14 (Application).

¹²¹ See Ex. App.-1 at 70 (Application).

¹²² See Ex. App.-1 at 70 (Application).

¹²³ See Ex. App.-1 at 13 (Application).

~~110.112.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to public safety and emergency services. Further, public safety is addressed in Sections 4.3.5, 4.3.7, 4.3.11, 4.3.19, 4.3.25, 4.3.27, 4.3.28, 4.3.29, 4.3.31, 4.4, and 4.5.1 of the DSP.¹²⁴

C. Land-Based Economics.

~~113.113.~~ Minnesota law requires applicants to submit information about~~consideration of~~ the Project's potential effect on land-based economies – specifically, agriculture, forestry, tourism, and mining.¹²⁵

~~112.114.~~ The Project is not anticipated to have impacts on agriculture, forestry, and mining.¹²⁶ The Project will have minimal impacts on tourism and recreation, as discussed in Section A(7) above.

D. Archaeological, Cultural, and Historic Resources.

~~113.115.~~ Minnesota law requires ~~consideration of~~applicants to submit information about the Project's potential effects on historic and archaeological resources.¹²⁷

~~114.116.~~ Xcel Energy conducted a Phase I cultural resource field survey within the preliminary development area to identify previously recorded archaeological and historic architectural resources within the Project on June 9, 2025. This review also examined records from the Minnesota State Historic Preservation Office (SHPO) and Minnesota Office of the State Archeologist for an area within one mile of the site boundary. The literature review did not identify any previously recorded archaeological resources or National Register of Historic Places properties within one mile of the site.¹²⁸

~~115.117.~~ On November 14, 2025, SHPO provided Xcel Energy a letter stating that they agree there are no significant archaeological sites within the Project Area ROI and there are no properties listed in the National or State Registers of Historic Places, or within the Historic Sites Network, that will be affected by this Project.¹²⁹

¹²⁴ See Ex. PUC EIP-1 at 4-6, 8, and 10-12 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹²⁵ Minn. Stat. §216I.05, subd. 4(a)(3).

¹²⁶ Ex. App.-1 at 91-93 (Application).

¹²⁷ Minn. Stat. §216I.05, subd. 4(a)(4).

¹²⁸ Ex. App.-1 at 94 (Application).

¹²⁹ Ex. App.-1 at 95 (Application).

~~416.118.~~ Section 4.3.20 of the DSP requires the permittee to avoid impacts to archaeological and historic resources where possible and to mitigate impacts where avoidance is not possible.¹³⁰

E. Natural Resources.

~~417.119.~~ Minnesota law requires applicants to submit information about consideration of the Project's potential effects on the natural environment, including effects on air and water quality resources and flora and fauna.¹³¹

1. *Air Quality and Greenhouse Gases.*

~~418.120.~~ Minimal intermittent air emissions are expected during construction of the Project. Air emissions associated with construction are highly dependent upon weather conditions and the specific activity occurring. For example, traveling to a construction site on a dry gravel road will result in more fugitive dust than traveling the same road when wet. Once operational, neither the generating facility nor the transmission line will generate criteria pollutants or carbon dioxide.¹³²

~~419.121.~~ Exhaust emissions can be minimized by keeping vehicles and equipment in good working order and not running equipment unless necessary. Watering exposed surfaces, covering disturbed areas, and reducing speed limits on-site are all standard construction practices.¹³³

~~420.122.~~ Section 4.3.29 of the DSP requires Xcel Energy to use non-chloride dust control products during construction.¹³⁴

~~421.123.~~ Anticipated air quality and greenhouse gas (GHG) impacts during the construction of the Project are expected to be minimal and primarily confined to a close proximity to the Project site.¹³⁵

~~422.124.~~ GHG emission estimates demonstrate that the Project will have a minimal contribution to statewide GHG emissions and is consistent with Minnesota's decarbonization and clean energy transition goals.¹³⁶

¹³⁰ See Ex. PUC EIP-1 at 9 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹³¹ Minn. Stat. §216I.05, subd. 4(a)(5).

¹³² Ex. App.-1 at 101 (Application).

¹³³ Ex. App.-1 at 103 (Application).

¹³⁴ See Ex. PUC EIP-1 at 11 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹³⁵ Ex. App.-1 at 101 (Application).

¹³⁶ Ex. App.-1 at 102 (Application).

~~123.125.~~ Air quality impacts on the surrounding environment are expected to be negligible due to the short-term and intermittent nature of construction-related emissions.¹³⁷

~~124.126.~~ As a component of the National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS) construction stormwater permit (CSW Permit) that will be obtained for the Project, a ~~National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS), CSW Permit, and an associated~~ Stormwater Pollution Prevention Plan (SWPPP) will be developed and implemented prior to construction in order to minimize the potential for fugitive dust emissions.¹³⁸

~~125.127.~~ Xcel Energy will use BMPs during construction and operation of the Project to minimize dust and emissions.¹³⁹

2. *Geology and Groundwater.*

~~126.128.~~ The Land Control Area was reviewed for wells listed on the Minnesota Well Index (MWI) and MDH WHPAs. The MWI identified one well within the site and it identified 77 wells within the Project Area, which are predominantly domestic wells and monitoring wells, with the remaining wells used for “other” purposes.¹⁴⁰

~~127.129.~~ There is no anticipation that the well located within the Project site, Well 133374, will be impacted by the Project. Specifically, the proposed gen-tie near the location of the well will avoid impacts to the well’s capture zone by adhering to applicable setback requirements, implementation of erosion and sediment controls, and minimized ground disturbances in proximity to the buffer.¹⁴¹

~~128.130.~~ Xcel Energy intends to properly manage the wells during construction to avoid all potential impacts to groundwater. Impacts on groundwater resources (including aquifers) are not anticipated during operation of the Project as water supply needs are limited. If field crews discover an unmapped well not identified in available mapping resources or Xcel Energy records, Xcel Energy will coordinate with the MDH and the well owner to mitigate potential impacts.¹⁴²

~~129.131.~~ Because the Project will disturb more than one acre, Xcel Energy must obtain a CSW Permit from the MPCA. The CSW Permit will identify BMPs for

¹³⁷ Ex. App.-1 at 102 (Application).

¹³⁸ Ex. App.-1 at 110-11 (Application).

¹³⁹ Ex. App.-1 at 103 (Application).

¹⁴⁰ Ex. App.-1 at 105-06 (Application).

¹⁴¹ Ex. App.-1 at 106 (Application).

¹⁴² Ex. App.-1 at 109 (Application).

erosion prevention and sediment control. As part of the CSW Permit, Xcel Energy will also develop a SWPPP that describes construction activity, temporary and permanent erosion and sediment controls, BMPs, and permanent stormwater management that will be implemented during construction and through the life of the Project. Implementation of the protocols outlined in the SWPPP will minimize the potential for soil erosion and detail stormwater management methods during construction and operation of the facility.¹⁴³

~~130.132.~~ Disturbance to groundwater flow from construction activities are not anticipated. Any dewatering required during construction will be managed in accordance with the SWPPP and discharged to the surrounding area, thereby allowing it to infiltrate back into the ground to minimize potential impacts.¹⁴⁴

3. *Soils.*

~~131.133.~~ Primary impacts to soils include compaction from construction equipment, grading, and trenching down to install electrical lines. Overall soil impacts are considered to be moderate.¹⁴⁵

~~132.134.~~ Xcel Energy ~~stated that it~~ is committed to mitigating soil impacts by minimizing soil compaction, preserving topsoil, and establishing and maintaining appropriate vegetation in accordance with BMPs found in the requirements of the SWPPP and outlined in the Applicant's VMP.¹⁴⁶

~~133.135.~~ Sections 4.3.9, 4.3.10, 4.3.11, 4.3.18, and 4.3.23 of the DSP address soil-related impacts from the Project.¹⁴⁷

4. *Surface Water and Floodplains.*

~~134.136.~~ The Project is not expected to impact surface waters due to the absence of wetlands, waterways, waterbodies, and floodplains.¹⁴⁸

~~135.137.~~ BMPs to minimize the impact on adjacent surface waters will be utilized as a part of the SWPPP, including but not limited to designing battery

¹⁴³ Ex. App.-1 at 110-11 (Application).

¹⁴⁴ Ex. App.-1 at 109 (Application).

¹⁴⁵ Ex. App.-1 at 113-14 (Application).

¹⁴⁶ Ex. App.-1 at 114-15 (Application).

¹⁴⁷ See Ex. PUC EIP-1 at 5-6, 8, and 10 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁴⁸ Ex. App.-1 at 116 (Application).

enclosures and other electrical equipment to prevent water ingress and maintain structural integrity under extreme weather conditions.¹⁴⁹

~~136.138.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize surface water and floodplain impacts.¹⁵⁰ Further, Section 4.3.11 of the DSP requires the permittee to implement erosion prevention and sediment control practices recommended by the MPCA. This section also requires the permittee to implement erosion and sediment control measures, grade contours to provide for proper drainage, and restore all disturbed areas to pre-construction conditions.¹⁵¹

5. *Wetlands.*

~~137.139.~~ Xcel Energy sited the Project to avoid wetlands delineated to date.¹⁵²

~~138.140.~~ Xcel Energy reviewed desktop resources, such as the National Wetlands Inventory (NWI) data, aerial photography, hydric soils map units, and digital elevation models, and confirmed that there are no NWI wetlands present within the Project site.¹⁵³

~~139.141.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to wetlands.¹⁵⁴ Further, Section 4.3.13 of the DSP prohibits placement of the ESS or associated facilities in public waters and public waters wetlands.¹⁵⁵

6. *Vegetation.*

~~140.142.~~ The Project is in the Eastern Broadleaf Forest Province (222), Minnesota & NE Iowa Morainal Section (222M), and the Anoka Sand Plain Subsection (222Mc) of the Ecological Classification System (“ECS”).¹⁵⁶

~~141.143.~~ Construction of the facility will eliminate vegetative cover and create impermeable surfaces at the access road and the developed area of the facility.

¹⁴⁹ Ex. App.-1 at 116 (Application).

¹⁵⁰ Ex. App.-1 at 115 (Application).

¹⁵¹ See Ex. PUC EIP-1 at 6 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁵² Ex. App.-1 at 115 (Application).

¹⁵³ Ex. App.-1 at 115 (Application); Ex. App.-1 Figure 11 (Appx. I) .

¹⁵⁴ Ex. App.-1 at 115 (Application).

¹⁵⁵ See Ex. PUC EIP-1 at 6 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁵⁶ Ex. App.-1 at 48 (Application).

Xcel Energy estimates that approximately 35 acres will be converted to impermeable surfaces for the life of the facility.¹⁵⁷

~~142.144.~~ Following construction, Xcel Energy plans to reestablish areas where non-native vegetation was removed using Minnesota state seed mix, which is a non-native grassland mix. Xcel Energy indicates it plans to reestablish areas where native vegetation was removed.¹⁵⁸

~~143.145.~~ ~~EIP Staff~~ The VMPWG submitted formal comments to promote a transparent record and guide a pre-construction VMP in coordination with the ~~Vegetation Management Plan Working Group (VMPWG)~~, using BMPs established by the DNR and Board of Water & Soil Resources (BWSR). Under proposed Special Condition 5.1, ~~EIP recommends that~~ the VMP and documentation of coordination efforts must be filed at least 14 days prior to the pre-construction meeting. ~~EIP recommends that~~ The VMP must include: short-term and long-term management objectives; planned restoration and vegetation management activities; monitoring and evaluation methods; management tools and timing; identification of the third-party contractor; identification of on-site noxious weeds and invasive species; and a marked-up copy of the Site Plan showing revegetation and seed mixes.¹⁵⁹

~~144.146.~~ The DNR submitted formal comments recommending Xcel Energy's VMP include a more detailed explanation of the vegetation reestablishment phases in areas where vegetation removal is anticipated within the surrounding project boundary. The DNR advises the VMP include an explanation of the types of plant species Xcel Energy intends to use as part of the vegetation reestablishment process.¹⁶⁰

~~145.147.~~ Xcel Energy submitted reply comments through its direct testimony on March 11, 2026, stating that it remains committed to working cooperatively and alongside the DNR to address any outstanding concerns as the Project advances through the permitting process.¹⁶¹

~~146.148.~~ DSP Section 5.7 is a special condition that requires Xcel Energy to develop a tree replacement plan in coordination with the DNR and Sherburne County to replace any trees removed for construction and file the plan at least 14 days before the pre-construction meeting. Replacement trees may be planted on public lands with

¹⁵⁷ See Ex. App.-1 at 118 (Application).

¹⁵⁸ Ex. App.-1 at 118 (Application).

¹⁵⁹ See Ex. PUC EIP-1 at 13 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁶⁰ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁶¹ Ex. App-3 at 7 (Direct Testimony of Jordan Clitty and Schedule 1).

the permission of the public entity/owner. Staff notes the project is anticipated to clear approximately 35 acres of land.¹⁶²

~~147.149.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to vegetation.¹⁶³ Further, Sections 4.3.15, 4.3.16, 4.3.17, and 4.3.18 of the DSP address impacts to vegetation.¹⁶⁴

7. *Wildlife and Habitat.*

~~148.150.~~ The Land Control Area is mostly vegetative cover (71 percent) which provides varied habitats for wildlife. Developed areas (29 percent) in the site provides less suitable habitat for wildlife.¹⁶⁵

~~149.151.~~ The Project is located within the Mississippi Flyway, which is a major north-south migration route.¹⁶⁶ It is also located in the Prairie Hardwood Transition Bird Conservation Region.¹⁶⁷ The U.S. Fish and Wildlife Service (USFWS) Information for Planning and Consultation (“IPaC”) report identified ten species of concern that could potentially occur in the Project Area.¹⁶⁸ Field investigations in March 2025 did not identify any high-quality or unique nesting habitat within the Project site for listed avian species, and observers did not note any stick nests within the Project site.¹⁶⁹

~~150.152.~~ Xcel Energy does not anticipate impacts to bald eagles from the Project because no suitable nesting habitat exists within the Project site, and surveyors did not observe any stick nests during a March 2025 site visit conducted under leaf-off conditions.¹⁷⁰

~~151.153.~~ The limited forest habitat within the Project site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat; however, there is much greater habitat available along the Mississippi River southwest of the project site. Though limited tree clearing is expected within the Project site, impacts to birds selecting forested habitats are not anticipated due to the greater quality habitat

¹⁶² See Ex. PUC EIP-1 at 15 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁶³ Ex. App.-1 at 118 (Application).

¹⁶⁴ See Ex. PUC EIP-1 at 7-8 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁶⁵ Ex. App.-1 at 119 (Application).

¹⁶⁶ Ex. App.-1 at 119 (Application).

¹⁶⁷ Ex. App.-1 at 119 (Application).

¹⁶⁸ Ex. App.-1 at 120, Table 18 (Application).

¹⁶⁹ Ex. App.-1 at 120 (Application).

¹⁷⁰ Ex. App.-1 at 127 (Application).

southwest of the Project site. Xcel Energy has coordinated with the ~~U.S. Fish and Wildlife Service~~ (USFWS) and DNR regarding avoidance and minimization measures for potentially suitable habitat for protected species.¹⁷¹

~~152.154.~~ There are no waterfowl feeding and resting areas within one mile of the site.¹⁷²

~~153.155.~~ There are no Audubon Important Bird Areas (IBA), within one mile of the Project site.¹⁷³

~~154.156.~~ Xcel Energy proposed~~s~~ fencing around the Project, which ~~does~~ creates~~s~~ potential for wildlife impacts. Although deer can jump many fences, they can become tangled in both smooth and barbed-wire fences. Predators can also use fences to corner and kill prey species. Nevertheless, the Project has a relatively small footprint and the Project site has an industrial nature, thus the fencing impact is anticipated to be minor.¹⁷⁴

~~155.157.~~ The DNR submitted a formal comment recommending additional analysis of potential wildlife impacts caused by the security fence, including how the approximately 5,500 feet of permanent fencing could impede wildlife travel corridors. The DNR noted that the EA does not address how the security fence will impact wildlife movement, and that such analysis is consistent with available EAs for other ESS projects.¹⁷⁵

~~156.158.~~ The DNR recommended that the site permit include a special condition requiring the Permittee to coordinate with the DNR to finalize the security fencing plan, similar to Special Condition 5.7 included in the permitted Snowshoe Energy Storage Project (Docket ~~No. IP-7139/-~~ESS-24-279).¹⁷⁶

~~157.159.~~ The impact the security fencing is anticipated to have on wildlife is expected to be minor.¹⁷⁷

~~158.160.~~ The DNR submitted formal comments recommending tree removal be avoided from June 1 to August 15 to protect nesting birds and roosting bats

¹⁷¹ Ex. App.-1 at 121 (Application).

¹⁷² Ex. App.-1 at 120 (Application).

¹⁷³ Ex. App.-1 at 121 (Application).

¹⁷⁴ Ex. App.-1 at 122 (Application).

¹⁷⁵ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁷⁶ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁷⁷ Ex. App.-1 at 122 (Application).

from direct impacts during construction. The DNR supports a special condition requiring the Permittee to avoid tree clearing from June 1 to August 15.¹⁷⁸

~~159.161.~~ 161. Xcel Energy submitted reply comments through its direct testimony on March 11, 2026 wherein it opposed the inclusion of a ~~blanket~~-seasonal tree-clearing restriction prohibiting tree removal from June 1 to August 15. Xcel Energy claims ~~The~~ record does not support such a broad prohibition ~~as~~; there are no known Northern Long-Eared Bat (NLEB) maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited amounts of suitable forested habitat, consisting primarily of sparse conifers. Xcel Energy states that a rigid seasonal prohibition would unnecessarily constrain ~~Xcel Energy's~~ the construction schedule without a corresponding environmental benefit proportionate to the restriction.¹⁷⁹

~~160.162.~~ 162. Xcel Energy asserted that rather than imposing a blanket restriction unsupported by site-specific conditions, the Commission should adopt a permit condition requiring Xcel Energy to coordinate directly with the USFWS regarding the timing of tree-clearing and any other construction or restoration actions that may impact the NLEB, and to maintain records of compliance for Commission staff to review upon request. Xcel Energy believes this approach ensures that any tree-clearing activities are carried out in a manner informed by the best available science and current federal guidance, while preserving the scheduling flexibility necessary for Xcel Energy to meet the Project's anticipated commercial operation date. ~~Coordination with the USFWS—the federal agency with direct authority over listed species—provides a more targeted, science-based safeguard than an arbitrary calendar-based restriction that bears no demonstrated nexus to actual habitat conditions at this site.~~¹⁸⁰

~~161.163.~~ 163. DSP Special Permit Condition 5.4 ~~is a blanket prohibition forbidding/prohibits~~ Xcel Energy from removing trees from the site from June 1 to August 15 to protect nesting birds and roosting bats.¹⁸¹

~~162.164.~~ 164. There are no known NLEB maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited suitable forested habitat, primarily sparse conifers.¹⁸²

~~163.165.~~ 165. DSP 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's

¹⁷⁸ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁷⁹ Ex. App-3 (Direct Testimony of Jordan Clitty and Schedule 1).

~~¹⁸⁰ Ex. App-3 (Direct Testimony of Jordan Clitty and Schedule 1).~~

¹⁸¹ See Ex. PUC EIP-1 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁸² Ex. App.-1 at 123 (Application).

comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements ~~already collectively~~ provide ~~robust~~ wildlife and vegetation protections.¹⁸³

~~164.166.~~ Xcel Energy proposed the Commission replace Special Condition 5.4 with the following language, ~~given that the record demonstrates the blanket prohibition is unnecessary for the reasons stated in finding 155 and 156:~~

The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

~~165.167.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to wildlife and habitat.¹⁸⁴ Further, Sections 4.3.30 and 8.13 of the DSP specify measures that will minimize impacts to wildlife.¹⁸⁵

8. Climate Change.

~~166.168.~~ The Project will help shift energy production in Minnesota and the upper Midwest toward carbon-free sources. Construction emissions will have a short-term negligible increase in GHGs that contribute to climate change. The Project's design incorporates design elements that minimize impacts from the increase in extreme weather events such as increase flooding, storms, and heat wave events that are expected to accompany a warming climate.¹⁸⁶

~~167.169.~~ ESS systems can enable greater integration of renewable energy and maintain grid stability and provide backup power during extreme weather events.¹⁸⁷

~~168.170.~~ The ESS enclosures selected for the Project are designed to withstand wind, rain, snow, and ice events. Final design will include a safety factor for snow and wind loads for components and equipment pads.¹⁸⁸

¹⁸³ See Ex. PUC EIP-1 at 7-8, 11, 13, 15 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁸⁴ Ex. App.-1 at 121 (Application).

¹⁸⁵ See Ex. PUC EIP-1 at 11 and 19 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁸⁶ See Ex. App.-1 at 100-02 (Application).

¹⁸⁷ See Ex. App.-1 at 100-01 (Application).

¹⁸⁸ See Ex. App.-1 at 103 (Application).

9. Rare and Unique Resources.

~~169.171.~~ Minnesota law requires applicants to submit information about consideration of the Project's potential effects on rare and unique natural resources.¹⁸⁹

~~170.172.~~ Minnesota Biological Survey (MBS) systematically collects, interprets, and provides baseline data on the distribution and ecology of rare plants, rare animals and native plant communities. There is an MBS site located immediately south of the Project site, approximately 25 feet. The South Becker 12 MBS site has a rank of "Moderate". Within this MBS, there is one southern dry-mesic oak (maple) woodland native plant community (native plant community code: FDs37) present.¹⁹⁰

~~171.173.~~ Xcel Energy spoke with DNR on October 24, 2025, to present the Project, discuss BMPs to avoid and minimize potential impacts to the nearby MBS Site, native seeding protocols in the VMP, recommended time of year restrictions for tree clearing, and summary of the City of Becker determining that the Project is a permitted use in the Wild and Scenic River Overlay District.¹⁹¹

~~172.174.~~ Xcel Energy conducted a species and habitat survey on September 24, 2025. This survey identified two federally proposed threatened species, the monarch butterfly (*Danaus plexippus*) and the western regal fritillary (*Argynnis idalia occidentalis*); and one federally designated as non-essential experimental population, the whooping crane (*Grus americana*), as potentially occurring within or near the Project site. The Project site does not overlap any critical habitat—there are no known NLEB or tri-colored bat maternity roost trees or hibernaculum in Sherburne County; however, the species may still occur within or near the Project site.¹⁹²

~~173.175.~~ Minnesota DNR performed ~~a~~ Natural Heritage Information System (NHIS) review, providing results on September 9, 2025 and concluded that impacts to state-listed species are not anticipated. ~~Nevertheless, it~~ In this review, DNR recommended that tree removal be avoided from June 1 through August 15 to minimize potential impacts to bats.¹⁹³

~~174.176.~~ "Native Prairie" is defined as land that has never been plowed where native prairie vegetation originating from the Project site currently predominates

¹⁸⁹ Minn. Stat. § 216L.05, subd. 4(a)(8).

¹⁹⁰ Ex. App.-1 at 124 (Application).

¹⁹¹ Ex. App.-1 at 126 (Application).

¹⁹² Ex. App.-1 at 123 (Application).

¹⁹³ Ex. App.-1 at 123 (Application).

or, if disturbed, is predominantly covered with native prairie vegetation that originated from the Project site.¹⁹⁴

~~175.177.~~ The Project site's current condition is comprised of previously disturbed grassland with scattered shrubs and small trees. The Project site is comprised of barren land and sparse forested areas, with no native prairie present.¹⁹⁵

~~176.178.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to rare and unique resources.¹⁹⁶

F. Application of Various Design Considerations.

~~177.179.~~ Minnesota law requires applicants to submit information about consideration of the application of possible design options to accommodate the facility's future expansion and any other sites or routes that were considered and rejected by the applicant that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission or generating capacity.¹⁹⁷

~~178.180.~~ Xcel Energy considered locating the Sherco West Battery Energy Storage System Project adjacent to the Sherco Solar 1 Project, northwest of the intersection of River Road SE and 115th Avenue in the City of Becker. Xcel Energy determined that this location did not provide sufficient space to accommodate all Sherco West Battery Energy Storage System facilities. Xcel Energy considered the Sherco South Battery Energy Storage System Project only at its current location, and did not further evaluate alternative locations. The current location has room for future augmentation that may be required over time. Through the selection of the current location, Xcel Energy has accommodated for future expansion.¹⁹⁸ DSP Special Permit Condition 5.5 requires the applicant to notify the Commission of any scheduled augmentation 30 days prior to commencing augmentation activities, including the number, type, and location of batteries, and demonstrate compliance with special permit condition 5.2.¹⁹⁹

~~179.181.~~ Xcel Energy selected the proposed Project site based on a variety of factors, including its minimal environmental impacts, proximity to the electrical grid

¹⁹⁴ Minn. Stat. § 84.02.

¹⁹⁵ Ex. App.-1 at 127 (Application).

¹⁹⁶ Ex. App.-1 at 126 (Application).

¹⁹⁷ Minn. Stat. § 216I.05, subd. 3(b)(10), subd. 3(b)(14).

¹⁹⁸ Ex. App.-1 at 34, 41 (Application).

¹⁹⁹ See Ex. PUC EIP-1 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

and existing transmission infrastructure, existing land ownership, adequate space for energy storage facilities, and available grid capacity for interconnection. The proposed Project site was identified based on these factors.²⁰⁰

G. Use of Existing Rights-of-Way.

~~180.182.~~ Minnesota law requires consideration of the use of existing rights-of-way.²⁰¹

~~181.183.~~ To minimize new rights-of-way consistent with Minn. Stat. § 216I.05, subd. 3(b), the Project's interconnection will utilize the existing Sherburne County Substation and a short gen-tie line with dead-end structure at the existing and Project substations.²⁰²

H. Electrical System Reliability.

~~182.184.~~ Minnesota law requires consideration of electrical system reliability.²⁰³

~~183.185.~~ The Project will enhance the electrical system reliability by helping Xcel Energy to meet its need for approximately 600 MW of additional ESS capacity by 2030 to enable renewable integration, reduce curtailment of wind and solar during low-demand periods, and provide essential ancillary and reliability services necessary for safe and stable grid operations. In doing so, Xcel Energy supports Minnesota's transition to carbon-free resources while maintaining dependable grid performance.²⁰⁴

I. Cost of Constructing, Operating, and Maintaining the Facility.

~~184.186.~~ Minnesota law requires applicants to submit information about~~consideration of~~ the costs of constructing, operating, and maintaining a facility which are dependent on design and route.²⁰⁵

~~185.187.~~ Xcel Energy estimates the total installed capital cost to construct the Project to be between approximately \$698 million and \$1.03 billion. Actual costs will depend on final material and labor costs. Xcel Energy estimates annual operations and maintenance costs between approximately \$6.8 and \$10 million.²⁰⁶

²⁰⁰ Ex. App.-1 at 41 (Application).

²⁰¹ Minn. Stat. §§ 216I.05, subd. 3(b)(7), (11).

²⁰² Ex. App.-1 at 15-16 (Application).

²⁰³ Minn. Stat. § 216I.05, subd. 11(b)(13).

²⁰⁴ See Ex. App.-1 at 7 (Application).

²⁰⁵ Minn. Stat. § 216I.05, subd. 3(b)(9).

²⁰⁶ Ex. App.-1 at 8 (Application).

J. Adverse Human and Natural Environmental Effects that Cannot be Avoided.

~~486.188.~~ Minnesota law requires consideration of the adverse human and natural environmental effects that cannot be avoided. Resource impacts are unavoidable when an impact cannot be avoided even with mitigation strategies.²⁰⁷

~~487.189.~~ As discussed above, most of the unavoidable impacts are associated with construction and therefore temporary. Unavoidable adverse effects associated with construction of the Project (in some instances a specific phase of construction) would last through construction and include:

- Noise and vibration emitted from vehicles and equipment during construction that will be audible to neighboring landowners;
- Air emissions from the exhaust of diesel and gasoline-powered equipment and vehicles;
- Increased traffic on roads within and adjacent to the Project site;
- Waste generation associated with material packaging;
- Minor air quality impacts due to fugitive dust;
- Potential for soil erosion; and
- Potential disturbance to, and displacement of, some species of wildlife and associated habitat.²⁰⁸

~~488.190.~~ Unavoidable adverse impacts associated with the operation would last as long as the life of the Project, and include:

- Introduction of additional industrial structures in an industrial area, which will be visible from local roadways and parcels;
- Operational noise if not properly mitigated with suppression;
- Changes in land cover and vegetation from previously disturbed grassland with scattered shrubs and small trees to an ESS facility (35 acres of permanent infrastructure). New tree plantings for screening and

²⁰⁷ Minn. Stat. § 216I.05, subd. 4(a)(9).

²⁰⁸ Ex. App.-1 at 129 (Application).

mitigation purposes will alleviate the proposed land use changes to more industrial land uses; and

- Creation of new impermeable surface for the ESS unit area, parking area, substation, and access roads.²⁰⁹

~~189.191.~~ As discussed in detail above, ~~the unavoidable impacts can be mitigated, and~~ the DSP conditions will mitigate the unavoidable adverse impacts to the extent possible.

K. Irreversible and Irretrievable Commitments of Resources.

~~190.192.~~ Minnesota law requires consideration of the irreversible and irretrievable commitments of resources that are necessary for the Project.²¹⁰ Resource commitments are irreversible when it is impossible or very difficult to redirect that resource to a different future use; an irretrievable commitment of resources means the resource is not recoverable for later use by future generations.²¹¹

~~191.193.~~ Irreversible and irretrievable resource commitments are primarily related to Project construction, including the use of water, aggregate, hydrocarbons, steel, concrete, wood, and other consumable resources. Some, like fossil fuel use, are irretrievable. Others, like water use, are irreversible. Still others might be recyclable in part, for example, the raw materials used to construct batteries and enclosures would be an irretrievable commitment of resources, excluding those materials that may be recycled at the end of useful life. The commitment of labor and fiscal resources to develop, construct, and operate the Project is considered irretrievable.²¹²

~~192.194.~~ The DSP addresses the irreversible and irretrievable commitments of resources with permit conditions, to the extent possible.²¹³

L. Cumulative Impacts

~~193.195.~~ Cumulative impacts are combined, incremental effects of human activity based on past, present, and future activities. While an individual activity may be

²⁰⁹ Ex. App.-1 at 129 (Application).

²¹⁰ Minn. Stat. § 216L.05, subd. 11(b)(11).

²¹¹ Ex. App.-1 at 129 (Application).

²¹² Ex. App.-1 at 130 (Application).

²¹³ See Ex. PUC EIP-1 at 11 and 19 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

insignificant by itself, minor impacts in combination with other actions may cause a larger issue in a region or to an important resource.²¹⁴

~~194.196.~~ The Applicant searched for reasonably foreseeable projects in both temporal and spatial proximity to the Project. The EA identified two Minnesota Department of Transportation (MnDOT) road and maintenance projects that could reasonably be expected to increase traffic with worker and equipment transport travelling on similar routes. Xcel Energy will coordinate with appropriate parties on haul rout traffic volumes to reduce significant travel impacts in the area. Minor long-term cumulative impacts are anticipated.²¹⁵

XII. SITE PERMIT CONDITIONS

~~195.197.~~ The DSP includes a number of proposed standard and special permit conditions, many of which have been discussed above. The conditions apply to site preparation, construction, cleanup, restoration, operation, maintenance, abandonment, decommissioning, and other aspects of the Project.

~~198. Based on the record, In their direct testimony, the Applicant argued that Special Condition 5.4's blanket prohibition timing restrictions on tree removal from June 1 to August 15 should be replaced with a condition requiring USFWS coordination regarding tree-clearing activities that may impact the NLEB. The Applicant stated that the record demonstrates there are no known NLEB maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited suitable forested habitat, primarily sparse conifers. The Applicant also noted that the DSP already provides robust wildlife and vegetation protections—including contains other protections for wildlife and vegetation including Section 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements—rendering a rigid seasonal prohibition disproportionate and unnecessary. Accordingly, the record supports replacing Special Condition 5.4 with Xcel Energy's proposed USFWS coordination condition. The DNR filed comments stating that the seasonal tree-clearing restriction is not limited to NLEB or other bat species since it also provides protections for nesting birds. The DNR further noted that, although no bat records exist for the immediate area, all of Minnesota's bat species can occur statewide, and that the Project's proximity to the Mississippi River suggests nesting birds are likely present in the vicinity. The Site Permit Application discusses the wildlife species that may be present and acknowledges that although surveys have not verified presence, these species may still occur within or near the project site, and may~~

²¹⁴ Ex. App.-1 at 130 (Application).

²¹⁵ Ex. App.-1 at 131 (Application).

be displaced to adjacent habitats during construction.²¹⁶ The Application also states that the limited forest habitat within the site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat.²¹⁷ EIP staff proposed permit condition 5.4 that removed the specific dates and required permittees to coordinate with both the Minnesota Department of Natural Resources and the U.S. Fish and Wildlife Services regarding the timing of tree clearing and any additional conservation measures necessary to minimize impacts.

~~196. The following language will replace Special Condition 5.4:~~

~~197. The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.~~

199. In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended the language for special permit condition 5.7 be amended to include a de minimis threshold of tree removal and definition of a tree.²¹⁸ EIP staff proposed permit condition 5.7 amended the condition language.

200. In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended a special permit condition requiring the Applicant to resubmit a Natural Heritage Review and continue to consult with the DNR regarding implementation of avoidance measures for state-listed species.²¹⁹ EIP staff propose permit condition 5.10 to address this recommendation.

XIII. NOTICE

~~198-201.~~ Minnesota statutes and rules require an applicant to provide certain notice to the public and local governments before and during the Application process.²²⁰ Xcel Energy provided notices to the public and local governments in satisfaction of Minnesota statutory and rule requirements.²²¹

²¹⁶ Ex. App.-1 at 120 and 122 (Application).

²¹⁷ Ex. App.-1 at 120 and 123 (Application).

²¹⁸ DNR Comments (March 30, 2026) (eDocket No. 20263-229782-01).

²¹⁹ DNR Comments (March 30, 2026) (eDocket No. 20263-229782-01).

²²⁰ Minn. Stat. § 216I.05, subd 5.

²²¹ Ex. App.-2 (Affidavit of Publication).

~~199-202.~~ Minnesota statutes and rules also require the Commission and EIP to provide certain notice to the public throughout the site permit application process.²²² The Commission and EIP Staff provided the notices in satisfaction of Minnesota statutes and rules.²²³

XIV. ~~COMPLETENESS OF ENVIRONMENTAL ASSESSMENT~~

~~200-203.~~ ESS are eligible for the Standard Review process under Minn. Stat. § 216I.07, subd. 2 and, therefore, the Application must contain an EA with information on the proposed Project's human and environmental impacts and potential mitigation measures associated with the identified impacts.²²⁴

~~201-204.~~ The Applicant prepared an EA process is the alternative environmental review approved for ESS and submitted it with its Site Permit Application pursuant to the Standard Review Process.²²⁵

~~202-205.~~ The Commission is required to determine the completeness of the EA. An EA is complete if it addresses the requirements identified in Minn. Stat. § 216I.05, subd. 4.²²⁶ On February 4, 2026, and following the January 13 and 14, 2026, public information and scoping meetings, Commission EIP Staff submitted a Scoping Summary and Recommendations, finding recommending that the Commission not require an EA addendum is not required for the Project.²²⁷ On February 25, 2026, the Commission issued an order finding that an EA addendum is not required for the Project.²²⁸ ~~The evidence in the record demonstrates that the EA is adequate.~~

~~206.~~ The record ~~further~~ establishes that the EA ~~otherwise~~ meets the relevant statutory criteria and contains the information prescribed by Minn. Stat. §§ 216I.05, subd.4 and 216I.07, subd. 3.

~~203-207.~~ Minnesota law requires the Commission to consider the EA and the entirety of the record related to human and environmental impacts when making a final decision on a site permit application.²²⁹

²²² Minn. Stat. § 216I.05, subd 87.

²²³ Affidavit of Publication (March 31, 2026) (eDocket No. [20263-229837-01](#)); Ex. PUC-12 (EQB Monitor Notice of Public Hearings and Availability of Draft Permit).

²²⁴ Ex. App.-1 at 43 (Application).

²²⁵ Minn. Stat. § 216I.07, subd. 3.

²²⁶ See Minn. Stat. § 216I.05, subd 4; Ex. App.-1 (Appx. B).

²²⁷ EIP Scoping Summary and Recommendations (February 4, 2026) (eDockets No. 20262-227828-

01)

²²⁸ February 25, 2026 Order.

²²⁹ Minn. Stat. § 216I.07, subd. 3(b).

CONCLUSIONS OF LAW

~~1. Any of the foregoing Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.~~

~~2.1.~~ The Commission has jurisdiction over the Application for a site permit for the ~~up to 600 MW~~ proposed Project pursuant to Minn. Stat. §§ 216I.03, ~~216I.05 and 216I.07 (2025)~~.

~~3.2.~~ The Commission accepted the Application as complete on December 22, 2025.²³⁰

~~4.3.~~ The Applicant prepared an EA for the Project for the purposes of this proceeding, which satisfies the requirements of Minn. Stat. §§ 216I.05, subd. 4 and 216I.07, subd. 3. The Commission has considered the EA and the entirety of the record related to human and environmental impacts as required by Minn. Stat. § 216I.07, subd. 3(b).

~~5.4.~~ The Commission appropriately concluded that no addendum to the EA should be prepared.

~~6.5.~~ Xcel Energy and the Commission have ~~substantially~~ complied with the notice and procedural requirements of Minn. Stat. Ch. 216I (2025).

~~7.6.~~ Public hearings were held on March 18, 2026 (in-person) and March 19, 2026 (remote-access).²³¹ Proper notice of the public hearings was provided as required by §§ 216I.05, subd. ~~89~~, and 216I.07, subd. 4, and the public was given an opportunity to speak at the hearings and to submit written comments.²³²

~~8.7.~~ The Commission has the authority under Minn. Stat. § 216I.05, subd. 12 (2025) to place conditions in an ESS site permit.

~~9.8.~~ The record in this proceeding demonstrates that Xcel Energy has satisfied the criteria for a Site Permit as set forth in Minn. Stat. § 216I.05 (2025) and all other applicable legal requirements.

~~10.9.~~ The Project, with the permit conditions discussed above, satisfies the Site Permit criteria for an ESS in Minn. Stat. § 216I.05 (2025) and meets all other applicable

²³⁰ Ex. PUC-2 (Notice of Site Permit Application Completeness Determination and Public Information Meetings (Resubmitted to serve PPSA General List)).

²³¹ Beker Public Hearing on 3-18-2026 Transcript (April 3, 2026) (eDocket No. 20264-229991-01); Virtual Public Hearing on 3-19-2026 Transcript (April 3, 2026) (eDocket No. 20264-229991-02).

²³² Ex. PUC-11 (Notice of Public Hearings and Availability of Draft Permit).

legal requirements. The record demonstrates that issuing a Site Permit for the Project is in the public interest.

10. The Project, with the permit conditions discussed above, does not present a potential for significant adverse environmental effects and will not significantly affect the quality of the environment pursuant to the ~~Minnesota Environmental Rights Act and/or the~~ Minnesota Environmental Policy Act.

11. The Project, with the permit conditions discussed above, will not result in the pollution, impairment, or destruction of the air, water, land, or other natural resources as defined in the Minnesota Environmental Rights Act.

12. Any of the foregoing conclusions of law which are more properly designated findings of fact are hereby adopted as such.

STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

**SITE PERMIT FOR
SHERCO SOUTH AND WEST ENERGY STORAGE PROJECT**

AN ENERGY STORAGE SYSTEM

**IN
SHERBURNE COUNTY**

**ISSUED TO
NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY**

PUC DOCKET NO. E002/ESS-25-319

In accordance with the requirements of Minnesota Statutes Chapter 216I this site permit is hereby issued to:

NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY

Northern States Power Company d/b/a Xcel Energy is authorized by this site permit to construct and operate a new battery energy storage system with a nominal power rating of up to 600 megawatts (MW) alternating current with approximately 2,400 megawatt-hours of energy capacity on a site consisting of approximately 60 acres adjacent to the Sherburne County Generating Station in the City of Becker of Sherburne County, Minnesota.

The energy storage system shall be constructed and operated within the site identified in this site permit and in compliance with the conditions specified in this site permit.

This site permit shall expire 30 years from the date of this approval.

Approved and adopted this ____ day of [Month, Year]

BY ORDER OF THE COMMISSION

Sasha Bergman,
Executive Secretary

To request this document in another format such as large print or audio, call 651-296-0406 or 800-657-3782 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

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ATTACHMENTS

Attachment 1 – Complaint Handling Procedures for Permitted Energy Facilities

Attachment 2 – Compliance Filing Procedures for Permitted Energy Facilities

Attachment 3 – Site Permit Maps

1 SITE PERMIT

The Minnesota Public Utilities Commission (Commission) hereby issues this site permit to Northern States Power Company d/b/a Xcel Energy (Permittee) pursuant to Minnesota Statutes Chapter 216I. This site permit authorizes the Permittee to construct and operate a battery energy storage system with a nominal power rating of up to 600 megawatts (MW) alternating current with approximately 2,400 megawatt-hours of energy capacity on a site consisting of approximately 60 acres adjacent to the Sherburne County Generating Station in the city of Becker, Sherburne County, Minnesota (Sherco South and West Energy Storage Project, henceforth known as the Project). The energy storage system shall be constructed and operated within the site identified in this site permit and in compliance with the conditions specified in this site permit.

1.1 Pre-emption

Pursuant to Minn. Stat. § 216I.18, this site permit shall be the sole site approval required for the location, construction, and operation of the energy storage system and this site permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose governments.

2 PROJECT DESCRIPTION

Xcel Energy will construct, own, and operate the 600 MW battery energy storage facility on their own property in Becker, MN.

The Project is located in the following:

County	Township Name	Township	Range	Sections
Sherburne	Becker	33N	29W	1, 2, 11, 12

2.1 Project Ownership

At least 14 days prior to the pre-construction meeting, the Permittee shall file a description of its ownership structure, identifying, as applicable:

- (a) the owner(s) of the financial and governance interests of the Permittee;
- (b) the owner(s) of the majority financial and governance interests of the Permittee's owners; and
- (c) the Permittee's ultimate parent entity (meaning the entity which is not controlled by any other entity).

The Permittee shall notify the Commission of:

- (a) a change in the owner(s) of the majority* financial or governance interests in the Permittee; or
- (b) a change in the owner(s) of the majority* financial or governance interests of the Permittee's owners; or
- (c) a sale which changes the ultimate parent entity of the Permittee

*When there are only co-equal 50/50 percent interests, any change shall be considered a change in majority interest.

In the event of an ownership change, the new Permittee must provide the Commission with a certification that it has read, understands, and is able to comply with the conditions of this permit.

3 DESIGNATED SITE

The site designated by the Commission for the Project is depicted on the site maps attached to this site permit (Designated Site). The site maps show the approximate location of the energy storage system and associated facilities within the Designated Site and identify a layout that seeks to minimize the overall potential human and environmental impacts of the Project, as they were evaluated in the permitting process.

The Designated Site serves to provide the Permittee with the flexibility to make minor adjustments to the layout to accommodate requests by landowners, local government units, federal and state agency requirements, and unforeseen conditions encountered during the detailed engineering and design process. Any modification to the location of the energy storage system or associated facility shall be done in such a manner as to have human and environmental impacts that are comparable to those associated with the layouts on the maps attached to this site permit. The Permittee shall identify any modifications in the Site Plan pursuant to Section 8.3.

4 GENERAL CONDITIONS

The Permittee shall comply with the following conditions during construction and operation of the energy storage system over the life of this site permit.

4.1 Site Permit Distribution

Within 30 days of issuance of this site permit, the Permittee shall provide all affected landowners with a copy of this site permit and the complaint procedures. An affected

landowner is any landowner or designee that is within or adjacent to the permitted site. In no case shall a landowner receive this site permit and complaint procedures less than five days prior to the start of construction on their property. The Permittee shall also provide a copy of this site permit and the complaint procedures to the applicable regional development commissions, county environmental offices, and city and township clerks. The Permittee shall file with the Commission an affidavit of its site permit and complaint procedures distribution within 30 days of issuance of this site permit.

4.2 Access to Property

The Permittee shall notify landowners prior to entering or conducting maintenance within their property, unless otherwise negotiated with the landowner. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3 Construction and Operation Practices

The Permittee shall comply with the construction practices, operation and maintenance practices, and material specifications described in the permitting record for this Project unless this site permit establishes a different requirement in which case this site permit shall prevail.

4.3.1 Field Representative

The Permittee shall designate a field representative responsible for overseeing compliance with the conditions of this site permit during construction of the Project. This person shall be accessible by telephone or other means during normal business hours throughout site preparation, construction, cleanup, and restoration.

The Permittee shall file with the Commission the name, address, email, phone number, and emergency phone number of the field representative at least 14 days prior to the pre-construction meeting. The Permittee shall provide the field representative's contact information to affected landowners, local government units and other interested persons at least 14 days prior to the pre-construction meeting. The Permittee may change the field representative at any time upon notice to the Commission, affected landowners, local government units and other interested persons. The Permittee shall file with the Commission an affidavit of distribution of its field representative's contact information at least 14 days prior to the pre-construction meeting and upon changes to the field representative.

4.3.2 Site Manager

The Permittee shall designate a site manager responsible for overseeing compliance with the conditions of this site permit during the commercial operation and decommissioning phases of

the Project. This person shall be accessible by telephone or other means during normal business hours for the life of this site permit.

The Permittee shall file the name, address, email, phone number, and emergency phone number of the site manager with the Commission within 14 days prior to the pre-operation meeting. The Permittee shall provide the site manager's contact information to landowners within or adjacent to the Project Boundary, local government units and other interested persons at least 14 days prior to the pre-operation meeting. The Permittee may change the site manager at any time upon notice to the Commission, landowners within or adjacent to the Project Boundary, local government units, and other interested persons. The Permittee shall file with the Commission an affidavit of distribution of its change to the site manager's contact information within 14 days of the change to the site manager.

4.3.3 Employee Training - Site Permit Terms and Conditions

The Permittee shall train and educate all employees, contractors, and other persons involved in the construction and ongoing operation of the energy storage system of the terms and conditions of this site permit. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.4 Independent Third-Party Monitoring

Prior to any construction, the Permittee shall propose a scope of work and identify an independent third-party monitor to conduct Project construction monitoring on behalf of the Commission. The scope of work shall be developed in consultation with and approved by Commission staff. This third-party monitor will report directly to and will be under the control of the Commission with costs borne by the Permittee.

The Permittee shall file with the Commission the approved scope of work and the name, address, email, and telephone number of the third party-monitor at least 14 days prior to beginning construction and upon any change in contact information that may occur during construction of the Project.

The Permittee shall keep records of compliance with this section and shall file status reports detailing the construction monitoring in accordance with the approved scope of work.

4.3.5 Public Services, Public Utilities, and Existing Easements

During Project construction, the Permittee shall minimize any disruption to public services or public utilities. To the extent disruptions to public services or public utilities occur these shall be temporary, and the Permittee shall restore service promptly. Where any impacts to utilities

have the potential to occur the Permittee shall work with both landowners and local entities to determine the most appropriate mitigation measures if not already considered as part of this site permit.

The Permittee shall cooperate with county and city road authorities to develop appropriate signage and traffic management during construction. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.6 Temporary Workspace

The Permittee shall select temporary workspace and equipment staging areas that limit the removal and impacts to vegetation. The Permittee shall not site temporary workspace in wetlands or native prairie as defined in sections 4.3.13 and 4.3.14. The Permittee shall site temporary workspace to comply with standards for development of the shorelands of public waters as defined in Section 4.3.13. The Permittee shall obtain temporary easements outside of the authorized Project Boundary from affected landowners through rental agreements. Temporary easements are not provided for in this site permit.

4.3.7 Noise

The Permittee shall comply with noise standards established under Minn. R. 7030.0010 to 7030.0080, at all times and at all appropriate locations during operation of the Project. The Permittee shall limit construction and maintenance activities to daytime working hours to the extent practicable.

4.3.8 Aesthetics

The Permittee shall consider input pertaining to visual impacts from landowners and the local unit of government having direct zoning authority over the area in which the Project is located. The Permittee shall use care to preserve the natural landscape, minimize tree removal and prevent any unnecessary destruction of the natural surroundings in the vicinity of the Project during construction and operation.

4.3.9 Topsoil Protection

The Permittee shall implement measures to protect and segregate topsoil from subsoil on all lands utilized for Project construction unless otherwise negotiated with affected landowner.

4.3.10 Soil Compaction

The Permittee shall implement measures to minimize soil compaction of all lands during all phases of the Project's life and shall confine compaction to as small an area as feasible. The Permittee shall use soil decompaction measures on all lands utilized for Project construction and travelled on by heavy equipment (*e.g.*, cranes and heavy trucks), even when soil compaction minimization measures are used.

4.3.11 Soil Erosion and Sediment Control

The Permittee shall implement those erosion prevention and sediment control practices recommended by the Minnesota Pollution Control Agency (MPCA) Construction Stormwater Program. If construction of the Project disturbs more than one acre of land or is sited in an area designated by the MPCA as having potential for impacts to water resources, the Permittee shall obtain a National Pollutant Discharge Elimination System/State Disposal System Construction Stormwater Permit from the MPCA that provides for the development of a Stormwater Pollution Prevention Plan that describes methods to control erosion and runoff.

The Permittee shall implement reasonable measures to minimize erosion and sedimentation during construction and shall employ perimeter sediment controls, protect exposed soil by promptly planting, seeding, using erosion control blankets and turf reinforcement mats, stabilizing slopes, protecting storm drain inlets, protecting soil stockpiles, and controlling vehicle tracking. Contours shall be graded as required so that all surfaces provide for proper drainage, blend with the natural terrain, and are left in a condition that will facilitate re-vegetation and prevent erosion. All areas disturbed during construction of the Project shall be returned to pre-construction conditions.

4.3.12 Public Lands

In no case shall the energy storage system and associated facilities including foundations, access roads, underground cable, and transformers, be located in the public lands identified in Minn. R. 7850.4400, subp. 1, or in federal waterfowl production areas. Energy storage systems and associated facilities shall not be located in the public lands identified in Minn. R. 7850.4400, subp. 3, unless there is no feasible and prudent alternative.

4.3.13 Wetlands and Water Resources

The Permittee shall not place the energy storage system or associated facilities in public waters and public waters wetlands, as shown on the public water inventory maps prescribed by Minnesota Statutes Chapter 103G, except that electric collector or feeder lines may cross or be placed in public waters or public waters wetlands subject to permits and approvals by the Minnesota Department of Natural Resources (DNR) and local units of government as implementers of the Minnesota Wetlands Conservation Act. The Permittee shall locate the

energy storage system and associated facilities in compliance with the standards for development of the shorelands of public waters as identified in Minn. R. 6120.3300, and as adopted, Minn. R. 6120.2800, unless there is no feasible and prudent alternative.

The Permittee shall construct in wetland areas during frozen ground conditions, to the extent feasible, to minimize impacts. When construction during winter is not possible, wooden or composite mats shall be used to protect wetland vegetation. The Permittee shall contain and manage soil excavated from the wetlands and riparian areas in accordance with all applicable wetland permits. The Permittee shall access wetlands and riparian areas using the shortest route possible in order to minimize travel through wetland areas and prevent unnecessary impacts.

The Permittee shall restore wetland and water resource areas disturbed by construction activities to pre-construction conditions in accordance with the requirements of applicable state and federal permits or laws and landowner agreements. The Permittee shall meet the USACE, DNR, Minnesota Board of Water and Soil Resources, and local government wetland and water resource requirements.

4.3.14 Native Prairie

The Permittee shall not place the energy storage system or associated facilities in native prairie, as defined in Minn. Stat. § 84.02, subd. 5, unless addressed in a prairie protection and management plan and not located in areas enrolled in the Native Prairie Bank Program. The Permittee shall not impact native prairie during construction activities unless addressed in a prairie protection and management plan.

The Permittee shall prepare a prairie protection and management plan in consultation with the DNR if native prairie, as defined in Minn. Stat. § 84.02, subd. 5, is identified within the Project Boundary. The Permittee shall file the prairie protection and management plan with the Commission at least 30 days prior to submitting the Site Plan required by Section 8.3 of this site permit. The prairie protection and management plan shall address steps that will be taken to avoid impacts to native prairie and mitigation to unavoidable impacts to native prairie by restoration or management of other native prairie areas that are in degraded condition, by conveyance of conservation easements, or by other means agreed to by the Permittee, the DNR, and the Commission.

4.3.15 Vegetation Management

The Permittee shall disturb or clear vegetation within the Designated Site only to the extent necessary to assure the safe construction, operation, and maintenance of the Project. The

Permittee shall minimize the number of trees removed within the Designated Site specifically preserving to the maximum extent practicable windbreaks, shelterbelts, and living snow fences.

4.3.16 Application of Pesticides

The Permittee shall restrict pesticide use to those pesticides and methods of application approved by the MDA, DNR, and the U.S. Environmental Protection Agency (EPA). Selective foliage or basal application shall be used when practicable. All pesticides shall be applied in a safe and cautious manner so as not to damage adjacent properties including crops, orchards, tree farms, apiaries, or gardens. The Permittee shall contact the landowner at least 14 days prior to pesticide application on their property. The Permittee may not apply any pesticide if the landowner requests that there be no application of pesticides within the landowner's property. The Permittee shall provide notice of pesticide application to landowners and beekeepers operating known apiaries within three miles of the pesticide application area at least 14 days prior to such application. The Permittee shall keep pesticide communication and application records and provide them upon the request of Commission staff.

4.3.17 Invasive Species

The Permittee shall employ best management practices to avoid the potential introduction and spread of invasive species on lands disturbed by Project construction activities. The Permittee shall develop an Invasive Species Prevention Plan and file it with the Commission at least 14 days prior to the pre-construction meeting. The Permittee shall comply with the most recently filed Invasive Species Prevention Plan.

4.3.18 Noxious Weeds

The Permittee shall take all reasonable precautions against the spread of noxious weeds during all phases of construction. When utilizing seed to establish temporary and permanent vegetative cover on exposed soil the Permittee shall select site-appropriate seed certified to be free of noxious weeds. To the extent possible, the Permittee shall use native seed mixes. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.19 Roads

The Permittee shall advise the appropriate governing bodies having jurisdiction over all state, county, city, or township roads that will be used during the construction phase of the Project. Where practical, existing roadways shall be used for all activities associated with construction of the Project. Oversize or overweight loads associated with the Project shall not be hauled across public roads without required permits and approvals.

The Permittee shall locate all perimeter fencing and vegetative screening in a manner that does not interfere with routine road maintenance activities and allows for continued safe travel on public roads.

The Permittee shall construct the fewest number of site access roads required. Access roads shall not be constructed across streams and drainage ways without the required permits and approvals. Access roads shall be constructed in accordance with all necessary township, county or state road requirements and permits.

The Permittee shall promptly repair private roads or lanes damaged when moving equipment or when accessing construction workspace, unless otherwise negotiated with the affected landowner. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.20 Archaeological and Historic Resources

The Permittee shall make every effort to avoid impacts to archaeological and historic resources when constructing the Project. In the event that a resource is encountered, the Permittee shall consult with the State Historic Preservation Office (SHPO) and the State Archaeologist. Where feasible, avoidance of the resource is required. Where not feasible, mitigation must include an effort to minimize Project impacts on the resource consistent with SHPO and State Archaeologist requirements.

Prior to construction, the Permittee shall train workers about the need to avoid cultural properties, how to identify cultural properties, and procedures to follow if undocumented cultural properties, including gravesites, are found during construction. If human remains are encountered during construction, the Permittee shall, in accordance with Minn. Stat. Ch. 307 (Private Cemeteries Act), immediately halt construction and promptly notify local law enforcement and the State Archaeologist. The Permittee shall not resume construction at such location until authorized by local law enforcement or the State Archaeologist. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.21 Interference

If interference with radio or television, satellite, wireless internet, GPS-based agriculture navigation systems or other communication devices is caused by the presence or operation of the Project, the Permittee shall take whatever action is necessary to restore or provide reception equivalent to reception levels in the immediate area just prior to the construction of

the Project. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.22 Drainage Tiles

The Permittee shall avoid, promptly repair, or replace all drainage tiles broken or damaged during all phases of the Project's life. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.23 Restoration

The Permittee shall restore the areas affected by construction of the Project to the condition that existed immediately before construction began to the greatest extent possible. The time period to complete restoration may be no longer than 12 months after the completion of construction. Restoration shall be compatible with the safe operation, maintenance, and inspection of the Project. Within 60 days after completion of all restoration activities, the Permittee shall file with the Commission a Notice of Restoration Completion.

4.3.24 Cleanup

The Permittee shall remove and properly dispose of all construction waste and scrap from the right-of-way and all premises on which construction activities were conducted upon completion of each task. The Permittee shall remove and properly dispose of all personal litter, including bottles, cans, and paper from construction activities daily.

4.3.25 Pollution and Hazardous Wastes

The Permittee shall take all appropriate precautions to protect against pollution of the environment. The Permittee shall be responsible for compliance with all laws applicable to the generation, storage, transportation, clean up and disposal of all waste generated during construction, restoration, and operation of the Project.

4.3.26 Damages

The Permittee shall fairly restore or compensate landowners for damage to crops, fences, private roads and lanes, landscaping, drain tile, or other damage sustained during construction. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.27 Public Safety

The Permittee shall provide educational materials to landowners within and adjacent to the Designated Site and, upon request, to interested persons about the Project and any restrictions or dangers associated with the Project. The Permittee shall also implement any necessary safety measures such as placing warning signs and gates for traffic control or restricting public access. The Permittee shall file with the Commission an affidavit of its public safety notifications at least 14 days before the pre-construction meeting.

The Permittee shall submit the location of all underground facilities, as defined in Minn. Stat. § 216D.01, subd. 11, to Gopher State One Call following the completion of the construction of the Project and shall file with the Commission confirmation of this provision upon its submission to Gopher State One.

4.3.28 Facility Lighting

The Permittee shall use shielded and downward facing lighting and LED lighting that minimizes blue hue.

4.3.29 Dust Control

The Permittee shall utilize non-chloride products for onsite dust control during construction.

4.3.30 Wildlife Friendly Erosion Control

The Permittee shall use only “bio-netting” or “natural netting” types of erosion control materials and mulch products without synthetic (plastic) fiber additives or malachite green dye.

4.3.31 Site Identification

The Permittee shall mark the energy storage system with a clearly visible identification number and/or street address.

4.4 Collector and Feeder Lines

The Permittee may use overhead or underground collector and feeder lines to carry power from an internal Project interconnection point to the energy storage system. The Permittee shall place overhead and underground collector and feeder lines that parallel public roads within the public right-of-way or on private land immediately adjacent to the road. The Permittee shall obtain approval from the landowner or government unit responsible for the affected right-of-way.

The Permittee shall locate collector and feeder lines in such a manner as to minimize interference with agricultural operations including but not limited to existing drainage patterns, drain tile, future tiling plans, and ditches. The Permittee shall place safety shields on all guy wires associated with overhead collector and feeder lines. The Permittee shall submit the engineering drawings of all collector and feeder lines with the Site Plan pursuant to Section 8.3.

4.5 Other Requirements

4.5.1 Safety Codes and Design Requirements

The Permittee shall design the energy storage system and associated facilities to meet or exceed all relevant local and state codes, the National Electric Safety Code, and North American Electric Reliability Corporation requirements. This includes standards relating to clearances to ground, clearance to crossing utilities, clearance to buildings, strength of materials, clearances over roadways, right-of-way widths, and permit requirements. The Permittee shall keep records of compliance with these standards and provide them upon the request of Commission staff.

4.5.2 Other Permits and Regulations

The Permittee shall comply with all applicable state statutes and rules. The Permittee shall obtain all required permits for the Project and comply with the conditions of those permits unless those permits conflict with or are preempted by federal or state permits and regulations.

At least 14 days prior to the pre-construction meeting, the Permittee shall file with the Commission an Other Permits and Regulations Submittal that contains a detailed status of all permits, authorizations, and approvals that have been applied for specific to the Project. The Other Permits and Regulations Submittal shall also include the permitting agency name; the name of the permit, authorization, or approval being sought; contact person and contact information for the permitting agency or authority; brief description of why the permit, authorization, or approval is needed; application submittal date; and the date the permit, authorization, or approval was issued or is anticipated to be issued.

The Permittee shall demonstrate that it has obtained all necessary permits, authorizations, and approvals by filing an affidavit stating as such and an updated Other Permits and Regulations Submittal prior to commencing Project construction. The Permittee shall provide a copy of any such permits, authorizations, and approvals at the request of Commission staff.

5 SPECIAL CONDITIONS

The special conditions shall take precedence over other conditions of this permit should there be a conflict.

5.1 Vegetation Management Plan

The Permittee shall develop a vegetation management plan (VMP), in coordination with the Vegetation Management Plan Working Group (VMPWG), using best management practices established by the DNR and BWSR. The Permittee shall file the VMP and documentation of the coordination efforts between the Permittee and the coordinating agencies with the Commission at least 14 days prior to the pre-construction meeting.

Landowner-specific vegetation requests resulting from individual consultation between the Company and a landowner need not be included in the VMP. The Permittee shall provide all landowners within the Designated Site copies of the VMP. The Permittee shall file with the Commission an affidavit of its distribution of the VMP to landowners at least 14 days prior to the pre-construction meeting.

The VMP must include the following:

- A. management objectives addressing short term (year 0-5, seeding and establishment) and long term (year 5 through the life of the Project) goals;
- B. a description of planned restoration and vegetation management activities, including how the site will be prepared, timing of activities, how seeding will occur (*e.g.*, broadcast, drilling, etc.), and the types of seed mixes to be used;
- C. a description of how the site will be monitored and evaluated to meet management goals;
- D. a description of the management tools used to maintain vegetation (*e.g.*, mowing, spot spraying, hand removal, fire, grazing, etc.), including the timing and frequency of maintenance activities;
- E. identification of the third-party (*e.g.*, consultant, contractor, site manager, etc.) contracted for restoration, monitoring, and long-term vegetation management of the site;
- F. identification of on-site noxious weeds and invasive species (native and non-native) and the monitoring and management practices to be utilized; and
- G. a marked-up copy of the Site Plan showing how the site will be revegetated and that identifies the corresponding seed mixes.

Best management practices should be followed concerning seed mixes, seeding rates, and cover crops.

5.2 Pre-construction Noise Modeling and Impact Assessment

The Permittee shall file a noise impact assessment at least 14 days prior to the pre-construction meeting. The noise impact assessment shall summarize the results from noise propagation

modeling that incorporates noise inputs from the selected equipment and the facility layout shown in the site plans required in Section 8.3 of this permit. The permittee shall file an updated noise impact assessment including any revisions to selected equipment or facility layout prior to any modifications to the facility over its operating life.

5.3 Noise Studies and Noise Mitigation

The permittee shall use low-noise air-cooled heat exchangers and perform operational phase noise monitoring to monitor effectiveness of this technology, as described below. The permittee shall update the noise modeling assessment when augmentation energy storage system units are to be installed.

The Permittee shall file a proposed methodology for the conduct of a post-construction noise study at least 14 days prior to the pre-construction meeting. The Permittee shall develop the post-construction noise study methodology in consultation with Commission staff. The Permittee must conduct the postconstruction noise study and file with the Commission the completed post-construction noise study within 18 months of commencing commercial operation.

The BESS facilities and associated facilities shall be constructed and operated such that the Permittee shall, at all times, comply with noise standards established by the MPCA. Operation of the facility shall be modified, or project components shall be removed from service if necessary to comply with these noise standards.

5.4 Tree Clearing

The Permittee shall coordinate with the DNR and the U.S. Fish and Wildlife Service (USFWS) regarding the timing of tree clearing and any related conservation measures to mitigate impacts to birds and bats. If the USFWS is not responsive to coordination requests, the Permittee may rely on existing USFWS guidance. The Permittee shall maintain an inventory of the trees cleared for the project sufficient to inform the tree replacement required by Section 5.7 of this permit. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

5.5 Battery Augmentation

The Permittee shall notify the Commission of scheduled augmentation at least 30 days prior to commencing augmentation activities. In its filing, the Permittee shall describe the number and types of batteries included in the augmentation. The Permittee shall indicate the location of the augmentation on the project Site Plan. In its filing the Permittee shall demonstrate compliance

with the noise impact assessment submitted to the Commission as required in Section 5.2 of this permit.

5.6 Hazard Mitigation Analysis

The Permittee shall file a Hazard Mitigation Analysis detailing the results of the equipment testing, and the risks associated with the technology, along with an affidavit of distribution of the Hazard Mitigation Analysis to emergency responders with jurisdiction over the project, at least 30 days prior to the pre-construction meeting.

5.7 Tree Replacement Plan

The Permittee shall, in coordination with affected landowners and the DNR, develop a tree replacement plan to replace any trees that are removed for the construction of the Project and file the plan with the Commission at least 14 days before the pre-construction meeting. Replacement plantings may be new seedling or sapling trees. Replacement plantings may occur on public or private lands with the permission of the landowner or public entity and shall be prioritized within the county where the project is located. The tree replacement plan may include an alternative proposal to fund tree replacements through DNR Forestry Programs or other similar public programs.

5.8 Annual Report

The Permittee shall, by February 1st following each complete or partial year of Project operation, file a report with the Commission on the monthly availability of the facility including:

- a. the installed nameplate capacity of the permitted facility;
- b. the monthly and annual availability of the facility;
- c. the operational status of the facility and any major outages, major repairs, battery
- d. augmentation, or performance improvements occurring in the previous year; and
- e. any other information reasonably requested by the Commission.

The Permittee shall file this information in a format recommended by the Commission. This information shall be considered public and must be filed electronically.

5.9 Security Fencing

The Permittee shall design the security fence surrounding the energy storage system to minimize the visual impact of the Project while maintaining compliance with the National Electric Safety Code. The Permittee shall develop a final fence plan for the specific site in

coordination with the DNR. The final fence plan shall be submitted to the Commission as part of the Site Plan pursuant to Section 8.3 of this permit.

5.10 State-Listed Species

Prior to the start of construction, the Permittees shall resubmit a Natural Heritage Review and continue to consult with the DNR regarding implementation of avoidance measures for state-protected threatened and endangered species. The Permittees will comply with applicable DNR requirements related to state-listed endangered and threatened species in accordance with Minnesota's Endangered Species Statute (Minn. Stat. § 84.0895) and associated Rules (Minn. R. 6212.1800 to 6212.2300 and Minn. R. 6134). The Permittees shall file records of coordination with the DNR at least 14 days before the pre-construction meeting.

6 DELAY IN CONSTRUCTION

If the Permittee has not commenced construction or improvement of the site within four years after the date of issuance of this site permit the Permittee shall file a Failure to Construct Report and the Commission shall consider suspension of this site permit in accordance with Minn. Stat. § 216I.24.

7 COMPLAINT PROCEDURES

At least 14 days prior to the pre-construction meeting, the Permittee shall file with the Commission the complaint procedures that will be used to receive and respond to complaints. The complaint procedures shall be in accordance with the requirements of Minn. R. 7829.1500 or Minn. R. 7829.1700, and as set forth in the complaint procedures attached to this site permit.

Upon request, the Permittee shall assist Commission staff with the disposition of unresolved or longstanding complaints. This assistance shall include, but is not limited to, the submittal of complaint correspondence and complaint resolution efforts.

8 COMPLIANCE REQUIREMENTS

Failure to timely and properly make compliance filings required by this site permit is a failure to comply with the conditions of this site permit. Compliance filings must be electronically filed with the Commission.

8.1 Pre-Construction Meeting

Prior to the start of construction, the Permittee shall participate in a pre-construction meeting with Commission staff to review pre-construction filing requirements, scheduling, and to coordinate monitoring of construction and site restoration activities. Within 14 days following the pre-construction meeting, the Permittee shall file with the Commission a summary of the topics reviewed and discussed and a list of attendees. The Permittee shall indicate in the filing the anticipated construction start date.

8.2 Pre-Operation Meeting

At least 14 days prior to commercial operation of the Project, the Permittee shall participate in a pre-operation meeting with Commission staff to coordinate field monitoring of operation activities for the Project. Within 14 days following the pre-operation meeting, the Permittee shall file a summary of the topics reviewed and discussed and a list of attendees with the Commission.

8.3 Site Plan

At least 14 days prior to the pre-construction meeting, the Permittee shall file with the Commission and the counties where the Project will be constructed with a Site Plan that includes specifications and drawings for site preparation and grading; specifications and locations of the energy storage system and associated facilities; and procedures for cleanup and restoration. The documentation shall include maps depicting the Designated Site, energy storage system, and associated facilities layout in relation to that approved by this site permit.

The Permittee may not commence construction until the earlier of (i) 30 days after the pre-construction meeting or (ii) until the Commission staff has notified the Permittee in writing that it has completed its review of the documents and determined that the planned construction is consistent with this site permit.

If the Commission notifies the Permittee in writing within 30 days after the pre-construction meeting that it has completed its review of the documents and planned construction, and finds that the planned construction is not consistent with this site permit, the Permittee may submit additional and/or revised documentation and may not commence construction until the Commission has notified the Permittee in writing that it has determined that the revised construction plan documentation is consistent with this site permit.

If the Permittee intends to make any significant changes in its Site Plan or the specifications and drawings after submission to the Commission, the Permittee shall notify the Commission and county staff at least five days before implementing the changes. No changes shall be made that would be in violation of any of the terms of this site permit.

8.4 Status Reports

The Permittee shall file with the Commission monthly Construction Status Reports beginning with the pre-construction meeting and until completion of restoration. Construction Status Reports shall describe construction activities and progress, activities undertaken in compliance with this site permit, and shall include text and photographs.

If the Permittee does not commence construction of the Project within six months of this site permit issuance, the Permittee shall file with the Commission Pre-Construction Status Reports on the anticipated timing of construction every six months beginning with the issuance of this site permit until the pre-construction meeting. The status updates shall include information on the Project's Midcontinent Independent System Operator (MISO) interconnection process, if applicable.

8.5 Labor Statistic Reporting

The Permittee shall file quarterly Labor Statistic Reports with the Commission within 45 days of the end of the quarter regarding construction workers that participated in the construction of the Project. The Labor Statistic Reports shall:

- (a) detail the Permittee's efforts and the site contractor's efforts to hire Minnesota workers; and
- (b) provide an account of:
 - i. the gross number of hours worked by or full-time equivalent workers who are Minnesota residents, as defined in Minn. Stat. § 290.01, subd. 7;
 - ii. the gross number of hours worked by or full-time equivalent workers who are residents of other states, but maintain a permanent residence within 150 miles of the Project; and
 - iii. the total gross hours worked or total full-time equivalent workers.

The Permittee shall work with its contractor to determine the suitable reporting metric. The report may not include personally identifiable data.

8.6 Prevailing Wage

The Permittee, its contractors, and subcontractors shall pay no less than the prevailing wage rate as defined in Minn. Stat. § 177.42 and shall be subject to the requirements and enforcement provisions under Minn. Stat. §§ 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45. The Permittee shall keep records of contractor and subcontractor pay and provide them at the request of Commission staff.

8.7 In-Service Date

At least three days before the Project is to be placed into service, the Permittee shall notify the Commission of the date on which the Project will be placed into service and the date on which construction was completed.

8.8 As-Builts

Within 90 days after completion of construction, the Permittee shall submit to the Commission copies of all final as-built plans and specifications developed during the Project construction.

8.9 GPS Data

Within 90 days after completion of construction, the Permittee shall submit to the Commission, in the format requested by the Commission, geo-spatial information (*e.g.*, ArcGIS compatible map files, GPS coordinates, associated database of characteristics) for all structures associated with the Project.

8.10 Right of Entry

The Permittee shall allow Commission designated representatives to perform the following, upon reasonable notice, upon presentation of credentials and at all times in compliance with the Permittee's site safety standards:

- (a) To enter upon the facilities easement of the property for the purpose of obtaining information, examining records, and conducting surveys or investigations.
- (b) To bring such equipment upon the facilities easement of the property as is necessary to conduct such surveys and investigations.
- (c) To sample and monitor upon the facilities easement of the property.
To examine and copy any documents pertaining to compliance with the conditions of this site permit.

8.11 Emergency Response

The Permittee shall prepare an Emergency Response Plan (ERP) in consultation with the emergency responders having jurisdiction over the Project prior to construction. The Permittee shall file the ERP, along with any comments from emergency responders to the Commission at least 14 days prior to the pre-construction meeting and a revised ERP, if any, at least 14 days prior to the pre-operation meeting. At least 14 days prior to the pre-operation meeting the Permittee shall file with the Commission an affidavit of the distribution of the ERP to emergency responders and Public Safety Answering Points (PSAP) with jurisdiction over the

Project. The Permittee shall obtain and register the Project address or other location indicators acceptable to the emergency responders and PSAP having jurisdiction over the Project.

8.12 Extraordinary Events

Within 24 hours of discovery of an occurrence, the Permittee shall notify the Commission of any extraordinary event. Extraordinary events include but shall not be limited to fires, acts of sabotage, collector or feeder line failure, and injured worker or private person. The Permittee shall, within 30 days of the occurrence, file a report with the Commission describing the cause of the occurrence and the steps taken to avoid future occurrences.

8.13 Wildlife Injuries and Fatalities

The Permittee shall report any wildlife injuries and fatalities to the Commission quarterly.

9 DECOMMISSIONING AND RESTORATION

9.1 Decommissioning Plan

The Permittee shall comply with the provisions of the most recently filed and accepted Decommissioning Plan. The initial version of the Decommissioning Plan was submitted for this Project as Appendix E to the Site Permit Application. The Permittee shall file an updated Decommissioning Plan incorporating comments and information from the permit application process and any updates associated with the final construction plans with the Commission at least fourteen 14 days prior to the pre-construction meeting. The Permittee shall update and file the Decommissioning Plan with the Commission every five years following the commercial operation date.

The Decommissioning Plan shall provide information identifying all surety and financial securities established for decommissioning and site restoration. The Decommissioning Plan shall provide an itemized breakdown of costs of decommissioning all Project components, which shall include labor and equipment.

The Permittee shall also submit the Decommissioning Plan to the local unit of government having direct zoning authority over the area in which the Project is located. The Permittee shall ensure that it carries out its obligations to provide for the resources necessary to fulfill its requirements to properly decommission the Project at the appropriate time. The Commission may at any time request the Permittee to file a report with the Commission describing how the Permittee is fulfilling this obligation.

9.2 Site Final Restoration

Upon expiration of this site permit or upon termination of operation of the Project, the Permittee shall have the obligation to dismantle and remove from the site all Project components in accordance with the most recently filed and accepted decommissioning plan. To the extent feasible, the Permittee shall restore and reclaim the site to pre-project conditions. Landowners may require the site be returned to agricultural production or may retain restored prairie vegetation, or other land uses as agreed to between the landowner and the Permittee. All access roads shall be removed unless written approval is given by the affected landowner requesting that one or more roads, or portions thereof, be retained. All such agreements between the Permittee and the affected landowner shall be filed with the Commission prior to commencing restoration activities. The Permittee shall restore the site in accordance with the requirements of this condition and file a Notification of Final Restoration Completion to the Commission within 18 months of termination of operation of the Project.

10 COMMISSION AUTHORITY AFTER SITE PERMIT ISSUANCE

10.1 Expansion of Designated Site Boundaries

No expansion of the site boundary described in this site permit shall be authorized without the approval of the Commission. The Permittee may submit to the Commission a request for a permit amendment for a change in the boundary of the site for the Project. The Commission will respond to the requested change in accordance with applicable statutes and rules.

10.2 Periodic Review

The Commission shall initiate a review of this site permit and the applicable conditions at least once every five years. The purpose of the periodic review is to allow the Commission, the Permittee, and other interested persons an opportunity to consider modifications in the conditions of this site permit. No modification may be made except in accordance with applicable statutes and rules.

10.3 Modification of Conditions

After notice and opportunity for hearing this site permit may be modified or amended for cause, including but not limited to the following:

- (a) violation of any condition in this permit;
- (b) endangerment of human health or the environment by operation of the Project; or
- (c) existence of other grounds established by rule.

10.4 More Stringent Rules

The issuance of this site permit does not prevent the future adoption by the Commission of rules, orders, or permit conditions more stringent than those now in existence and does not prevent the enforcement of these more stringent rules, orders, or permit conditions against the Permittee.

11 SITE PERMIT AMENDMENT

This site permit may be amended at any time by the Commission. Any person may request an amendment of the conditions of this site permit by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The Commission may amend the conditions after affording the Permittee and interested persons such process as is required under Minn. Stat. § 216I.09.

12 TRANSFER OF SITE PERMIT

The Permittee may request at any time that the Commission transfer this site permit to another person or entity (transferee). In its request, the Permittee must provide the Commission with:

- (a) the name and description of the transferee;
- (b) the reasons for the transfer;
- (c) a description of the facilities affected; and
- (d) the proposed effective date of the transfer.

The transferee must provide the Commission with a certification that it has read, understands and is able to comply with the plans and procedures filed for the Project and all conditions of this site permit.

The transferee must provide the Commission with the name and contact information for the site manager, as described in Section 4.3.2, and either a current version with eDocket reference, or a revised version of the following:

- (a) complaint procedures, as described in Section 7 and Attachment 1;
- (b) ERP, as described in Section 8.12; and
- (c) Decommissioning Plan, as described in Section 9.1.

The Commission may authorize transfer of the site permit after affording the Permittee, the transferee, and interested persons such process as is required under Minn. Stat. § 216I.13.

13 REVOCATION OR SUSPENSION OF SITE PERMIT

The Commission may initiate action to revoke or suspend this site permit at any time. The Commission shall act in accordance with the requirements of Minn. Stat. § 216I.24, to revoke or suspend this site permit.

14 EXPIRATION DATE

This site permit shall expire 30 years after the date this site permit was approved and adopted.

PROPOSED PERMIT

ATTACHMENT E

Complaint Handling Procedures for Permitted Energy Facilities

**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLAINT HANDLING PROCEDURES FOR
PERMITTED ENERGY FACILITIES**

A. Purpose

To establish a uniform and timely method of reporting and resolving complaints received by the permittee concerning permit conditions for site or route preparation, construction, cleanup, restoration, operation, and maintenance.

B. Scope

This document describes complaint reporting procedures and frequency.

C. Applicability

The procedures shall be used for all complaints received by the permittee and all complaints received by the Minnesota Public Utilities Commission (Commission) under Minn. R. 7829.1500 or Minn. R. 7829.1700 relevant to this permit.

D. Definitions

Complaint: A verbal or written statement presented to the permittee by a person expressing dissatisfaction or concern regarding site or route preparation, cleanup or restoration, or other permit conditions. Complaints do not include requests, inquiries, questions or general comments.

Substantial Complaint: A written complaint alleging a violation of a specific permit condition that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Unresolved Complaint: A complaint which, despite the good faith efforts of the permittee and a person, remains unresolved or unsatisfactorily resolved to one or both of the parties.

Person: An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private; however organized.

E. Complaint Documentation and Processing

1. The permittee shall designate a representative responsible for filing complaints to the Commission's eDocket system. This person's name, phone number and email address shall accompany all complaint submittals. The name and contact information for the representative shall be kept current in eDockets.
2. A person presenting the complaint should, to the extent possible, include the following information in their communications:
 - a. name, address, phone number, and email address;
 - b. initial date of the complaint;
 - c. tract, parcel number, or address of the complaint;
 - d. a summary of the complaint; and
 - e. whether the complaint relates to a permit violation, a construction practice issue, or other type of complaint.
3. The permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:
 - a. docket number and project name;
 - b. name of complainant, address, phone number and email address;
 - c. precise description of property or parcel number;
 - d. name of permittee representative receiving complaint and date of receipt;
 - e. nature of complaint and the applicable permit condition(s);
 - f. summary of activities undertaken to resolve the complaint; and
 - g. a statement on the final disposition of the complaint.

F. Reporting Requirements

The permittee shall commence complaint reporting at the beginning of project construction and continue through the term of the permit, unless otherwise required below. The permittee shall report all complaints to the Commission according to the following schedule:

Immediate Reports: All substantial complaints shall be reported to the Commission the same day received, or on the following working day for complaints received after working hours. Such reports are to be directed to the Commission's Consumer Affairs Office at 651-296-0406 or 800-657-3782 (voice messages are acceptable) or consumer.puc@state.mn.us. For e-mail reporting,

the email subject line should read “PUC EIP Complaint” and include the appropriate project docket number.

Monthly Reports: During project construction, restoration, and operation, a summary of all complaints, including substantial complaints received or resolved during the preceding month, shall be filed by the 15th of each month to the eDockets system. The eDockets system is located at: <https://efiling.web.commerce.state.mn.us/>. If no complaints were received during the preceding month, the permittee shall file a summary indicating that no complaints were received.

If a project has submitted twelve consecutive months of complaint reports with no complaints, monthly reports can terminate by a letter to eDockets notifying the Commission of such action. If a substantial complaint is received (by the company or the Commission) following termination of the monthly complaint report, as noted above, the monthly reporting should commence for a period of six months following the most recent complaint or upon resolution of all pending complaints.

If a permittee is found to be in violation of this section, the Commission may reinstate monthly complaint reporting for the remaining permit term or enact some other commensurate requirement via notification by the Executive Secretary or some other action as decided by the Commission.

G. Complaints Received by the Commission

Complaints received directly by the Commission from aggrieved persons regarding the permit or issues related to site or route preparation, construction, cleanup, restoration, or operation and maintenance will be promptly sent to the permittee.

The permittee shall notify the Commission when the issue has been resolved. The permittee will add the complaint to the monthly reports of all complaints. If the permittee is unable to find resolution, the Commission will use the process outlined in the Unresolved Complaints Section to process the issue.

H. Commission Process for Unresolved Complaints

Complaints raising substantial and unresolved permit issues will be investigated by the Commission. Staff will notify the permittee and appropriate people if it determines that the complaint is a substantial complaint. With respect to such complaints, the permittee and

complainant shall be required to submit a written summary of the complaint and its current position on the issues to the Commission. Staff will set a deadline for comments. As necessary, the complaint will be presented to the Commission for consideration.

I. Permittee Contacts for Complaints and Complaint Reporting

Complaints may be filed by mail or email to the permittee's designated complaint representative, or to the Commission's Consumer Affairs Office at 651-296-0406 or 800-657-3782 (voice messages are acceptable) or consumer.puc@state.mn.us. The name and contact information for the permittee's designated complaint representative shall be kept current in the Commission's eDocket system.

ATTACHMENT F

Compliance Filing Procedures for Permitted Energy Facilities

**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLIANCE FILING PROCEDURE FOR
PERMITTED ENERGY FACILITIES**

A. Purpose

To establish a uniform and timely method of submitting information required by Commission energy facility permits.

B. Scope and Applicability

This procedure encompasses all known compliance filings required by the permit.

C. Definitions

Compliance Filing: A filing of information to the Commission, where the information is required by a Commission site or route permit.

D. Responsibilities

1. The permittee shall file all compliance filings through the eDockets system. The eDockets system is located at: <https://efiling.web.commerce.state.mn.us/>

General instructions are provided on the eDockets website. Permittees must register on the website to file documents.

2. All filings must have a cover sheet that includes:

- a. Date
- b. Name of submitter/permittee
- c. Type of permit (site or route)
- d. Project location
- e. Project docket number
- f. Permit section under which the filing is made
- g. Short description of the filing

3. The Commission may request a paper copy or USB drive of filings that are graphic intensive (e.g., maps and engineered drawings), in addition to being electronically filed. If requested, send a paper copy or USB drive to: Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN 55101-2147.

PERMIT COMPLIANCE FILINGS¹

PERMITTEE:

PERMIT TYPE:

PROJECT LOCATION:

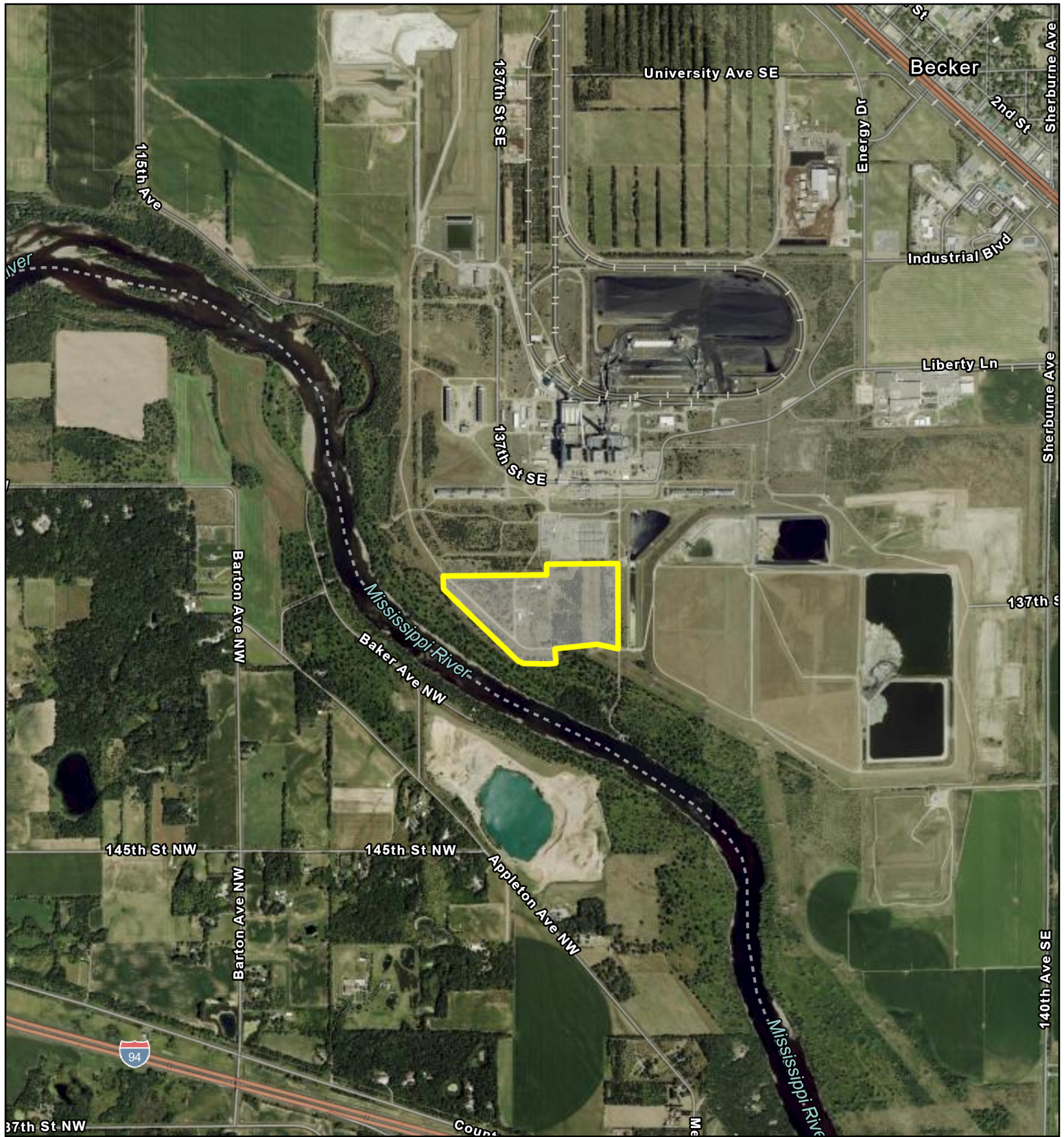
PUC DOCKET NUMBER:

Permit Section	Description of Compliance Filing	Due Date

¹ This compilation of permit compliance filings is provided for the convenience of the permittee and the Commission. It is not a substitute for the permit; the language of the permit controls.

Attachment F

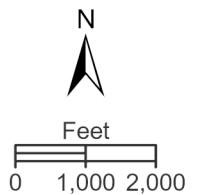
ATTACHMENT G
Site Permit Maps

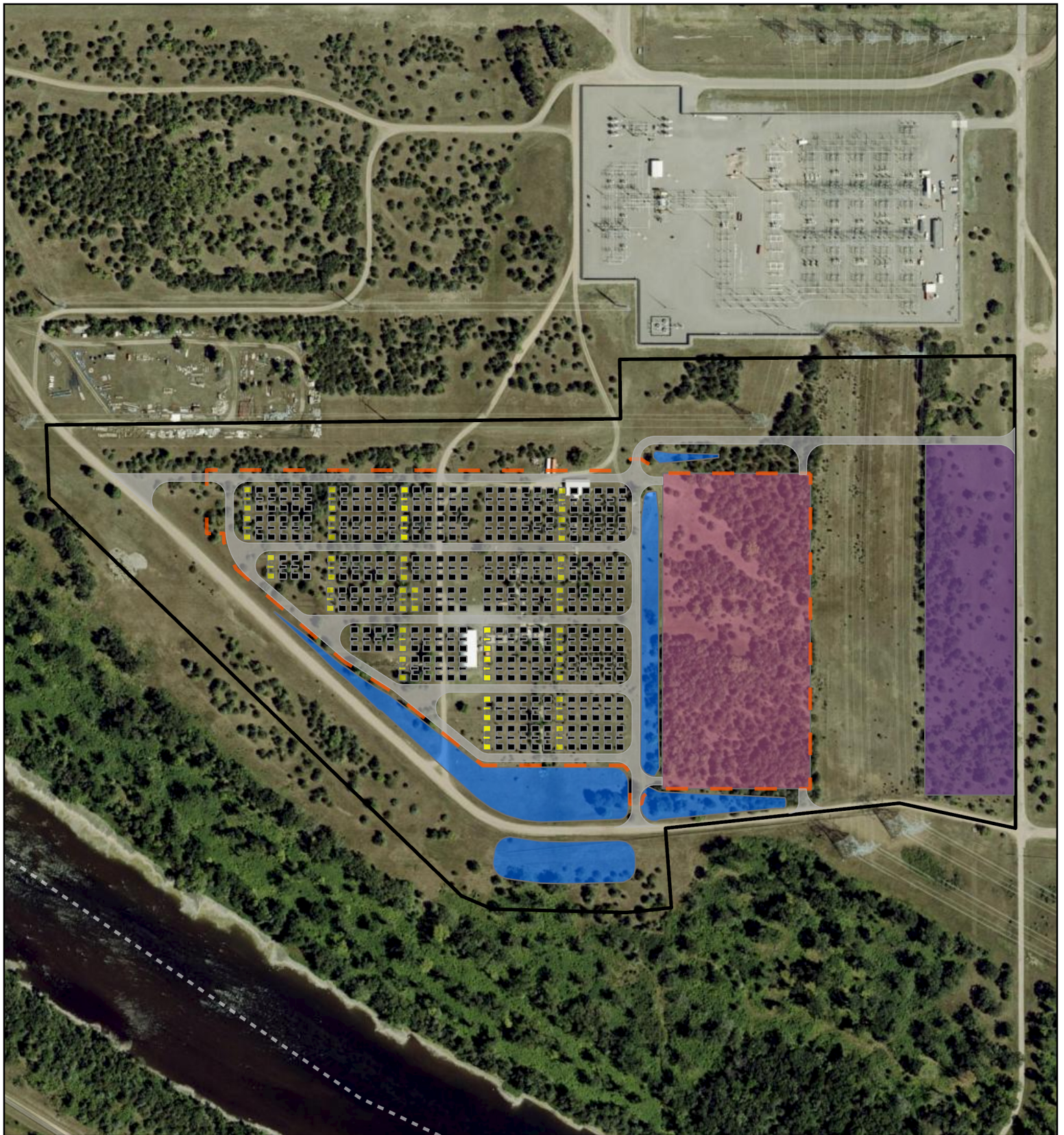


Sherco South and West Energy Storage System Project Site



 Site Boundary





Sherco South and West Battery Energy Storage System Project Overview



Proposed Activities

- | | |
|---|---|
|  Access Roads |  Laydown Yard |
|  BESS Container |  Stormwater Basins |
|  Future Augmentation |  Substation |
|  Fencing |  Site Boundary |

