

December 23, 2016

Daniel P. Wolf, Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Route Permit Transfer Request
Great River Energy and Xcel Energy
Docket No. ET2/TL-12-1245

Dear Mr. Wolf:

Attached are the review and comments of the Minnesota Department of Commerce Energy Environmental Review and Analysis (EERA) staff in the following matter:

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


Great River Energy and Xcel Energy have requested that the portion of the route permit from Structure 34 to the Credit River Substation be transferred to Xcel Energy.

This filing was made on December 13, 2016, by:

Carole L. Schmidt, Supervisor, Transmission Permitting and Compliance
Great River Energy
Pam Rasmussen, Senior Manager, Siting and Land Rights
Xcel Energy

EERA recommends approval of the proposed transfer and that the Commission conclude Xcel Energy can and should comply with the existing conditions of the permit. EERA staff is available to answer any questions the Commission may have.

Sincerely,



David Birkholz, Environmental Review Manager
Energy Environmental Review and Analysis
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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS**

DOCKET NO. ET2/TL-12-1245

DateDecember 23, 2016
EERA Staff..... David Birkholz (651) 539-1838

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

Issues Addressed: *These comments and recommendations address whether, and under what conditions, it is appropriate to transfer a portion of the route permit to Xcel Energy.*

Additional documents and information can be found at

<http://mn.gov/commerce/energyfacilities/Docket.html?id=32989> or on eDockets at <https://www.edockets.state.mn.us/EFiling/search.jsp> (Year 12, Number 1245).

This document can be made available in alternative formats; e.g., large print or audio tape by calling (651) 539-1530.

Introduction and Background

On August 5, 2014, the Minnesota Public Utilities Commission (Commission) issued a route permit¹ to Great River Energy (GRE) for the Elko, New Market and Cleary Lake Areas Transmission Project. GRE has subsequently constructed approximately 5.4 miles of new double-circuit 115 kilovolt (kV) transmission line and rebuilt approximately 11.3 miles of existing 69 kV transmission line to 115 kV specifications in Scott and Rice counties. All that remains is to rebuild a three-span segment into Xcel Energy's Credit River Substation. On December 13, 2016, Great River Energy and Xcel Energy requested² the Commission authorize the transfer of the rights and responsibilities of the route permit pertaining to that short portion of that line from GRE to Xcel Energy, effective no later than January 31, 2017.

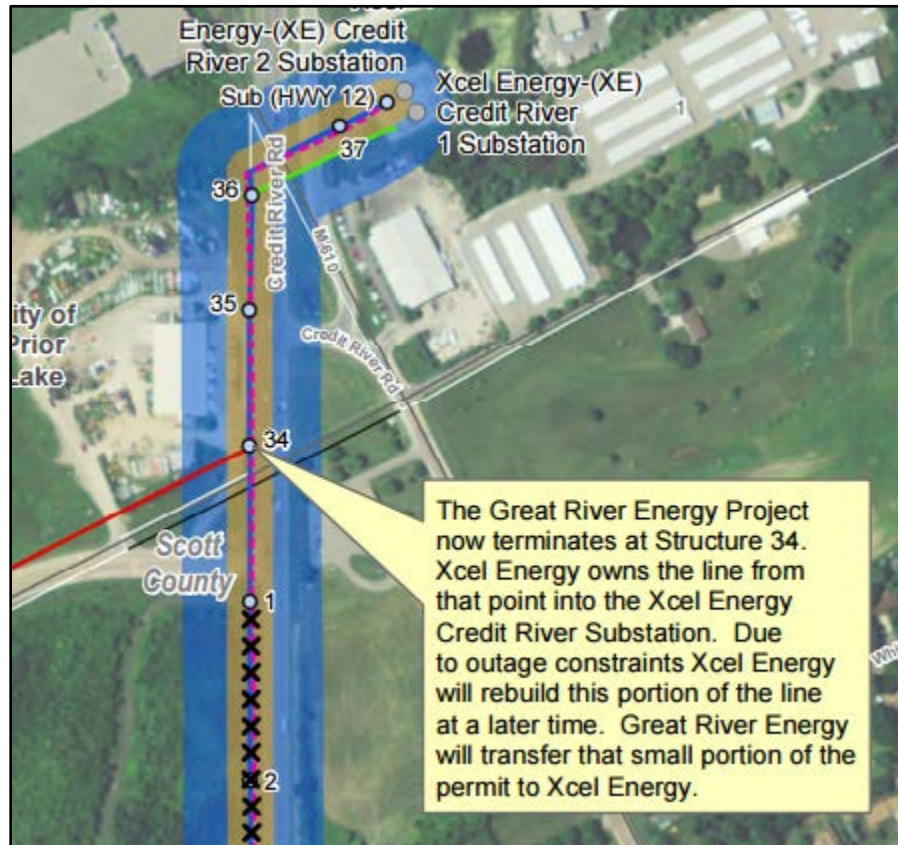
¹ "Order for a Route Permit," Commission, August 5, 2014, eDockets no. [20148-102046-01](#)

² "Joint Request to Transfer a Portion of the Route Permit," (Petition), GRE and Xcel Energy, December 13, 2016, eDockets no. [201612-127260-01](#)

Project Description and Purpose

At the time of its application for a route permit, GRE anticipated the Prior Lake Junction to Credit River Substation segment of the Project would terminate at the Credit River Substation. When GRE posted its Plan and Profile for the segment³ on August 12, 2015, Xcel Energy was experiencing outage constraints that didn't allow the spans connecting to the substation to be taken out of operation. The decision was made that GRE would terminate its Project at Structure 34 (see below). The final three spans were turned over to Xcel Energy to complete at a later date.

Right-of-Way and Alignment Map⁴



Xcel Energy now has an open window to complete that connection. While Xcel Energy owns the segment between Structure 34 and the substation, they still require a Commission Route Permit to actually construct the new spans. GRE currently holds a permit that authorizes that construction. GRE and Xcel Energy have jointly applied to transfer permission to construct that segment from GRE to Xcel Energy. GRE would continue to be the Project Permittee, but Xcel Energy would be named as a co-Permittee with limited rights, i.e., to construct the three spans.

³ "Compliance Filing," GRE August 12, 2015, eDockets nos. [20158-113186-01](#), [20158-113186-02](#), [20158-113186-03](#), [20158-113186-04](#)

⁴ Id. at Exhibit B (Part -03)

Regulatory Process and Procedures

The transfer of a route permit is allowed generally under Minnesota Rule 7850.5000⁵ (see below) and in particular under Permit Condition 10.0 of the Route Permit⁶ in question.

Subpart 1. **Application.** A permittee holding a large electric power generating plant site permit or a high voltage transmission line route permit may request the PUC to transfer its permit. The permittee shall provide the name of the existing permittee, the name and description of the entity to which the permit is to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the permit is to be transferred shall provide the PUC with such information as the PUC shall require to determine whether the new permittee can comply with the conditions of the permit. The commission shall mail notice of receipt of the application to those persons on the general list at least seven days in advance of the commission's consideration of the matter. The commission shall provide the same notice to persons on the project contact list if such a list exists.

Subp. 2. **Approval of transfer.** The commission shall approve the transfer if the commission determines that the new permittee will comply with the conditions of the permit. The commission, in approving the transfer of a permit, may impose reasonable additional conditions in the permit as part of the approval. The commission may decide to hold a public meeting to provide the public with an opportunity to comment on the request for the transfer prior to making a decision.

EERA Analysis and Comments

The process fairly assumes that if the new permittee can and will fulfill the permit conditions, a requested transfer shall be granted. This presumes the petitioner(s) have complied with the directives to supply specific information of the terms and reasons for a transfer and to provide sufficient information about the Permittee and Transferee.

In this case, GRE and Xcel Energy have clearly presented the reason for the transfer, that circumstances did not allow completion of the segment during GRE's construction schedule. They present a description of the facilities, that Xcel Energy would take responsibility and authority for constructing the remaining three-span segment. They also present information about the Transferee, though the Commission's long-standing and continuing interaction with Xcel Energy provides more than sufficient evidence of their ability to comply with the permit.

That leaves only a few smaller questions around the main point, particularly, with what would the Transferee be expected to comply? The main Project is all but complete. All that remains is to upgrade less than 1,000 feet of existing 69 kV transmission structures to 115 kV capacity. With this in mind, the Petition lists what it considers would constitute Xcel Energy's compliance with the Route Permit. EERA thinks that list should be moderately refined.

⁵ Minnesota Rule [7850.5000](#)

⁶ Route Permit at 14

Compliance with the Route Permit

The Petition's list⁷ of permit conditions with which Xcel Energy intends to comply excludes Section 2.0. This section, in particular 2.2, requires the Permittee meet NESC and NERC codes and describes the facilities that were actually permitted. EERA does not agree with this exclusion. If Xcel Energy were to construct using different structures than were permitted based on the record, they should be required to file that change and provide information on the environmental impact.

The list also excludes Section 3.0, which describes the designated route and conditions pertaining to the right-of-way (ROW). Although Xcel Energy's responsibility would be for a minor fraction of the overall Project, the permitted route and ROW still apply within that segment.

The Petitioners request that Xcel Energy be exempted from the special conditions contained in Section 5.0 of the route permit. The conditions were fully addressed by GRE in their required report to the Commission.⁸ EERA agrees it would not be relevant or useful for Xcel Energy to create a separate report on the subsections of this condition, especially considering they applied specifically to portions of the Project already completed by GRE.

Finally, EERA considers it would not be necessary for Xcel Energy to file a separate Plan and Profile, as was suggested by the Petition. A Plan and Profile⁹ has already been filed in this matter that includes the segment in question. However, Xcel Energy should still be held to the requirement in Section 8.1 of the Route Permit that the Permittee inform the Commission of "any significant changes in its [the] plan and profile or the specifications and drawings."

EERA Conclusions and Recommendations

EERA concludes that GRE and Xcel Energy have complied with the requirements for requesting a permit transfer under the rule and permit condition. EERA staff recommends that the Commission approve the transfer of the Route Permit in question from GRE to Xcel Energy, specifically for the designated portion of the route between Structure 34 and the Credit River Substation.

EERA staff also recommends that Xcel Energy be required to adhere to all conditions of the permit, excepting only the Special Conditions in Section 5.

EERA further recommends that Xcel Energy need not file a Plan and Profile unless the details of which would make significant changes to the structures or to the Plan and Profile already filed by GRE in this matter.

⁷ Petition at 3 (Section E)

⁸ Compliance Filing at Exhibit C ([Part -04](#))

⁹ Compliance Filing at Exhibit A ([Part -02](#))