

 Relevant Documents	Date
DOC DER Comments	June 27, 2018
Applicant's Proposed Findings of Fact, Conclusions of Law, and Recommendations	July 11, 2018
Applicant's Response to Comments	July 25, 2018
OAH ALJ Order – Summary of Public Testimony, Findings of Fact, Conclusions of Law, and Recommendation	August 24, 2018
DOC EERA Response to ALJ Report	September 4, 2018
Applicant's Exceptions to ALJ Report	September 7, 2018
DOC DER Comments	September 27, 2018
Applicant's Reply Comments (3 parts – public and trade secret)	October 5, 2018
Minnesota Power – Reply Comment filed in Docket 18-545	October 5, 2018
Applicant's Comments	October 25, 2018
Laborers District Council of MN and ND Comments	October 25, 2018
DOC DER Comments – Intent to file Supplemental Comments	October 25, 2018
DOC DER Comments (Trade Secret and Public)	November 15, 2018

I. STATEMENT OF ISSUES

- Should the Commission find that the environmental report and the record created in this matter adequately address the issues identified in the environmental report scoping decision?
- Should the Commission grant a certificate of need for the up to 260 megawatt Nobles 2 Wind Farm proposed in Nobles County, Minnesota?

II. PROJECT DESCRIPTION

Nobles 2 Power Partners, LLC (Nobles 2) applied for a certificate of need to build and operate a 260 MW wind farm with associated facilities, in Nobles County, Minnesota. The project is comprised of approximately 42,550 acres in Leota, Wilmont, Bloom, Lismore, Larkin and Summit Lake townships. Nobles 2 has entered into leases or wind easement agreements with land owners for approximately 33,991 acres of private land within the project area.¹ The project itself would utilize approximately 115 acres.

¹ The data in the application was updated on page 6 of the Direct Testimony of Scott Seiers, e-Dockets

The Nobles 2 Wind Farm is a proposed Large Wind Energy Conversion System (LWECS) comprised of 65 to 82 wind turbines with a nameplate capacity ranging from 2 megawatts (MW) to 4.2 MW each, along with associated facilities including access roads, collector and feeder lines, an operations and maintenance facility, and up to six permanent meteorological towers. The number of turbines to be constructed will depend upon the project's final configuration.

Nobles 2 is an independent power producer that has proposed to construct, own, and operate the Nobles 2 Wind Farm. Nobles 2's parent, Tenaska Wind Holdings II, LLC is an affiliate of Tenaska, Inc. (Tenaska). Nobles 2's parent is based in Omaha, Nebraska and is a private, independent energy company.

Nobles 2 has executed a power-purchase agreement (PPA) with Minnesota Power (MP) whereby the utility would purchase up to 250 MW of capacity and energy from the Project.² However, Nobles 2 has requested that the Commission determine the need for the Project on the basis of the general need for economical renewable energy in the region.

The applicant intends to interconnect the project at Xcel Energy's Nobles-Fenton 115-kV transmission line located in the west-central portion of the site. Nobles 2 plans to construct the project on a schedule that facilitates an in-service date as early as the fourth quarter of 2019.

III. PROCEDURAL HISTORY

On April 5, 2016, Nobles 2 filed a request for exemption from certain certificate of need (CN) application content requirements.³

On May 25, 2016, the Commission issued an order granting the exemptions requested by Nobles 2. Specifically, the Commission granted exemption from the following parts of Minnesota Rules, chapter 7849: 7849.0240, subp. 2 (B) Promotional Activities; 7849.0250, subp. B (1) – (5): Description of Certain Alternatives; 7849.0250 (C) (1) – (9): Details Regarding Alternatives; 7849.0250 (C) (7): Effect of Project on Rates System-wide; 7849.0250 (D): Map of Applicant's System; 7849.0270: Peak Demand and Annual Consumption Forecast; 7849.0280: System Capacity; and 7849.0290: Conservation Programs. The order also varied the 30-day requirement of Minn. R. 7849.0200, subp. 6.

On October 13, 2017, Nobles 2 filed a certificate of need (CN) application for the Nobles 2 Wind Farm. On the same day, Nobles 2 filed a site permit application for the project.⁴

filing, [20186-143907-06](#), June 15, 2018.

² Approval of the power purchase agreement is before the Commission as Docket Number E-015/M-18-545.

³ Filing Number [20164-119795-01](#), April 5, 2018.

⁴ See Commission Docket Number IP6964/WS-17-597.

On January 4, 2018, the Commission issued an order that, among other procedural items: 1) accepted the CN application as substantially complete; 2) directed the use of the Commission's informal review process set forth under Minn. R. 7829.1200; and 3) directed a joint public hearing for the certificate of need and site permit applications.

On January 25, 2018, the Commission issued a notice scheduling a public information and environmental report scoping meeting and requesting comments on scope of the environmental report for the certificate of need application and on the development of a draft site permit in connection with the site permit. Comments were accepted until March 2, 2018.⁵

On March 29, 2018, Department of Commerce Energy Environmental Review and Analysis staff (DOC EERA) issued its scoping decision identifying matters to be considered in the environmental report.

On May 10, 2018, the Commission issued a Notice of Comment Period on the merits of the CN application. Initial comments were accepted through July 2, 2018, and reply comments were accepted until July 11, 2018.

On May 29, 2018, the Commission and DOC EERA issued a Notice of Joint Hearings and Draft Site Permit Availability for the project.

On May 31, 2018, DOC EERA filed the environmental report for the project.

On June 15, 2018, Nobles 2 filed direct testimony in support of the project.⁶

On June 20, 2018, Administrative Law Judge Jessica Palmer-Denig (ALJ) of the Office of Administrative Hearings presided over the joint public hearings on the CN and site permit applications at the Wilmont Community Center in Wilmont, Minnesota. A comment period following the public hearing was open until July 11, 2018.

On June 27, 2018, DOC DER filed comments on the merits of the CN application recommending the Commission consider the impacts demonstrated by the environmental report with respect to the Criterion of Minn. Rule 7849.0120 (C) and, if the impacts are satisfactory, approve the petition.

On July 11, 2018, the Mankato Building and Construction Trades Council filed comments on the merits of the application.⁷

⁵ At DOC EERA's request, the meeting was rescheduled to February 28, 2018 and the comment period was extended to March 20, 2018, see e-Dockets Number [20182-140012-01](#), February 12, 2018.

⁶ Direct testimony was filed as Dockets Numbers 20186-143907-01 through 20186-143907-06.

⁷ The filing indicated support for the project and recommended a site permit condition. Because the filing requested a provision in the site permit application, staff addresses these comments in that docket.

On August 24, 2018, the ALJ filed the Summary of Public Testimony, Findings of Fact, Conclusions of Law, and Recommendation (ALJ Report). The ALJ Report included findings detailing the procedural steps followed in the CN review.

On September 4, 2018, DOC EERA filed a response to the ALJ Report.

On September 7, 2018, Nobles 2 filed its exceptions to the ALJ Report.

On September 27, 2018 DOC DER filed comments indicating it no longer supported approval of the petition based on recent revisions to the PPA.

On October 10, 2018, the Commission issued a Notice of Comment Period requesting comments by October 25, 2018 on the procedural treatment of the merits of the CN petition, whether the Commission should proceed with the application, and other issues or concerns related to the CN petition.⁸

On October 25, 2018, Nobles 2 filed comments.

On October 25, 2018, the Laborers District Council of Minnesota and North Dakota (LDC) filed comments.

On October 25, 2018, DOC DER filed comments indicating its intent to file supplemental comments and requesting the Commission not make a determination on the certificate of need until after that time.

On November 15, 2018, DOC DER filed supplemental comments including an updated analysis of the PPA review and recommended the Commission approve Minnesota Power's power purchase agreement with conditions and grant Nobles 2 a certificate of need for the project.

IV. STATUTES AND RULES

Certificate of Need. Under Minn. Stat. § 216B.243, subd. 2, no large energy facility shall be sited or constructed in Minnesota without the issuance of a certificate of need by the Commission.

Large Energy Facility. The proposed project is defined as a large energy facility under Minn. Stat. § 216B.2421, subd. 2(1), because it is a large electric power generating plant with a capacity of 50 megawatts or more that will connect to the transmission system.⁹

⁸ *Notice of Comment Period*, Filing No. [201810-146912-01](#), October 10, 2018.

⁹ See also Minn. R. 7849.0010, subp. 13.

Granting a Certificate of Need. In assessing the need for a proposed large energy facility the Commission must consider the factors listed under each of the criteria set forth in Minn. Stat. § 216B.243, subd. 3, and Minn. R. 7849.0120.

Procedural Treatment of Application. The Commission directed use of the informal review process set forth under Minn. R. 7829.1200. The informal review process consists of an initial and reply comment period and a public hearing.¹⁰

Timing. Under Minn. Stat. § 216B.243, subd. 5, the Commission shall approve or deny a certificate of need for a large energy facility within 12 months of the submission of an application.

Environmental Report. Minn. R. 7849.1000 to 7849.2100, establishes the procedural and content requirements for the preparation of an environmental report for a large energy facility. The environmental report describes the human and environmental impacts of a proposed large energy facility, alternatives to the project, and methods to mitigate anticipated adverse impacts. The Commission must consider whether the environmental report and the record in the matter address the issues identified in the environmental report scoping decision before making a final decision on the application.

V. COMMENTS ON THE MERITS OF THE CERTIFICATE OF NEED APPLICATION¹¹

A. Department of Commerce Division of Energy Resources Initial Comments and Analysis

Initial comments and recommendations filed by DOC DER indicated it had reviewed the CN application in conjunction with the relevant statutory and rule requirements. As explained by DOC DER, the criteria to be considered by the Commission in making a CN determination are included in different sections of Minnesota Statutes and Rules that are not consistently reflected in one another. Therefore, DOC DER grouped all of the relevant statutory and rule criteria into five categories: need analysis, link to planning process, alternatives analysis, socioeconomic analysis, and policy analysis.

DOC DER did not identify any contested issues of fact with respect to the application. DOC DER concluded that, should the Commission determine the proposed facility “will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health”, the Commission should grant a CN for the project. DOC DER did not raise any additional issues or concerns.

The following table excerpted from DOC DER’s June 27, 2018 comments provides an analysis of the application relative to the operative decision criteria in statute and rule.

¹⁰ See also Minn. R. 7829.2500, subp. 9.

¹¹ Comments related to site permit conditions are analyzed separately in the site permit docket.

Rules and Statutes Addressed in the Comments		
Statute or Rule Citation	DOC DER Comment	Section(s)
7849.0120 CRITERIA. A certificate of need must be granted to the applicant on determining that:		
A. the probable result of denial would be an adverse effect upon the future adequacy, reliability, or efficiency of energy supply to the applicant, to the applicant's customers, or to the people of Minnesota and neighboring states, considering:		
(1) the accuracy of the applicant's forecast of demand for the type of energy that would be supplied by the proposed facility;	Nobles' forecast of the need for the renewable energy expected to be produced by the proposed Project is reasonable	II.A.1.a
(2) the effects of the applicant's existing or expected conservation programs and state and federal conservation programs;	Demand-side Management is not an alternative to the proposed Project	II.B.3
(3) the effects of promotional practices of the applicant that may have given rise to the increase in the energy demand, particularly promotional practices which have occurred since 1974;	Nobles does not have captive retail customers	II.E.2
(4) the ability of current facilities and planned facilities not requiring certificates of need to meet the future demand; and	Current and planned facilities not requiring a CN have not been demonstrated to be more reasonable	II.C.1.a
(5) the effect of the proposed facility, or a suitable modification thereof, in making efficient use of resources;	Addressed in environmental report	II.D
B. a more reasonable and prudent alternative to the proposed facility has not been demonstrated by a preponderance of the evidence on the record, considering:		

<p>(1) the appropriateness of the size, the type, and the timing of the proposed facility compared to those of reasonable alternatives;</p>	<p>The proposed Project's size is not excessive and therefore is reasonable;</p> <p>the proposed Project's type is reasonable;</p> <p>the timing of the proposed Project is reasonable</p>	<p>II.B.1.a</p> <p>II.B.1.b</p> <p>II.B.1.c</p>
<p>(2) the cost of the proposed facility and the cost of energy to be supplied by the proposed facility compared to the costs of reasonable alternatives and the cost of energy that would be supplied by reasonable alternatives;</p>	<p>Review of MP's cost analysis will take place when the PPA is re-filed by MP in a separate docket; the data provided by Nobles is reasonable and demonstrates wind energy's cost advantages and disadvantages relative to other new, renewable sources</p>	<p>II.C.1.b</p>
<p>(3) the effects of the proposed facility upon the natural and socioeconomic environments compared to the effects of reasonable alternatives; and</p>	<p>consideration of ... the Commission-approved externality values would not impact the overall cost analysis</p>	<p>II.C.1.c</p>
<p>(4) the expected reliability of the proposed facility compared to the expected reliability of reasonable alternatives;</p>	<p>this sub-criterion has been met</p>	<p>II.C.2</p>
<p>C. by a preponderance of the evidence on the record, the proposed facility, or a suitable modification of the facility, will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health, considering:</p>		
<p>(1) the relationship of the proposed facility, or a suitable modification thereof, to overall state energy needs;</p>	<p>the proposed Project fits the state's overall energy needs</p>	<p>II.A.1.b</p>
<p>(2) the effects of the proposed facility, or a suitable modification thereof, upon the natural and socioeconomic environments compared to the effects of not building the facility;</p>	<p>addressed in environmental report</p>	<p>II.D</p>

(3) the effects of the proposed facility, or a suitable modification thereof, in inducing future development; and	addressed in environmental report	II.D
(4) the socially beneficial uses of the output of the proposed facility, or a suitable modification thereof, including its uses to protect or enhance environmental quality; and	addressed in environmental report	II.D
D. the record does not demonstrate that the design construction, or operation of the proposed facility, or a suitable modification of the facility, will fail to comply with relevant policies, rules, and regulations of other state and federal agencies and local governments.	the record at this time does not demonstrate that ... the proposed Project ... will fail to comply	II.E.1
Minnesota Statutes § 216B.243 subd. 3 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional reliability, access, or deliverability to the extent these factors improve the robustness of the transmission system or lower costs for electric consumers in Minnesota	this statute does not apply	N/A
Minnesota Statutes §§ 216B.243 subd. 3a & 216B.2422, subd. 4 The Commission may not issue a certificate of need under this section for a large energy facility that generates electric power by means of a nonrenewable energy source, or that transmits electric power generated by means of a nonrenewable energy source, unless the applicant for the certificate has demonstrated to the Commission's satisfaction that it has explored the possibility of generating power by means of renewable energy sources and has demonstrated that the alternative selected is less expensive (including environmental costs) than power generated by a renewable energy source	the proposed Project meets a renewable preference	II.B.2
Minnesota Statutes § 216B.2426 The Commission shall ensure that opportunities for the installation of distributed generation, as that term is defined in section 216B.169, subdivision 1, paragraph (c), are considered	the requirement to consider distributed generation has been met	II.C.3

Minnesota Statutes § 216B.1694, subd. 2 (a) (4) An innovative energy project...shall, prior to the approval by the commission of any arrangement to build or expand a fossil-fuel- fired generation facility, or to enter into an agreement to purchase capacity or energy from such a facility for a term exceeding five years, be considered as a supply option for the generation facility, and the commission shall ensure such consideration and take any action with respect to such supply proposal that it deems to be in the best interest of ratepayers;	this statute does not apply	II.C.4
Minnesota Statutes § 216B.243 subd. 3 (10) Compliance with § 216B.1691 whether the applicant or applicants are in compliance with applicable provisions of sections 216B.1691 and 216B.2425, subdivision 7...	this statute does not apply	II.E.3
Minnesota Statutes § 216B.243, subd. 3 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's assessment of the risk of environmental costs and regulation on that proposed facility over the expected useful life of the plant, including a proposed means of allocating costs associated with that risk	this statute does not apply	II.E.4
Minnesota Statutes § 216B.243, subd. 3 (10) Compliance with § 216B.2425, subd. 7 whether the applicant or applicants are in compliance with applicable provisions of sections 216B.1691 and 216B.2425, subdivision 7...	this statute does not apply	II.E.5
Minnesota Statutes § 216H.03 on and after August 1, 2009, no person shall construct within the state a new large energy facility that would contribute to statewide power sector carbon dioxide emissions	the proposed Project will not contribute to statewide power sector CO ₂ emissions	II.E.6

Based upon the above analysis, the DOC DER initially recommended that the Commission determine that Nobles 2 has demonstrated that:

- the probable result of denial would be an adverse effect upon the future adequacy, reliability, or efficiency of energy supply to the applicant, to the applicant's customers, or to the people of Minnesota and neighboring states;
- a more reasonable and prudent alternative to the proposed facility has not been demonstrated by a preponderance of the evidence on the record; and
- the record does not demonstrate that the design, construction, or operation of the proposed facility, or a suitable modification of the facility, will fail to comply with relevant policies, rules, and regulations of other state and federal agencies and local governments.

B. Public Comments

Ten individuals spoke in favor of the project at the June 20, 2018 public hearings. Over 40 written comments were received in support of the project, including letters from members of the public, state legislators, a local college, a non-governmental energy group and a labor council. Comments received were largely in favor of the project because of the positive economic impacts to the local communities and the environmental benefits of wind energy. Several commenters noted the availability of local skilled construction and technical labor for the project. A complete summary of the comments submitted during the public hearing are provided in Section X of the ALJ Report.

C. Mankato Buildings and Trades

The Mankato Building and Construction and Trades Council (MBT) represents skilled construction union labor. In its July 11, 2018 comments, MBT expressed support for the project and noted the project's benefits to its members and the public at large by creating and sustaining high-quality construction jobs. MBT expressed appreciation for the applicant's support for a proposed permit condition that would require Nobles 2 to file quarterly reports on the employment of local and non-local workers on the construction of the project. MBT provided information supporting local hiring to bolster the project's economic impacts, and requested the ALJ recommend the Commission incorporate its proposed permit condition because it would directly advance the public policy interest laid out in the statutes and rules governing issuance of site permits for the project.

D. Nobles 2 Comments

The applicant provided direct testimony from Mr. Scott Seiers (Vice President of Strategic Development and Acquisitions Tenaska), Mr. Justin Vala (Director of Engineering and Technical Lead for Tenaska) and Mr. Joseph Finocchairo (Director of Environmental Programs for Tenaska).

In his direct testimony, Mr. Seiers noted that Tenaska has utilized local and unionized labor in previous projects. Mr. Seiers acknowledged Tenaska's desire to hire local labor and voluntarily committed to providing quarterly reports documenting the number of hours or full-time equivalents worked by local laborers for the construction of the project. Mr. Seiers indicated that Nobles 2 reached a compromise with the Laborers International Union of Northern America and the MBT and provided agreed upon language for a site permit condition for labor reporting.

Mr. Vala's testimony provided responses to public and agency concern related to siting matters including telecommunication interference, emergency communications, and project noise. Mr. Finocchairo

On July 25, 2018, Nobles 2 provided its post-hearing comments. The applicant noted that all 10 members of the public who spoke at the public hearings supported approval of the project. The applicant noted the broad public support for the project as reflected in the written comments

received into the record. Nobles 2 reiterated that the project has met the relevant criteria for approval and requested the Commission grant a certificate of need for the project.

V. ADMINISTRATIVE LAW JUDGE REPORT

The ALJ Report identified the procedural steps taken to comply with the informal review requirements under Minn. R. 7829.1200 in Findings of Fact numbers 31 to 49. The ALJ did not include conclusions or a recommendation with regard to the merits of the certificate of need application in the ALJ report because the Commission's January 4th Order authorized review of the certificate of need application under its informal review process.

VI. FILINGS AFTER THE ALJ REPORT

A. Amended Power Purchase Agreement Comments

Department of Commerce – Division of Energy Resources Comments

In its September 27, 2018 filing, DOC DER stated it is no longer able to recommend that the Commission approve Nobles 2's petition unless Nobles is able to explain or resolve several issues related to additional negotiations between Nobles 2 and Minnesota Power that resulted in an amended agreement. DOC DER stated that, unless the applicant can explain its actions to the Commission's satisfaction, or otherwise able to resolve the issues (identified in Attachment A to the filing), the Department recommended that the Commission reject Nobles 2's petition.

Attachment A to the filing identified the Department's concerns with Minnesota Power's portrayal of the sequence of events, the apparent incentive of the parties to maximize the PPA pricing created by MP's minority partnership, and the lack up explanation by MP of any controls to ensure the integrity of the renegotiation process.

Nobles 2 Comments and Reply

In its October 5, 2018 reply letter, the applicant noted the Nobles 2 project was selected as the lowest cost bidder through a competitive bidding process. Nobles 2 and Minnesota Power amended the Nobles 2 PPA in August 2018 in response to changes in the marketplace, and to preserve the project's benefits for Minnesota Power ratepayers.

According to Nobles 2, after execution of the Original PPA in May 2017, two significant developments occurred that affected the broader wind industry, including the Nobles 2 Project; that placed the Project in jeopardy: 1) passage of the Tax Cut and Jobs Act (TCJA) in December 2017 and 2) Midcontinent Independent System Operator (MISO) interconnection study results that significantly increased potential network upgrade costs for all projects in MISO's 2016 August West Definitive Planning Process study group. The applicant asserted that DOC DER's comments focused very narrowly on the actions of Minnesota Power and Nobles 2 following Minnesota Power's competitive bid process and that it is important to understand the broader

context that prompted the arms' length, good faith negotiations that occurred to amend the PPA and preserve the Project and its many benefits for Minnesota Power and its ratepayers.

In its October 25, 2018 comments, the applicant stated that unless DOC DER identifies further factual issues in need of development, Nobles 2 believes that the Commission has a full record upon which to base its decision in this docket, and that no additional procedural steps are necessary before the Commission considers the merits of Nobles 2's Certificate of Need application. Nobles 2 requested the Commission schedule this matter for final decision and find that, on the basis of the record, there is a need for the Nobles 2 project, with or without the Nobles 2 power purchase agreement.

Department of Commerce Division of Energy Resources - Supplemental Comments

In its November 15, 2018 supplemental comments, DOC DER recommended the Commission approve Minnesota Power's petition for the power purchase agreement with conditions and approve Nobles 2's certificate of need petition.

VII. STAFF DISCUSSION

Based on information in Nobles 2's CN application, the analysis provided in the environmental report, recommendations from the DOC DER, the ALJ Report, and other evidence in the record; staff provides the following discussion and recommendations.

It should be noted that if the Commission rejects the project's corresponding power purchase agreement in Docket Number E-015/M-18-545, staff recommends the Commission not grant a certificate of need at this time and provide guidance on a process to finalize the application.

A. Environmental Report

Staff has reviewed the environmental report and determined that the DOC EERA conducted an appropriate environmental analysis of the project and that the environmental report satisfies the requirements in Minn. R. 7849.1200. The environmental report did not identify any unique or significant environmental impacts from the construction and operation of the project that could not be properly mitigated. The report also discussed potential alternatives to the project such as the proposed project itself, a 260 MW LWECS facility in another location, a 260 MW solar facility, a no-build alternative, and alternative renewable energy technologies. In addition, no comments were received or information submitted into the record that contest the information and analysis contained in the environmental report. Therefore, staff recommends that the Commission find the Environmental Report and the record created at the public hearing does address the issues identified in DOC EERA's March 29, 2018 *Environmental Report Scoping Decision*.

B. Certificate of Need

Staff notes the substantial support for this project and lack of opposition to its approval. Staff agrees with the recommendation of the DOC DER that Nobles 2 has demonstrated the project meets the criteria set forth under Minn. R. 7849.0120 (A, B, and D). Staff recommends the Commission find that, upon consideration of the factors set forth in Minn. R. 7849.0120(C), the environmental report and evidence in the record demonstrates the project will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health. Staff agrees with the DOC DER that the Commission should grant a CN to Nobles 2 Wind Farm, LLC, for the up to 260 MW Nobles 2 Wind Farm.

C. Labor Reporting Permit Condition

Staff notes that the ALJ Report addresses the proposed permit condition within the project's corresponding siting docket. Staff agrees the proposed labor reporting site permit condition is best addressed within the siting docket because certificate of need proceedings primarily address whether a project should be deemed needed, and to determine the project's appropriate size, type and timing.

Should the Commission elect to consider the matter within this docket, it should be evaluated within the operative decision criteria identified above. The Commission may also wish to consider whether the proposed condition is determinative upon its decision – that is, would the Commission's decision on granting the CN be altered in any way if the Commission were to adopt the labor reporting requirement within this docket. If the Commission chooses to consider the matter in this docket (i.e. in the context of need, size, type or timing), staff recommends that the Commission include in its order any mandated reporting be done as a compliance filing instead of a permit condition.

D. Power Purchase Agreement Amendments

Because MP's power purchase agreement is subject to another Commission docket, the adequacy of the agreement will not be examined further here. Based on the filings in that docket, DOC DER has recommended the Commission approve the PPA and grant the certificate of need.

VII. COMMISSION DECISION ALTERNATIVES

A. Environmental Report

1. Determine that the Environmental Report and the record created in this matter address the issues identified in the March 29, 2018 *Environmental Report Scoping Decision*.
2. Determine that the Environmental Report and the record created in this matter do not address the issues identified in the March 29, 2018 *Environmental Scoping Decision*, and

direct the DOC EERA to prepare a supplement to the report that addresses the identified deficiencies.

3. Take some other action deemed more appropriate.

B. Certificate of Need

1. Grant a certificate of need for the up to 260 megawatt Nobles 2 Wind Farm proposed in Nobles County, Minnesota, finding that:
 - a. the factors set forth in Minn. R. 7849.0120(A), have been met and that denying the application would likely harm the future adequacy, reliability, or efficiency of the energy supply to Nobles 2 Wind LLC's customers, or to the people of Minnesota and neighboring states;
 - b. the factors set forth in Minn. R. 7849.0120(B), have been met and that a more reasonable and prudent alternative to the project has not been demonstrated by a preponderance of the evidence in the record;
 - c. the factors set forth in Minn. R. 7849.0120(C), have been met and that the preponderance of the evidence in the record demonstrates the project will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health;
 - d. the factors set forth in Minn. R. 7849.0120(D), have been met and that the record does not demonstrate that the design, construction, or operation of the project, or a suitable modification of the project, will fail to comply with relevant policies, rules, and regulations of other state and federal agencies and local governments; and
 - e. the proposed facility will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health.
2. Deny a certificate of need for the up to 260 MW Nobles 2 Wind Farm proposed in Nobles County, Minnesota.
3. Take some other action deemed more appropriate.

Staff Recommendation: A1 and B2(a-e).