

Appendix A

Scoping Decision

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**In the Matter of the Application of Xcel  
Energy for a Site Permit for the Sherco 3  
Solar Project in Sherburne County**

**ENVIRONMENTAL ASSESSMENT  
SCOPING DECISION  
DOCKET No. E002/GS-23-217**

The above matter has come before the Commissioner of the Department of Commerce (Department) for a decision on the scope of the Environmental Assessment (EA) to be prepared for the Sherco 3 Solar Project (project) in Sherburne County, Minnesota.

### Project Description

Xcel Energy proposes to construct an up to 250 megawatts (MW) photovoltaic (PV) solar energy generating system located on a site of approximately 1,780 acres in Sherburne County, Minnesota. The project will consist of PV panels, trackers, inverters, transformers, access roads, security fencing, above-ground and below-ground electric collection and communication lines, weather stations, and collection-line corridor facilities. Xcel Energy proposes to locate the solar facilities in nine units totaling approximately 1,680 acres for which it has lease options. The solar facilities will be connected to the Sherco Solar West Block Collector Substation via below-ground 34.5 kilovolts (kV) electric collection and communication lines. The collection corridors comprise approximately 100 acres for which Xcel Energy has secured or is seeking easements with landowners.

The project will partially replace energy production of the 710 MW Sherco Generating Plant Unit 2, an existing coal-powered facility, which is being retired. The project has an anticipated service life of 35 years.

### Regulatory Background

The proposed project requires a site permit from the Minnesota Public Utilities Commission (Commission).<sup>1</sup> Because the project is powered by solar energy it qualifies for the alternative permitting process.<sup>2</sup> Because the project was selected through a competitive bidding process approved by the Commission, the project is exempt from the certificate of need requirement in Minn. Stat. 216B.243.<sup>3</sup>

Xcel Energy filed an application for a site permit on August 8, 2023.<sup>4</sup> The Commission accepted the application as substantially complete in its order dated October 10, 2023.<sup>5</sup>

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<sup>1</sup> Minn. Stat. 216E.03, subd. 1 and 2.

<sup>2</sup> Minn. Stat. 216E.04, subd. 2(8).

<sup>3</sup> Minn. Stat. 216B.2422, subd. 5

<sup>4</sup> Xcel Energy, *Application for a Site Permit for the Sherco Solar 3 Project*, August 8, 2023, eDocket ID: [20238-198095-01](#), [20238-198095-02](#), [20238-198095-03](#), [20238-198095-04](#), [20238-198095-06](#), ..

<sup>5</sup> Commission, *Order*, October 23, 2023, eDocket ID: [202310-199802-01](#)

The Department's Energy Environmental Review and Analysis (EERA) staff is responsible for conducting environmental review for site permit application submitted to the Commission.<sup>6</sup> An EA will be prepared to meet the environmental review requirements for the site permit application.

## Scoping Process

Scoping is the first step in the development of the EA for the project. The scoping process has two primary purposes: (1) to gather public input as to the impacts and mitigation measures to study in the EA and (2) to focus the EA on those impacts and mitigation measures that will aid in the Commission's decisions on the site permit.

EERA staff gathered input on the scope of the EA through public meetings and an associated comment period. This scoping decision identifies the impacts and mitigation measures that will be analyzed in the EA.

### *Public Scoping Comments*

Commission and EERA staff held a public information and scoping meeting in Clear Lake, Minnesota on November 7, 2023, and an online meeting on November 8, 2023. The comment period closed on November 22, 2023. Approximately 80 people attended the Clear Lake meeting and approximately 27 attendees provided public comments. There were no public comments at the online meeting.<sup>7</sup> Written comments were received from 18 members of the public.<sup>8</sup>

In addition to expressions of opposition to and support for the project, public comments addressed a number of potential impacts and concerns related to the project including: wildlife impacts; use of productive agricultural land for solar generation, aesthetic impacts; impacts to cemeteries, particularly St. Marcus Cemetery which borders the project; impacts to property values; glare and reflection of

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<sup>6</sup> Minnesota Statute 216E.04, Minnesota Rule 7849.1200.

<sup>7</sup> Oral Comments, Public Scoping and Information Meetings, Clear Lake, Minnesota, November 7, 2023 and virtual meeting, November 8, 2023, eDocket ID: [202311-200731-09](#). Note – several of the speakers in the meeting transcript did not identify themselves for the record, so a total count of speakers is approximate.

<sup>8</sup> Barry and Brenda Schuldt Comment, eDocket ID: [202312-201154-01](#); David McDonald Comment, eDocket ID: [202312-201056-01](#); Erin Geiger Comment, eDocket ID: [202311-200856-01](#); Tracy Sodon Comment, eDocket ID: [202311-200809-01](#); Mary Simpler Comments, eDocket ID: [202311-200730-01](#), [202311-200730-02](#); [202311-200730-03](#); Ron and Debbie Schabel Comments, eDocket ID: [202311-200730-04](#); Thomas Hentges Comment, eDocket ID: [202311-200730-05](#); Bret Collier Comment, eDocket ID: [202311-200730-06](#); Carl and Paula Erdman Comment, eDocket ID: [202311-200730-07](#); Bonne Kaiawe Comment, eDocket ID: [202311-200730-08](#); Josh Ramsey Comment, eDocket ID: [202311-200730-10](#); Jared and Nicole Matson Comment, eDocket ID: [202311-200731-01](#); Katie Brenny, eDocket ID: [202311-200731-02](#); Kim and Steve Butkowski Comment, eDocket ID: [202311-200731-03](#); Jeff Edling Comment, eDocket ID: [202311-200731-04](#); Joseph Backowski Comments, eDocket ID: [202311-200731-05](#), [202311-200731-06](#); Paul and Kathy Gray Comment, eDocket ID: [202311-200731-07](#); Reed Hentges Comment, eDocket ID: [202311-200731-08](#);

radiant heat from PV panels; impacts on farming including potential soil warming in fields near the project; easement acquisition; health effects from electromagnetic fields (EMF); decommissioning; concern with potential hazardous materials in PV panels; upstream impacts from mining of materials used in PV panels; potential wetland and surface water contamination from stormwater runoff; concerns with potential for groundwater contamination from broken PV panels; impacts on the PV panels from severe weather and who bears the cost of panel replacement; limitations on future expansion of the city of Clear Lake; the level of subsidies for solar development; and the wisdom of replacing coal with solar.

### *Agency Comments*

The Minnesota Department of Transportation (MnDOT) provided comments on the collection line crossings of US Highway 10 and the need for ongoing coordination with MnDOT regarding accommodation of the proposed collector lines and future construction activities for both MnDOT and the applicant.<sup>9</sup>

The Minnesota Department of Natural Resources (DNR) provided comments on the proposed fencing, the presence of hydric soils within the site, lighting impacts, dust control, and potential impacts to sensitive species (Blanding's turtles, loggerhead shrikes, and bats) and wildlife generally. The DNR recommended mitigation measures including timing of construction activities and tree removal, the use of wildlife-friendly erosion control, avoidance of dust control methods containing chlorides, potential survey requirements, and use of downlit lighting that minimizes blue hues, backlight, and glare.<sup>10</sup>

### *Applicant Comments*

Xcel Energy filed comments on December 21, 2023.<sup>11</sup> Xcel Energy responded to public comments expressing concern with the project's proximity to the St. Marcus Cemetery and easements for the collector lines, and DNR comments on the security fence, hydric soils, protected species mitigations, facility lighting, and dust control.

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Having reviewed the matter, consulted with EERA staff, and in accordance with Minnesota Rule 7850.3700, I hereby make the following scoping decision:

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<sup>9</sup> MnDOT Comment, November 22, 2022, eDocket ID: [202311-200722-01](#)

<sup>10</sup> DNR, Comment November 21, 2023, eDocket ID: [202311-200627-01](#)

<sup>11</sup> Xcel Energy, Comments, December 21, 2023, eDockets: [202312-201477-01](#)

## MATTERS TO BE ADDRESSED

The EA for the proposed Sherco 3 Solar Project will include a description and analysis of the human and environmental impacts of the proposed project required by Minnesota Rule 7850.

### *GENERAL DESCRIPTION OF THE PROJECT*

- A. Project Description
- B. Project Purpose
- C. Project Schedule
- D. Project Costs

### *REGULATORY FRAMEWORK*

- A. Site Permit
- B. Environmental Review
- C. Other Permits and Approvals

### *PROJECT DESIGN, CONSTRUCTION, & OPERATION*

- A. Project description (solar arrays, electrical collector system, roads, fencing)
- B. Site acquisition
- C. Construction
- D. Restoration
- E. Operation and maintenance
- F. Vegetation management
- G. Decommissioning

### *AFFECTED ENVIRONMENT, POTENTIAL IMPACTS AND MITIGATIVE MEASURES*

The EA will analyze the human and environmental impacts and potential mitigation measures associated with the proposed project. Potential impacts of the project, both positive and negative will be described. Based on the impacts identified, the EA will describe mitigation measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EA will describe any unavoidable impacts resulting from implementation of the proposed project:

- A. Impacts to the Natural Environment
  - 1. Air quality and greenhouse gases

2. Climate change and design for resilience
  3. Vegetation
  4. Wildlife
  5. Geology and soils
  6. Water Resources (surface water, groundwater, wetlands)
  7. Rare and unique natural resources
- B. Impacts to Human Settlements
1. Noise
  2. Aesthetics (lighting, appearance of project components, fencing)
  3. Displacement
  4. Socioeconomic impacts (local revenues, taxes, employment)
  5. Cultural values
  6. Cultural resources
  7. Zoning and land use compatibility
  8. Public services
  9. Communication and electronic interference
  10. Public health and safety (electric and magnetic fields, worker and public safety)
  11. Environmental Justice
- C. Impacts to Land Based Economies
1. Agriculture
  2. Forestry
  3. Mining
  4. Recreation and Tourism
- D. Impacts to Archaeological and Historic Resources
- E. Cumulative Potential Impacts

*ISSUES OUTSIDE THE SCOPE OF THE EA*

The EA will not address the following topics:

- A. The need for the project, including questions of size, type, timing, and alternative system configurations.

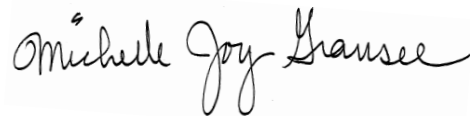
- B. Any impacts related to the manufacture of the elements of the project including PV panels, posts, concrete, fuel used for construction vehicles, etc.
- C. The manner in which landowners are compensated for the project.

## SCHEDULE

The EA is anticipated to be completed and available in April 2024. Upon completion, it will be noticed and made available for review. A public hearing will be held after the EA has been issued. Comments on the EA may be submitted into the hearing record.

Signed this 22<sup>nd</sup> day of January 2024

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE



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Michelle Gransee, Deputy Commissioner



PROJECT SITE

