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April 6, 2015

Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Application Completeness Review
Motley Area 115 kV Transmission Line Project
Docket No. ET2, E015/TL-15-204

Dear Mr. Wolf,

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

In the Matter of the Application of Great River Energy and Minnesota Power for a
Certificate of Need and Route Permit for the Motley Area 115 kV Transmission Line
Project in Morrison, Cass, and Todd Counties, Minnesota

The application was filed on March 19, 2015, by:

William R. Kaul
Vice President, Transmission
Great River Energy
12300 Elm Creek Blvd.
Maple Grove, MN 55369

EERA staff recommends acceptance of the application as complete. Staff is available to answer
any questions the Commission may have.

Sincerely,

A handwritten signature in cursive script that reads "Richard Davis".

Richard Davis
EERA Staff

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. ET2, E015/TL-15-204

Date: April 6, 2015

EERA Staff: Richard Davis.....651-539-1846

In the Matter of the Application by Great River Energy and Minnesota Power for a Certificate of Need and Route Permit for the Motley Area 115 kV Transmission Line Project in Morrison, Cass, and Todd Counties, Minnesota

Issues Addressed: These comments and recommendations address the completeness of the application submitted for the project, possible disputed issues of fact and the need for an advisory task force.

Documents Attached:

(1) Project Overview Map

Additional documents and information can be found on eDockets:

<https://www.edockets.state.mn.us/EFiling/search.jsp> (15-204) and on the Department's website: <http://mn.gov/commerce/energyfacilities/Docket.html?Id=34095>.

This document can be made available in alternative formats (i.e. large print or audio) by calling 651-539-1530 (voice).

Introduction and Background

On March 19, 2015, Great River Energy and Minnesota Power (applicants) filed a joint certificate of need and route permit application to construct and operate a new 115 kilovolt (kV) transmission line and associated facilities in the Minnesota counties of Morrison, Cass and Todd.¹ On March 23, 2015, the Commission issued a notice soliciting comments on the

¹ Great River Energy and Minnesota Power, Application to the Minnesota Public Utilities Commission for a Certificate of Need and Route Permit for the Motley Area 115 kV Transmission Line Project, March 19, 2015, eDockets Numbers [20153-108405-01](#), [20153-108405-02](#), [20153-108406-01](#), and [20153-108407-01](#) [hereinafter CN and Route Permit Application].

completeness of the application.²

Project Purpose

Applicants indicate in their application that the proposed project is needed to address transmission system overload issues in the Motley, Minnesota area and to serve a new substation. The new substation will in turn serve a new pump station proposed by the Minnesota Pipe Line Company, which is part of the Minnesota Pipe Line Reliability Project (Docket No. PL-5/CN-14-320). The transmission system in this area has reached its maximum peak load-serving capability and is not robust enough to serve the new pump station.

Project Description

Applicants are proposing to construct 15.5 to 16.5 miles of new single circuit 115 kV high voltage transmission line (HVTL) and associated facilities. The new single circuit 115 kV HVTL would begin at a new Crow Wing Power (CWP) Fish Trap Lake Substation and connect to the existing Minnesota Power (MP) "24 Line" transmission line; it will be renamed "155 Line" after project completion. The CWP Fish Trap Lake Substation will serve the new Minnesota Pipe Line Company (MPL) Fish Trap pump station.

The Project also includes upgrades to the existing Motley Substation from a 34.5 kV service to a 115 kV service and the addition of a three way switch to allow for the future CWP Shamineau Substation. Additionally, a more reliable ring bus breaker design will be added to the existing MP Dog Lake Substation, and a one-half mile connecting transmission line from the MP Dog Lake Substation to the MP "24 Line" will be constructed as part of the Project.

Applicants are requesting a total route width that will vary between 250 and 995 feet depending on the existing land uses of the adjacent properties;

- Where the route extends across open lands not following existing roadways a 250 foot wide route width is requested.
- A 300 foot route width is requested where the route follows rural roads and county highways, which will include an area 150 feet in each direction perpendicular of the road centerline.
- Where the route follows U.S. Highway 10 the applicants request that the edge of the route extend out to 250 feet from the road edge of both the southbound and northbound lanes of U.S. Highway 10, which will result in a route width varying between 975 and 995 feet due to varying highway median width.
- Applicants have also requested additional route width at specific locations;
 - at the interconnection of the new transmission line and the MP 24 line
 - segments crossing the Crow Wing River
 - near the Motley Substation
 - near a large elm tree on the south side of Azalea Road
 - along the East Route option in Cass County at the intersection of 51st Ave SW and 132nd St SW

² Notice of Comment Period on Completeness of Certificate of Need and Route Permit Application, January 21, 2015, eDockets Number [20151-106421-01](#).

- in the area of the proposed MPL Fish Trap pump station
- in specific areas to allow for the use of guy wires

Refer to the attached map for an overview of the proposed project location.

Applicants indicate that the new 115 kV line will require a right-of-way (easement) of 100 feet wide in most segments, but they may consider reduced easements of 70 feet wide in special restrictive or physically limiting areas. Transmission line structures for the new 115 kV line will be 60 to 90 feet in height, with a span between structures in the range of 250 to 400 feet. Some sections of the project will include underbuild, distribution lines attached to the transmission structures. Project sections including underbuild will have a structure spacing of approximately 250 to 350 feet. Applicants indicate that construction on the project is anticipated to commence in late 2016 and be completed by early fall of 2017.

Regulatory Process and Procedures

In Minnesota, no person may construct a high voltage transmission line without a route permit from the Commission.³ A high voltage transmission line is defined as a conductor of electric energy designed for and capable of operation at a voltage of 100 kV or more and greater than 1,500 feet in length.⁴ The proposed project includes approximately 15.5 to 16.5 miles of new 115 kV transmission line and therefore requires a route permit from the Commission.

The proposed project will operate at a voltage greater than 100 kV and will have a length in Minnesota greater than 10 miles; thus, the project, per Minnesota Statute 216B.2421, is a large energy facility and requires a certificate of need from the Commission.⁵

Applicants intending to submit a project under the Commission's alternative permitting process for high voltage transmission lines are required to provide a 10-day advance notice of this intent to the Commission before submitting their route permit application.⁶ On March 5, 2015, applicants filed a letter with the Commission indicating their intent to submit a route permit application for the proposed project under the alternative permitting process.⁷ Because the project will operate at a voltage between 100 and 200 kV, the project qualifies for the Commission's alternative permitting process.⁸

Route Permit Application and Acceptance

Route permit applications for high voltage transmission lines must provide specific information about the proposed project including information about the applicant(s), description of the project and proposed route, and discussion of potential environmental impacts and mitigation

³ Minnesota Statute 216E.03.

⁴ Minnesota Statute 216E.01.

⁵ Minnesota Statute 216B.243.

⁶ Minnesota Rule 7850.2800.

⁷ Notice of Intent by Great River Energy and Minnesota Power to Submit a Route Permit Application under the Alternative Permitting Process, March 5, 2015, eDockets Number [20153-107944-01](#).

⁸ Minnesota Rule 7850.2800.

measures.⁹ Review under the alternative permitting process does not require an applicant to propose alternative routes in their permit application.¹⁰ However, if the applicant has evaluated and rejected alternative routes they must describe these routes and the reasons for rejecting them in their application.¹¹

The Commission may accept an application as complete, reject an application and require additional information to be submitted, or accept an application as complete upon filing of supplemental information.¹² The environmental review and permitting process begins on the date the Commission determines that a route permit application is complete;¹³ the Commission has six months (or nine months, with just cause) from the date of this determination to reach a route permit decision.¹⁴

Environmental Review

Route permit applications are subject to environmental review conducted by Department of Commerce, Energy Environmental Review and Analysis (EERA) staff. Projects proceeding under the alternative permitting process require the preparation of an environmental assessment (EA).¹⁵ An EA is a document which describes the potential human and environmental impacts of a proposed project and possible mitigation measures. Public information and scoping meetings will be held to solicit comments on the scope of the EA. The Department of Commerce (Department) determines the scope of the EA.¹⁶

Certificate of Need and Joint Environmental Review

As noted above, the applicants' proposed project requires a certificate of need. The applicants have filed a joint certificate of need and route permit application with the Commission for the project. Certificate of need applications for transmission lines are subject to environmental review conducted by EERA staff – staff must prepare an environmental report (ER) for the proposed project.¹⁷

If an applicant for a certificate of need applies for a route permit (for the same project) prior to completion of the ER, the Department may elect to prepare an EA in lieu of an ER.¹⁸ If an EA is prepared in lieu of an ER, the EA must include an analysis of alternatives to the project required by Minnesota Rule 7849.1500.¹⁹

⁹ Minnesota Rules 7850.1900 and 7850.3100.

¹⁰ Minnesota Rule 7850.3100.

¹¹ *Id.*

¹² Minnesota Rule 7850.3200.

¹³ *Id.*

¹⁴ Minnesota Rule 7850.3900.

¹⁵ Minnesota Rule 7850.3700.

¹⁶ *Id.*

¹⁷ Minnesota Rule 7849.1200.

¹⁸ Minnesota Rule 7849.1900.

¹⁹ *Id.*

Public Hearing

Route permit applications under the alternative permitting process require that a public hearing be held after the EA for the project has been prepared.²⁰ If a route permitting process and a certificate of need process proceed concurrently, the Commission may order that a joint hearing be held to consider both permitting and need.²¹ (The hearing is not a contested case hearing and is not conducted under Office of Administrative Hearings (OAH) Rule 1405.)

There are two options to proceed in regard to the public hearing. In either option, the Commission's regular course is to have an Administrative Law Judge (ALJ) preside at the hearing. In complicated proceedings, the Commission forwards the docket to OAH to conduct the hearing and prepare comments and recommendations. In other cases, the Commission more simply chooses to have the ALJ preside at the hearing and transfer the record back to the Commission. Whether there are competing alternatives or a significant number of human and environmental issues in dispute are two determinants for electing to have the ALJ create a report and recommendation.

Requesting an ALJ report can extend the length of the proceeding significantly, potentially adding 45 days to the permit issuance process. This would require the Commission to extend the expected six month timeframe for a final decision up to three months for just cause (Minn. Statute 216B.03, subd. 7).

Advisory Task Force

The Commission may appoint an advisory task force as an aid to the environmental review process.²² An advisory task force must include representatives of local governmental units in the project area.²³ A task force would assist EERA staff with identifying specific impacts and alternative routes and sites to be evaluated in the EA for the project. A task force expires upon issuance of the EA scoping decision by the Department.²⁴

The Commission is not required to appoint an advisory task force for every project. In the event that the Commission does not name a task force, citizens may request appointment of a task force.²⁵ If such a request is made, the Commission would then need to determine at a subsequent meeting if a task force should be appointed or not.

The decision whether to appoint an advisory task force does not need to be made at the time of application acceptance; however, it should be made as soon as practicable to ensure its charge can be completed prior to the EA scoping decision by the Department.

EERA Staff Analysis and Comments

EERA staff has conferred with the applicants about the proposed project and has reviewed a

²⁰ Minnesota Rule 7850.3800.

²¹ Minnesota Rule 7849.1900.

²² Minnesota Statute 216E.08.

²³ *Id.*

²⁴ Minnesota Rule 7850.3600.

²⁵ *Id.*

draft application. EERA staff believes that staff comments on the draft application have been addressed in the application submitted to the Commission. Staff has evaluated the application against the application completeness requirements of Minnesota Rule 7850.3100.²⁶ Staff finds that the application contains appropriate and complete information with respect to these requirements, including descriptions of the proposed project and potential environmental impacts and mitigation measures. Accordingly, staff believes that the application meets the content requirements of Minnesota Rule 7850.3100 and is complete. The Commission's acceptance of the application will allow EERA staff to commence the environmental review process.

Joint Environmental Review

The Commission has before it a joint certificate of need and route permit application for the applicants' proposed project. It appears to EERA staff that the need and permitting processes for the project will proceed concurrently. Thus, at this time, EERA staff anticipates that it will prepare one environmental review document for the project, an EA. EERA staff believes that development of an EA in lieu of an ER for the certificate of need environmental review and joining it with the EA for the route permitting environmental review (joint environmental review) is relatively more efficient, will aid public participation in the certificate of need and route permitting processes, and will not delay these processes. Additionally, the applicants support combining the certificate of need and route permit proceedings into one proceeding.²⁷

Disputed Issues of Fact

EERA staff is not aware, at this time, of any disputed issues of fact with respect to the representations in the application. However, issues may be identified during the EA scoping process.

Advisory Task Force

EERA staff has analyzed the merits of establishing an advisory task force for the applicants' proposed project. Staff concludes that a task force is not warranted for the project.

In analyzing the need for an advisory task force for the project, EERA staff considered four characteristics: project size, project complexity, known or anticipated controversy, and sensitive resources.

- **Project Size.** The applicants' proposed project is a 115 kV line approximately 15.5 to 16.5 miles in length. Transmission line structures will range from 60 to 90 feet in height.

²⁶ The completeness requirements of Minnesota Rule 7850.3100 (alternative permitting process) and Minnesota Rule 7850.1900 (full permitting process) are identical with one exception -- under the alternative permitting process an applicant is not required to propose alternative routes in their application; they must, however, describe any alternative routes evaluated and rejected prior to application submittal.

²⁷ CN and Route Permit Application, Section 2.3. To EERA staff's understanding, the proceedings include the environmental review and hearings for the respective processes (see Minnesota Rule 7849.1900 "Joint Proceeding"). Whether the hearings for the respective processes are joined is a decision for the Commission (Minnesota Rule 7849.1900, Subp. 4). The applicants note that a joint hearing is also supported by Minnesota Statute 216B.243, Subd. 4.; however, this statutory subdivision applies only to applications under the full permitting process and is not applicable here ("Unless the commission determines that a joint hearing on siting and need under this subdivision and section 216E.03, subdivision 6, is not feasible or more efficient, or otherwise not in the public interest, a joint hearing under those subdivisions shall be held").

The project also includes the construction of one new substation, and the conversion or upgrade of two existing substations.

With respect to the length of the project, this is a transmission line project of intermediate size in Minnesota. There are shorter projects; there are much longer projects. With respect to the height of transmission line structures, the 115 kV structures are relatively small – that is, they are similar in height to existing poles used for electrical distribution in the project area. With respect to the substations, two of the substations (Motley and Dog Lake) are already existing substations. On whole, these project size factors do not weigh in favor of a task force.

- **Project Complexity.** The proposed project is relatively straightforward. The proposed project could involve up to 10 local government units: three counties, six townships and one city. The project area (north central Minnesota) is generally rural and is a mix of cropland, forest and wetlands. The applicants propose to utilize existing transmission line and road rights-of-way, for portions of the project, to minimize impacts. As noted above, two of the three new substations included in the project are existing substations.

On whole, despite the number of local jurisdictions crossed, EERA staff believes the project presents a relatively low level of complexity.

- **Known or Anticipated Controversy.** To date, EERA staff has received one phone call and one email concerning the project. The applicants have consulted extensively with local governments and state and federal agencies regarding the project. The applicants held an open house meeting in the project area. Subsequent to the open house, the applicants have been in contact with 13 property owners. Property owners near the Crow Wing River crossing of the West Route Option have indicated a preference for the East Route Option, and one property owner along the East Route Option has indicated a preference for the West Route Option.²⁸

On whole, EERA staff anticipates a relatively low level of controversy concerning the project.

- **Sensitive Resources.** The project area is a mix of cropland, forest and wetlands. There are sensitive natural resources in the project area including native plant communities, records of State protected species, the Crow Wing River and several wetlands. The project area includes potential habitat for the northern long-eared bat, which has been recently listed by the U.S. Fish and Wildlife Service as a threatened species.

EERA staff anticipates that potential impacts to sensitive natural resources will be minimal because the applicants' proposed route utilizes, to some extent, existing transmission line and road rights-of-way. Additionally, impacts to wetlands and waters can be avoided, in great part, by spanning these sensitive resources. On whole, EERA staff anticipates minimal impacts to sensitive resources in the project area.

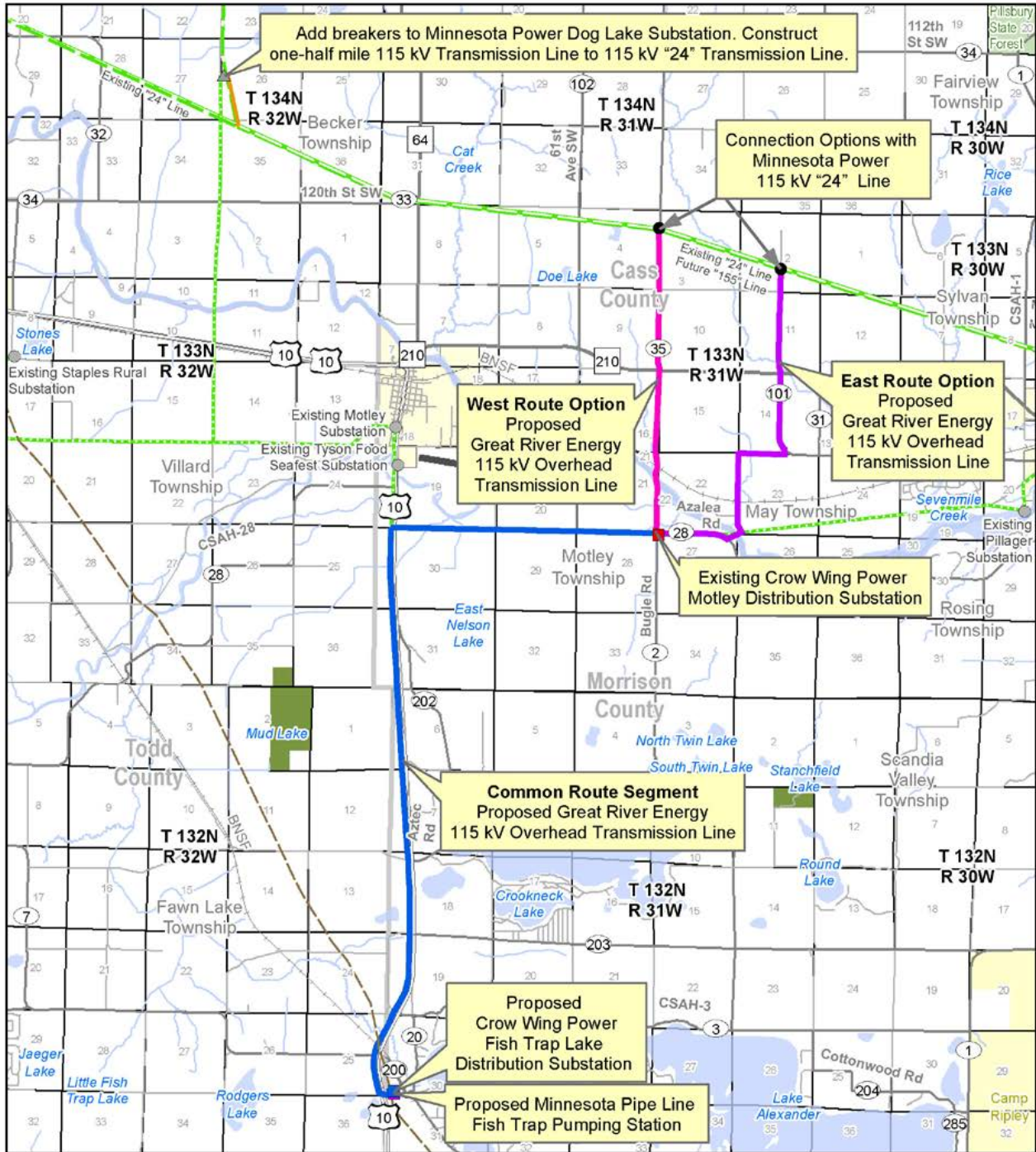
²⁸ CN and Route Permit Application, Section 1.10.

Based on the above analysis, EERA staff believes that an advisory task force is not warranted for the project.

EERA Staff Recommendation

EERA staff recommends that the Commission accept the application for the Motley Area 115 kV Project as complete. Additionally, EERA staff recommends that the Commission take no action on an advisory task force at this time.

Project Overview Map



Great River Energy

- Common Route - Proposed 115 kV Line
- West Route Option - Proposed 115 kV Line
- East Route Option - Proposed 115 kV Line

Crow Wing Power

- Proposed Distribution Substation
- Existing Distribution Substation

Minnesota Pipe Line

- Proposed Pump Station
- Existing Pipeline

Minnesota Power

- Proposed 115 kV Transmission Line
- Existing 230 kV Transmission Line
- Existing 115 kV Transmission Line
- Existing 34.5 kV Sub-Transmission Line
- Existing Transmission Substation
- Existing Distribution Substation

Motley Area 115 kV Project
Figure 1-3 Proposed Project

GIS Data sources include: MNGEO, MNDNR, MNDOT, and Great River Energy.

0 0.5 1 Miles

GREAT RIVER ENERGY
 A Tachstone Energy Corporation