

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**ENERGY INFRASTRUCTURE PERMITTING STAFF
COMMENTS AND RECOMMENDATIONS**

Lemon Hill Solar Project

DOCKET NO. IP7156/GS-25-126

Date: July 23, 2025

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In the Matter of the Application of Lemon Hill Solar, LLC for a Site Permit for the up to 180 MW Lemon Hill Solar Project in Olmsted County, Minnesota.

Issues Addressed: These comments and recommendations address the completeness of the site permit application, the presence of contested issues of fact, the need for an advisory task force, and consideration of procedural requirements.

Documents Attached:

- (1) Project Overview Map
- (2) Table 1. Application Completeness Requirements
- (3) Table 2. Draft Permitting and Environmental Review Schedule

Additional documents and information can be found on eDockets:

<https://www.edockets.state.mn.us/documents> (GS-25-126), with select information on the Commission's website for the project: <https://puc.eip.mn.gov/web/project/25126>

This document can be made available in alternative formats (i.e., large print or audio) by calling 651-296-0406. Persons with a hearing or speech impairment may call using their preferred telecommunications relay service.

Introduction and Background

On June 30, 2025, Lemon Hill Solar, LLC (Lemon Hill Solar) filed a site permit application to construct and operate the Lemon Hill Solar project, an up to 180 megawatt (MW) alternating current photovoltaic

solar energy generating facility and associated infrastructure in Haverhill and Viola Townships in Olmsted County, Minnesota.¹

On July 9, 2025, the Commission issued a notice soliciting comments on the completeness of the site permit application, the presence of contested issues of fact, the need for an advisory task force, consideration of procedural requirements, and other issues or concerns related to the matter.²

Project Purpose

Lemon Hill Solar indicates that the project will assist the State of Minnesota in meeting its renewable energy objectives, diversify electricity sources, meet anticipated growth in electricity demand, and meet consumers' growing demand for renewable energy.³ Lemon Hill Solar is working to secure a power purchase agreement with wholesale customers, including Minnesota utilities and others that have identified a need for additional renewable energy and capacity.

Project Description

Lemon Hill Solar proposes to construct and operate an up to 180 MW solar farm in Haverhill and Viola Townships in Olmsted County, Minnesota. The project proposes connecting the new project substation to an existing Dairyland Power Cooperative substation via a 161 kilovolt (kV) gen-tie line, not to exceed 1,500 feet in length.

The project will occupy approximately 1,945 acres, of which 966 acres will be developed for the project, northeast of the city of Rochester, north of the city of Chester, and west of the city of Viola (see Project Overview Map).⁴

The project will use photovoltaic solar panels mounted on single axis tracking systems.⁵ Collection cables will gather and send the electric power generated by the solar panels to a project substation. Collection cables will either be buried underground or a combination of buried and hanging collection cables will be used.⁶

Lemon Hill Solar filed a queue position with the Midcontinent Independent System Operator (MISO) in the MISO DPP 2021 West study cycle as J2219. It is anticipated that Lemon Hill Solar will execute a Generator Interconnection Agreement (GIA) with MISO for 180 MW; Lemon Hill Solar will notify the Commission when the GIA has been executed.⁷ Project construction is anticipated to begin in 2026 with completion and operation anticipated in 2028.⁸

¹ Lemon Hill Solar, LLC, *Application for a Site Permit for the Lemon Hill Solar Project*, June 30, 2025, eDockets Number [20256-220448-02](#) [herein after Site Permit Application or SPA].

² Commission, Notice of Comment Period on Application Completeness, July 9, 2025, eDockets Number [20257-220777-01](#)

³ SPA, p. 2

⁴ SPA, p. 7

⁵ SPA, p. 12

⁶ SPA, p. 14

⁷ SPA, p. 1

⁸ SPA, pp. 3-4

Regulatory Process and Procedures⁹

In Minnesota, no person may construct a solar energy generating facility, defined as a facility capable of operating at a capacity of 50 MW or more¹⁰ without a site permit from the Commission.¹¹ The proposed project will have a nominal power rating of up to 180 MW AC and therefore requires a site permit from the Commission. Because the project is powered by solar energy, the site permit application qualifies for Commission review under the alternative permitting process described in Minnesota Statute 216E.04.¹²

The 161 kV gen-tie line does not meet the definition of a high voltage transmission line, as found in Minn. Stat. Ch. 216E, therefore a route permit is not required.¹³

The project does not require a certificate of need from the Commission because the Project is exempt under Minn. Stat. 216B.243, subd. 8(9).

Site Permit Application Acceptance

Site permit applications for large electric power facilities must provide information about the applicant, a description of the project, and discussion of potential environmental impacts and mitigation measures.¹⁴ Review under the alternative permitting process does not require an applicant to propose alternative sites in their permit application. However, if the applicant has evaluated and rejected alternative sites they must describe these rejected alternatives and the reasons for rejecting them in their application.¹⁵

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.¹⁶ The environmental review and permitting process begins when the Commission determines that a permit application is complete; the Commission has six months (or nine months, with just cause) from the date of this determination to reach a permit decision.¹⁷

Environmental Review

Site permit applications are subject to environmental review conducted by Commission Energy Infrastructure Permitting (EIP) staff.¹⁸ Projects proceeding under the alternative permitting process

⁹ The Energy Infrastructure Permitting Act took effect on July 1, 2025. As this matter was filed prior to July 1, 2025, it will continue to be reviewed under Minn. Stat. § 216E (2023) and Minnesota Rules Chapter 7850.

¹⁰ Minnesota Statute 216E.01, subd. 3a.

¹¹ Minnesota Statute 216E.03, subd. 1.

¹² Minnesota Statute 216E.04, Subd. 2 (noting those projects that are eligible to proceed under an alternative permitting process).

¹³ SPA, p. 6

¹⁴ Minnesota Rules 7850.1900 and 7850.3100.

¹⁵ Minnesota Rule 7850.3100.

¹⁶ Minnesota Rule 7850.3200.

¹⁷ Minnesota Statute 216E.04, Subd. 7.

¹⁸ Prior to July 1, 2025, environmental review was conducted by Department of Commerce, Energy Environmental Review and Analysis (EERA) staff. On July 1, 2025, the EERA unit was transferred to the Commission and became EIP staff.

require the preparation of an environmental assessment (EA).¹⁹ An EA is a document which describes the potential human and environmental impacts of a proposed project and possible mitigation measures. The EA will evaluate the site proposed by the applicant and any other sites identified by the Commission.²⁰ A public information and scoping meeting is held to solicit comments on the scope of the EA. An EA is the only state environmental review document required for site permit applications reviewed under the alternative permitting process.

Advisory Task Force

The Commission may appoint an advisory task force to aid the environmental review process. An advisory task force must include representatives of local governmental units in the project area. A task force assists staff with identifying impacts and mitigation measures to be evaluated in the EA and expires upon issuance of the EA scoping decision.²¹

The Commission is not required to appoint an advisory task force for every project. If the Commission does not appoint a task force, citizens may request that one be appointed. If such a request is made, the Commission must 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 issuance of the EA scoping decision.

Public Hearing

Site permit applications under the alternative permitting process require that a public hearing be held in the project area after the EA for the project has been completed and released.²² The hearing is typically presided over by an administrative law judge (ALJ) from the Office of Administrative Hearings. The Commission may request that the ALJ provide solely a summary of public testimony. Alternately, the Commission may request that the ALJ provide a full report with findings of fact, conclusions of law, and recommendations regarding the project.

Staff Analysis and Comments

Staff provides the following analysis and comments in response to the Commission's notice requesting comments on completeness and other issues related to Lemon Hill Solar's site permit application.

Application Completeness

Staff previously reviewed a draft of the application and believes that its comments on the draft application and supporting materials were generally addressed in the application filed on June 30, 2025.

Staff evaluated the application against the completeness requirements of Minnesota Rule 7850.3100 (Table 1). For the most part, the application contains information with respect to these requirements. However, staff finds that the application does not include sufficient information to adequately analyze

¹⁹ Minnesota Rule 7850.3700.

²⁰ Minnesota Statute 216E.04, subd. 5

²¹ Minnesota Rule 7850.3600.

²² Minnesota Rule 7850.3800.

impacts to several resources. Two parcels of land were proposed in the application for which cultural resource surveys and native prairie surveys have not yet been completed. Additionally, staff believes the application requires additional detail with respect to existing conditions and analysis of impacts to tourism, geology, groundwater, surface waters, wildlife, and rare and unique natural resources.

Staff recommends the Commission accept the application as substantially complete and requests the applicant to provide additional information regarding existing conditions and potential impacts and mitigation measures for tourism, geology, groundwater, surface waters, wildlife, and rare and unique natural resources:

- Tourism – staff recommends additional information to distinguish recreational and tourism resources and impacts.
- Geology and groundwater – staff recommends additional information regarding existing conditions and potential impacts to karst features and groundwater independent of any geotechnical study which may be conducted.
- Surface waters – staff recommends additional information regarding drainage patterns in the project area and the use of stormwater management ponds in karst areas.
- Wildlife – staff recommends additional information regarding potential negative impacts to wildlife due to construction and operation, particularly impacts related to project fencing.
- Rare and unique natural resources – staff recommends additional information regarding the determination that no federally listed species are present within the project area and the potential impacts for unique habitat that may be present in the project area.

Finally, staff recommends the Commission direct the applicant to continue to work with staff and provide supplemental information as necessary throughout the environmental review and permitting process.

Advisory Task Force

Staff has analyzed the merits of establishing an advisory task force for the Lemon Hill Solar project. Based on the information known at this time, staff believes that an advisory task force is not warranted for the project at this time.

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

- **Project Size.** The project will utilize a relatively large area of land – approximately 1,945 acres (966 acres to be developed). However, the concerns associated with such a large acreage are muted by the fact that land for the project is privately-owned and leased land under contract. Lemon Hill Solar has secured all necessary land rights for construction and operation of the project. This project-size factor weighs against a task force.
- **Project Complexity.** With respect to energy production and land use, the project is not complex. Though large solar electric projects are fairly new in Minnesota, they are relatively straightforward – solar panels are arranged to gather sunlight and create electric energy, which

is then transferred to the electric transmission grid. Land use in the project area is agricultural and the topography is relatively flat. There are no special construction techniques or operational features that make the project complex. This project-complexity factor weighs against a task force.

Known or Anticipated Controversy. To date, EIP staff has received multiple comments concerning the project; as of the filing of these staff comments, there are currently 30 public comments in the record.²³ Lemon Hill Solar reports that they have conducted outreach with state and federal agencies as well as Minnesota tribal nations and local governments in the project area.²⁴ Based on the relatively high number of public comments received to date, staff anticipates the project may be controversial. This controversy factor weighs for a task force.

- **Sensitive Natural Resources.** There are several sensitive natural resources in the project area.²⁵ The majority of the site is located on agricultural land.²⁶ The site contains wetlands, karst features (sinkholes and springs), and is within the Decorah Edge. The Decorah Edge is defined as the area in which the Decorah, Platteville, or Glenwood formation is the first encountered bedrock and has a depth to bedrock of less than twenty-five feet. It is also possible that the site contains native prairie.

The DNR recommends avoidance of MBS Sites of Biodiversity Significance ranked High or Outstanding. No such sites are present in the project area; the closest site is located 0.5 miles east of the project.²⁷ The DNR also recommends avoidance of rare native plant communities; the closest native plant community is 3 miles southwest of the project.²⁸

There is one federally endangered species, the northern long-eared bat, two federally proposed threatened species, the monarch butterfly and the western regal fritillary, and one experimental population, the whooping crane, potentially present within the project area. The DNR states that there is one state-listed endangered bird, the loggerhead shrike, that has been documented within the vicinity of the project site. DNR notes that presence of this species is unlikely in the project area and that no impacts are anticipated.

While there is potential for sensitive natural resources to occur within or near the project, the record on the location of these resources and potential mitigation measures can be developed in consultation with natural resource agencies. At this time, potential impacts to sensitive natural resources weigh neither for nor against a task force.

²³ For example, [20257-221308-01](#) from a Viola Township board supervisor concerned with groundwater contamination in the karst region; [20257-221218-01](#) and [20257-221309-01](#) from farmers concerned with well contamination in the karst region impacting human health and the livelihoods of livestock farmers; and [20257-221274-01](#) from a local resident who has concerns about the treatment of the land and people in the community and has included signatures from 225 residents of Viola and Haverhill Townships who oppose the project.

²⁴ SPA p. 92

²⁵ SPA, pp. 83-87

²⁶ SPA, p. 63

²⁷ SPA, p. 85

²⁸ SPA, p. 85

Based on the above analysis staff believes that an advisory task force is not warranted for the project at this time. Potential project impacts – including those already noted by commenters – can be included in the scope of the EA which will be prepared for the project. The public information and scoping meeting, to be held in the project area, will allow members of the public to suggest any additional impacts or possible mitigation measures to study in the EA.

Contested Issue of Fact

Based on its review of Lemon Hill Solar’s application and the record to date, staff has not identified any contested issues of fact. Staff is unaware of any issues or concerns associated with the application or project that require a contested case hearing.

Procedural Requirements

Staff recommends that the Commission request a full ALJ report for the project’s public hearing. Staff believes that a full ALJ report with recommendations provides an unbiased, efficient, and transparent method to air and resolve any issues that may emerge as the record is developed. Requiring a full ALJ report reduces the burden on staff and helps to ensure that the Commission has a robust record on which to base its decision. Staff has provided a draft schedule concept for the Lemon Hill Solar permitting process, which includes a full ALJ report with findings, conclusions, and recommendations (see [Table 2](#)).

EIP Staff Recommendations

Staff recommends that:

- The Commission accept Lemon Hill Solar’s site permit application as substantially complete and require Lemon Hill Solar to provide additional detail regarding existing conditions and potential impacts and mitigation measures for tourism, geology, groundwater, surface waters, wildlife, and rare and unique natural resources.
- The Commission require that Lemon Hill Solar provide a Phase I cultural resources survey and a native prairie field survey for the project’s two parcels which have not yet been surveyed.
- The Commission direct Lemon Hill Solar to continue to work with staff and provide supplemental information as necessary throughout the environmental review and permitting process.
- The Commission not appoint an advisory task force for the site permit application at this time.
- The Commission request a full ALJ report with findings, conclusions, and recommendations for the project’s public hearing.

Figure 1. Lemon Hill Solar Project – Overview Map

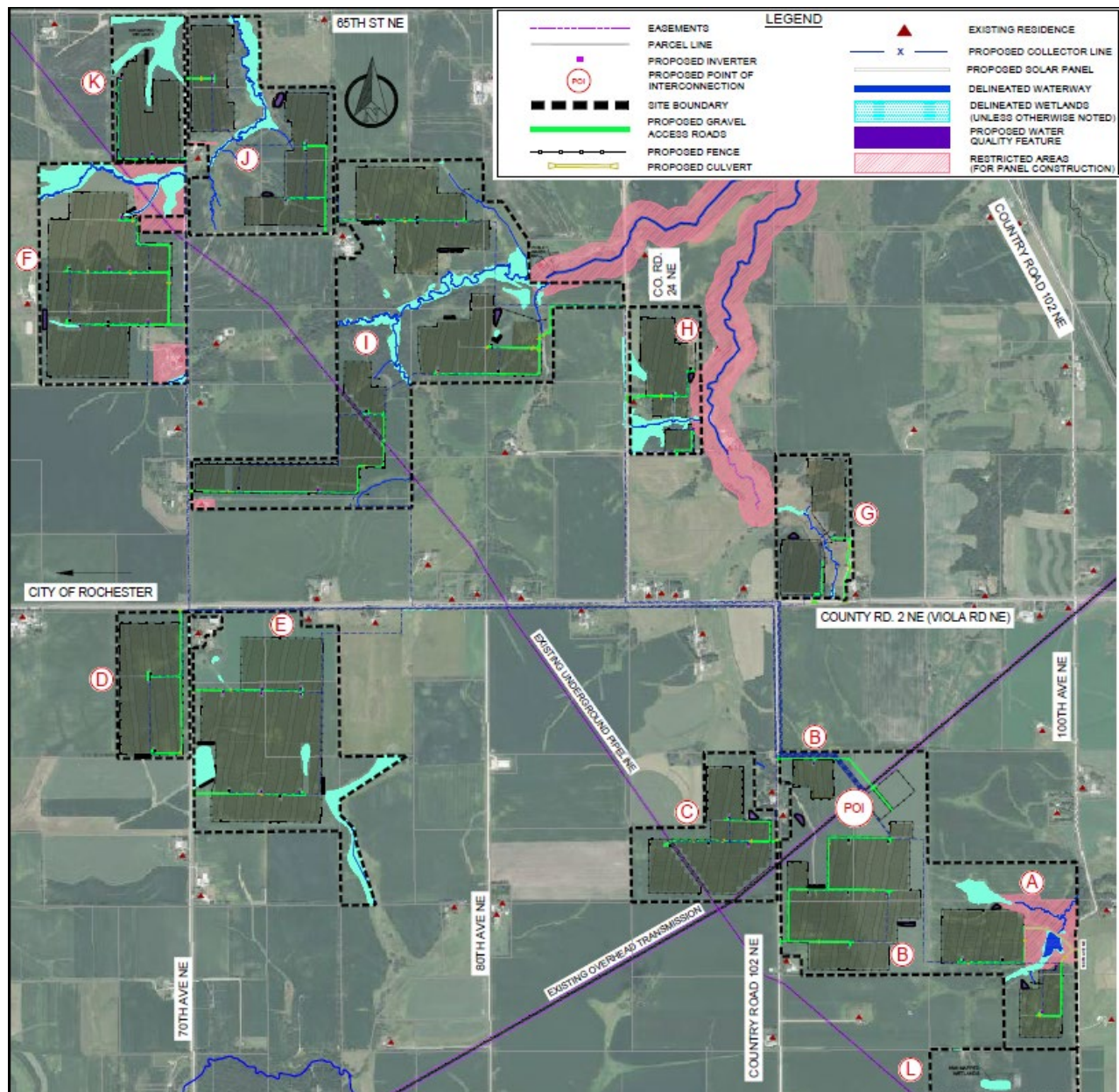


Table 1. Site Permit Application Completeness Requirements

| Authority | Required Information | Application Location | EERA Staff Comments |
|--|---|--|--|
| Minnesota Rule 7850.1900, Subpart 1 - Site Permit Application for Large Electric Generating Plant | | | |
| A. | A statement of proposed ownership of the facility at the time of filing the application and after commercial operation; | 1.2.1, 1.2.2 | Lemon Hill Solar, LLC |
| B. | The precise name of any person or organization to be initially named as permittee or permittees and the name of any other person to whom the permit may be transferred if transfer of the permit is contemplated; | 1.2.1, 1.2.2 | Lemon Hill Solar, LLC, an Illinois corporation |
| C. | At least two proposed sites for the proposed large electric power generating plant and identification of the applicant's preferred site and the reasons for the preference; | 2.5 | The project can use the alternative permitting process of Minnesota Statute 216E.04, which does not require providing this information via Minnesota Rule 7850.3100. |
| D. | A description of the proposed large electric power generating plant and all associated facilities, including the size and type of the facility; | 2.0, 3.0, Appendix C | Information is provided to satisfy this requirement. |
| E. | The environmental information required under subpart 3; | See Minnesota Rule 7850.1900, Subpart 3 below. | |
| F. | The names of the owners of the property for each proposed site; | Appendix L | Information is provided to satisfy this requirement. |
| G. | The engineering and operational design for the large electric power generating plant at each of the proposed sites; | 3.0, Appendix C | Information is provided to satisfy this requirement. |
| H. | A cost analysis of the large electric power generating plant at each proposed site, including the costs of constructing and operating the facility that are dependent on design and site; | 2.6 Table 2.6-1 | Information is provided to satisfy this requirement. |

| Authority | Required Information | Application Location | EERA Staff Comments |
|---|--|----------------------|---|
| I. | An engineering analysis of each of the proposed sites, including how each site could accommodate expansion of generating capacity in the future; | 2.7, 3.0 | Information is provided to satisfy this requirement. |
| J. | Identification of transportation, pipeline, and electrical transmission systems that will be required to construct, maintain, and operate the facility; | 2.3 | Information is provided to satisfy this requirement. |
| K. | A listing and brief description of federal, state, and local permits that may be required for the project at each proposed site; | 1.4 Table 1.4-1 | Information is provided to satisfy this requirement. |
| L. | A copy of the certificate of need for the project from the Commission or documentation that an application for a certificate of need has been submitted or is not required; | 1.4.2 | The project is exempt from the certificate of need requirement. |
| Minn. R. 7850.1900, subp. 3 - Environmental Information | | | |
| A. | A description of the environmental setting for each site; | 4.1 | Information is provided to satisfy this requirement. |
| B. | A description of the effects of construction and operation of the facility on human settlement, including, but not limited to, public health and safety, displacement, noise, aesthetics, socioeconomic impacts, cultural values, recreation, and public services; | 4.2 | Information is provided to satisfy this requirement. |
| C. | A description of the effects of the facility on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining; | 4.3 | Information is provided to satisfy this requirement; however, applicant is requested to provide additional information on tourism. |
| D. | A description of the effects of the facility on archaeological and historic resources; | 4.4 | Information is provided to satisfy this requirement; however, applicant is requested to provide cultural resource surveys for the two parcels not yet surveyed. |

| Authority | Required Information | Application Location | EERA Staff Comments |
|-----------|---|----------------------|--|
| E. | A description of the effects of the facility on the natural environment, including effects on air and water quality resources and flora and fauna; | 4.5 | Information is provided to satisfy this requirement; however, applicant is requested to provide additional information on geology, groundwater, surface water, and wildlife. |
| F. | A description of the effects of the facility on rare and unique natural resources; | 4.5.6 | Information is provided to satisfy this requirement; however, applicant is requested to provide native prairie surveys for the two parcels not yet surveyed and provide additional information on rare and unique natural resources. |
| G. | Identification of human and natural environmental effects that cannot be avoided if the facility is approved at a specific site or route; and | 4.8 | Information is provided to satisfy this requirement. |
| H. | A description of measures that might be implemented to mitigate the potential human and environmental impacts identified in items A to G and the estimated costs of such mitigative measures. | 4.0 | Information is provided to satisfy this requirement. Generally discussed throughout the section by resource. |

Table 2. Draft Permitting Process Concept Schedule

| Permitting Day* | Process Step | Responsible Party |
|--|--|---------------------|
| Application Filed to Application Acceptance | | |
| - | Site Permit Application Filed | Applicant |
| | Comment Period on Application Completeness | PUC/Agencies/Public |
| | Reply Comment Period | Applicant |
| | Supplemental Comments | PUC/Agencies/Public |
| | Consideration of Application Acceptance | PUC |
| Acceptance to Permit Decision | | |
| 1 | Application Acceptance Order | PUC |
| 5 | Public Information and Scoping Meeting Notice | PUC |
| 30 | Public Information and Scoping Meeting | PUC |
| 40 | Scoping Comment Period Closes | PUC |
| 60 | Scoping Decision Issued | PUC |
| 170 | EA Issued Notice of EA Availability and Public Hearing | PUC |
| 190 | Public Hearing | PUC/ OAH/ Applicant |
| 200 | Public Hearing Comment Period Closes | PUC |
| 210 | Responses to Hearing Comments | PUC/ Applicant |
| 220 | Proposed Findings of Fact (FOF) | Applicant |
| 230 | Reply Comments/Technical Analysis | PUC |
| 260 | FOF, Conclusions of Law, and Recommendations | OAH |
| 275 | Exceptions to ALJ Report | Applicant/PUC |
| 310 | Consideration of Site Permit | PUC |

*All timeframes are hypothetical and will change. Meetings and hearings will occur over multiple days.