

December 16, 2025

Consumer Affairs Office
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: EIP Hearing Comments
Crane and Sandhill Energy Storage Projects
PUC Docket Numbers: IP-7148/ESS-24-406. IP-1749/ESS-24-407
CAH Docket Number: 65-2500-40988

Dear Consumer Affairs Office:

Minnesota Public Utilities Commission, Energy Infrastructure Permitting (EIP) staff offers the following comments on the Crane and Sandhill Energy Storage Projects (projects) proposed by Crane Energy Storage, LLC, (Crane Storage) and Sandhill Energy Storage, LLC, (Sandhill Storage).

In these comments, EIP staff:

- Recommends modifications to the draft decommissioning plan,
- Summarizes changes between the sample site permit filed by the Minnesota Public Utilities Commission (Commission) and the proposed draft site permits (DSPs) included in Appendices C and D of the Environmental Assessment (EA) prepared for the projects.
- Addresses the applicants' direct testimony with respects to comments on the DSPs.

Decommissioning Plan

Site permits for wind and solar facilities issued by the Commission require permittees to file decommissioning plans prior to construction. The intent of the decommissioning plan is to ensure that the site is restored at the end of the energy facility's useful life, and that the restoration costs are borne by the permittee.

Section 9.1 of the site permit requires the permittee to file an updated decommissioning plan incorporating comments and information from the permit application process prior to construction. EIP staff has reviewed the decommissioning plan prepared by Crane Storage and Sandhill Storage for the proposed Crane and Sandhill Energy Storage Projects included as Appendix D of the Joint Site Permit Application filed on March 5, 2025.¹

¹ Crane Energy Storage, LLC, and Sandhill Energy Storage, LLC, *Appendix D: Decommissioning Plans*, March 5, 2025, eDocket No. [20253-216062-07](#)

EIP staff's review is guided by the recommendation of the Solar and Wind Decommissioning Working Group. As discussed in the Minnesota Department of Commerce staff recommendations in Docket 17-123 and in the Commission's draft guidance on decommissioning plans,² the decommissioning plan should serve as a stand-alone document to that describes the facility as it exists on the ground and how Crane Storage and Sandhill Storage will fulfil its obligation to remove the project components at the end of the facility's life.

EIP Staff Comments and Recommendations

EIP staff recommends the applicants revise the draft plan to incorporate several clarifications and additions prior to construction. Although some of this information is located elsewhere in the record, it should be included in the decommissioning plan for ease of use. EIP staff recommend that the preparer of the pre-construction version of the plan review the Commission's *Decommissioning Plan Guidance for Solar, Energy storage, and Wind Generating Facilities Permitted by the Minnesota Public Utilities Commission*, available on the Commission's website prior to its revisions to understand what is expected. EIP staff offer the following comments on the draft plan:

- **General Comments:**
 - The cover of the pre-construction version of the decommissioning plan should be updated to include the revised date and the PUC docket numbers.
 - Describe the project as it will exist on the ground, not as it is planned.
 - Include the length of roads, not just the acreage, and the total length of fence in the project description.
- **Independent Preparer:** Meets EIP staff expectations. The cost estimate was prepared by Burns and MacDonald.
- **Decommissioning Objective:** Does not meet EIP staff expectations. Although the plan does include useful detail on the technical objectives for decommissioning, the pre-construction version of the plan includes a statement of the decommissioning objective that links to the permit language (Section 9.2 of the draft site permit) requiring the site be restored to pre-project conditions to the extent feasible. As the project matures the objective may evolve in anticipation of a different use (e.g., commercial, industrial, or residential).
- **Scheduled Updates:** Does not entirely meet EIP staff expectations. Although Section 4 indicates an intent to update cost at five-year intervals, Commission guidance anticipates that the decommissioning plan itself, not just the cost estimate, will be updated every five years, at any changes in ownership, and at other project changes such as repowering or other permit amendments. EIP staff recommends that the pre-construction version of the plan include this information under a new separate "Plan Update" heading to provide more transparency. In

² Commission, *Draft Decommissioning Plan Guidance for Solar, Energy Storage, and Wind Generating Facilities Permitted by the Minnesota Public Utilities Commission*, April 2025, https://puc.eip.mn.gov/sites/default/files/2025-06/DRAFT-EIPGuid_AppC-Decom.pdf

In addition to regular five-year updates, the plan should also be updated in the event of ownership changes, permit amendments, or repowering. EIP staff also recommends the updates section of the plan include the revision history, including the date of the last plan and a link to the plan.

- **Project Description:** EIP staff recommends that the pre-construction version of the plans be updated to include a description of the project at the beginning of the document. The description for each project should include:
 - The township, range, and sections that comprise the sites.
 - Anticipated date of commercial operation (updated to the actual date in future updates). Remove the discussion of the project construction timeline in Section 1, as it is not relevant to the decommissioning plan and can be removed.
 - Clarify the anticipated useful life of the project. Site permits typically expire 30 years from the date of approval. The project life identified in the decommissioning plan should be consistent with the term of the site permit.
 - In addition to describing the size of the site in acres, include total length of roads, underground cables and fence, etc. in the project description early in each plan. Also include a description of the project settings including surrounding land uses for each plan.
 - The date and eDocket location of the site permit when issued. Future updates should also reference past decommissioning plans and provide a link to those plans.
 - A short statement on land ownership at the time of construction. Clarify whether the applicants or any affiliate of the applicants own or lease each site or portions of the sites. Future updates should update the information if the applicants purchase any portion of the site; landowners other than the applicants or an affiliate need not be specifically identified.
 - Update the project maps with final design prior to filing the pre-construction version of the plan.
- **Use of Generation Output.** Does not meet EIP staff expectations. EIP understands that the offtaker of the power is currently unknown. The pre-construction version of the plan should include a general statement of where the generation will be used. Examples include, but are not limited to:
 - Power Purchase Agreement (PPA). For any portion of the output sold through a PPA, the description should include the offtaker and the expiration date of any PPA(s).
 - Utility-owned generation portfolio.
- **Permits and Notifications:** EIP staff recommends that the pre-construction version of the permit identify a preliminary list of permits required for decommissioning. EIP staff anticipates that the required permits may change over time, but the periodic reviews provide an opportunity for the list to be updated.

Section 9.1 of the draft permit requires the permittee provide the decommissioning plan to local governments, so plan to document compliance with that provision once the plan is filed as a pre-construction document.

- **Tasks and Timing:** This information largely meets EIP expectations. EIP staff recommends the pre-construction version of the plan include additional information in several areas:
 - EIP staff appreciate the discussion of batteries as a hazardous material for purposes of disposal, and the assumptions for disposal identified in Section 5.1. EIP staff recommends adding a short stand-alone section in the text that generally discusses assumptions for disposal and identifies recycling and landfill facilities in place at this time for all components (see, for example, Section 2.5 of 2021 the [decommissioning plan](#) for Sherco Solar). EIP staff assumes these will change over time and can be updated during periodic updates to the plan.
 - Provide some additional detail on the timeframe/schedule for decommissioning. A Gantt chart is not necessary at this time, but please provide some sense of sequencing and timing more detailed than a general statement of “within six (6) months” indicated in Section 2.2. See, for example, Section 2.3 of the 2021 decommissioning plan for [Sherco Solar project](#). The timeframe should be consistent with Section 9.2 of the draft site permit, which requires the permittee to notify the Commission of final restoration within 18 months of the termination of the project.
- **Cost Estimate:** Largely meet EIP expectations. Although the cost breakout provided in the cost estimates provided in Table 5-1 is useful, EIP staff recommend that a column clarifying the unit (e.g. number of batteries, linear feet of fencing, tons of concrete, etc.) be added to the pre-construction version of the plan.

Financial Assurance: Partially meets EIP expectations. Although applicants acknowledge financial responsibility for decommissioning and site restoration and identify a number of potential financial assurance options, Section 4.0 of the plan does not identify the anticipated beneficiary of the assurance. EIP recommends the pre-construction version of the plan identify the beneficiary of the financial assurance, and whether the proposed beneficiary is in agreement.

Proposed Draft Site Permit Modifications

The Commission issued a sample site permit on June 24, 2025.³ EIP staff included a proposed draft site permit (DSP) for each project as Appendix C (Crane Proposed Draft Site Permit) and Appendix D (Sandhill Proposed Draft Site Permit) of the Environmental Assessment (EA).⁴ EIP staff’s DSPs indicated changes from the Commission-issued sample permit by underline and strikeout. In these comments, EIP staff

³ Public Utilities Commission, *ESS-Sample Site Permit*, June 24, 2025, eDocket No. [20256-220193-01](#)

⁴ PUC EIP, *Crane and Sandhill Environmental Assessment: Appendix C – Crane Proposed Draft Site Permit and Appendix D – Sandhill Proposed Draft Site Permit*, November 17, 2025, eDocket No. [202511-224767-01](#)

summarizes the changes between the sample permit and EIP staff's DSPs as well as provides various corrections to those DSPs.

Explanation of changes between sample permit and EIP staff's proposed DSPs:

Updated Agency Staff

EIP staff updated standard conditions that listed the Department of Commerce staff to read Commission EIP staff in various sections throughout the proposed draft site permits, reflecting recent legislation.⁵

Updated Project Description (Cover, Sections 1, 2, 9, and 14)

EIP staff's proposed DSPs updates the sample permit to include project-specific information in the cover and in sections 1, 2, 9, and 14.

Special Conditions

EIP staff recommends the Commission include the following special conditions in the issued Site Permits for the Crane and Sandhill Energy Storage Projects:

- Special Condition 5.1 Lighting
- Special Condition 5.2 Pre-construction Noise Modeling and Impact Assessment
- Special Condition 5.3 Noise Studies and Noise Mitigation
- Special Condition 5.4 Hazard Mitigation Analysis
- Special Condition 5.5 Natural Gas Pipeline
- Special Condition 5.6 Vegetation Management Plan
- Special Condition 5.7 Unanticipated Discoveries Plan
- Special Condition 5.8 Security Fencing
- Special Condition 5.9 Wildlife-Friendly Erosion Control
- Special Condition 5.10 Dust Control
- Special Condition 5.11 Battery Augmentation
- Special Condition 5.12 Offtake Agreement
- Special Condition 5.13 Annual Report

Corrections to EIP staff's proposed DSPs:

EIP staff provides the following corrections to various sections of the proposed DSPs to reflect the enforceable laws governing each section as a result of the legislative changes directed by state law (Laws

⁵ On July 1, 2025, Department of Commerce Energy Environmental Review and Analysis (DOC EERA) unit staff moved to the Minnesota Public Utilities Commission Energy Infrastructure Permitting (PUC EIP) unit as directed by state law (Laws of Minn. 2024, ch.126, art. 7) and in response to permitting reform under Minnesota Statute 216I (2024).

The review of this application began under and will continue under Minnesota Statute 216E (2023). DOC EERA staff initiated environmental review of this proposal prior to July 1, 2025, and will continue to exclusively perform environmental review duties for this application under 216E (2023) as EIP staff. Likewise, analyst staff at the PUC will continue to exclusively perform analyst duties on this application as PUC staff.

of Minn. 2024, ch.126, art. 7) and in response to permitting reform under Minnesota Statute 216I (2024).

Section 1.1 Pre-emption (Correction)

The proposed DSPs incorrectly redlined Section 1.1 – Pre-emption. The following amends the incorrect redline and correctly reverts the section back to the applicable law, Minn. Stat. 216E.10. The applicants filed their joint site permit application under Minn. Stat. 216E; thus, the review of this application began under and will continue under 216E including any site permit.

As filed in proposed DSPs:

1.1 Pre-emption

Pursuant to Minn. Stat. § ~~216E.10~~ 2161.18, this site permit shall be the sole site approval required for the location, construction, and operation of the energy storage system and this site permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose governments.

Amended: (revert to non-redlined version)

1.1 Pre-emption

Pursuant to Minn. Stat. § 216E.10, this site permit shall be the sole site approval required for the location, construction, and operation of the energy storage system and this site permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose governments.

Section 6 Delay in Construction (Correction)

The proposed DSPs incorrectly cite a repealed Minnesota Rule and should be amended. The contents of this section are no longer governed by Minn. R. 7850.4700, but rather Minn. Stat. 216I.24.

As filed in proposed DSPs:

6 DELAY IN CONSTRUCTION

The Permittee has not commenced construction or improvement of the site within four years after the date of issuance of this site permit the Permittee shall file a Failure to Construct Report and the Commission shall consider suspension of this site permit in accordance with Minn. R. 7850.4700.

Amended:

6 DELAY IN CONSTRUCTION

The Permittee has not commenced construction or improvement of the site within four years after the date of issuance of this site permit the Permittee shall file a Failure to Construct Report and the Commission shall consider suspension of this site permit in accordance with ~~Minn. R. 7850.4700~~ Minn. Stat. § 216I.24.

Section 11 Site Permit Amendment (Correction)

The proposed DSPs incorrectly cite a repealed Minnesota Rule and should be amended. The contents of this section are no longer governed by Minn. R. 7850.4900, but rather Minn. Stat. 216I.09.

As filed in proposed DSPs:

11 SITE PERMIT AMENDMENT

This site permit may be amended at any time by the Commission. Any person may request an amendment of the conditions of this site permit by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The Commission may amend the conditions after affording the Permittee and interested persons such process as is required under Minn. R. 7850.4900.

Amended:

11 SITE PERMIT AMENDMENT

This site permit may be amended at any time by the Commission. Any person may request an amendment of the conditions of this site permit by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The Commission may amend the conditions after affording the Permittee and interested persons such process as is required under ~~Minn. R. 7850.4900~~ Minn. Stat. § 216I.09.

Section 12 Transfer of Site Permit (Correction)

The proposed DSPs incorrectly cite a repealed Minnesota Rule and should be amended. The contents of this section are no longer governed by Minn. R. 7850.5000, but rather Minn. Stat. 216I.13.

As filed in proposed DSPs:

12 TRANSFER OF SITE PERMIT

The Permittee may request at any time that the Commission transfer this site permit to another person or entity (transferee). In its request, the Permittee must provide the Commission with:

- (a) the name and description of the transferee;
- (b) the reasons for the transfer;
- (c) a description of the facilities affected; and
- (d) the proposed effective date of the transfer.

The transferee must provide the Commission with a certification that it has read, understands and is able to comply with the plans and procedures filed for the Project and all conditions of this site permit.

The transferee must provide the Commission with the name and contact information for the site manager, as described in Section 4.3.2, and either a current version with eDocket reference, or a revised version of the following:

- (a) complaint procedures, as described in Section 7 and Attachment 1;
- (b) ERP, as described in Section 8.12; and
- (c) Decommissioning Plan, as described in Section 9.1.

The Commission may authorize transfer of the site permit after affording the Permittee, the transferee, and interested persons such process as is required under Minn. R. 7850.5000.

Amended:

The Permittee may request at any time that the Commission transfer this site permit to another person or entity (transferee). In its request, the Permittee must provide the Commission with:

- (e) the name and description of the transferee;
- (f) the reasons for the transfer;
- (g) a description of the facilities affected; and
- (h) the proposed effective date of the transfer.

The transferee must provide the Commission with a certification that it has read, understands and is able to comply with the plans and procedures filed for the Project and all conditions of this site permit.

The transferee must provide the Commission with the name and contact information for the site manager, as described in Section 4.3.2, and either a current version with eDocket reference, or a revised version of the following:

- (d) complaint procedures, as described in Section 7 and Attachment 1;
- (e) ERP, as described in Section 8.12; and
- (f) Decommissioning Plan, as described in Section 9.1.

The Commission may authorize transfer of the site permit after affording the Permittee, the transferee, and interested persons such process as is required under ~~Minn. R. 7850.5000~~ Minn. Stat. § 216I.13.

Section 13 Revocation or Suspension of Site Permit (Correction)

The proposed DSPs incorrectly cite a repealed Minnesota Rule and should be amended. The contents of this section are no longer governed by Minn. R. 7850.5100, but rather Minn. Stat. 216I.24.

As filed in proposed DSPs:

13 REVOCATION OR SUSPENSION OF SITE PERMIT

The Commission may initiate action to revoke or suspend this site permit at any time. The Commission shall act in accordance with the requirements of Minn. R. 7850.5100, to revoke or suspend this site permit.

Amended:

13 REVOCATION OR SUSPENSION OF SITE PERMIT

The Commission may initiate action to revoke or suspend this site permit at any time. The Commission shall act in accordance with the requirements of ~~Minn. R. 7850.5100~~ Minn. Stat. § 216I.24, to revoke or suspend this site permit.

Applicants' Comments on Permit Conditions

On November 25, 2025, Crane Storage and Sandhill Storage filed their direct testimony, prior to the public hearings, for the Crane and Sandhill Energy Storage Projects.⁶ This testimony included limited

⁶ Crane Energy Storage, LLC, and Sandhill Energy Storage, LLC, *Direct Testimony*, November 25, 2025, eDocket No. [202511-225304-01](#)

comments on the proposed DSPs for the projects. EIP staff provides the following comments for the points raised on the DSPs.

Fence Height Conditions

In their direct testimony, the applicants commented on their plan to comply with proposed Special Condition 5.8 – Security Fencing. Special condition 5.8 requires security fencing that minimizes visual impacts of the projects while maintaining compliance with the National Electric Safety Code and requires the projects’ final fence plans be developed in consultation with the Minnesota Department of Natural Resources (DNR).

On July 10, 2025, the DNR filed comments⁷ recommending that security fencing for the projects reach a minimum height of 10 feet to prevent white tailed deer and other large wildlife from entering the facility. In their testimony, the applicants stated that they will accommodate DNR’s preference for a 10-foot height and continue to develop a site plan that can minimize visual impacts.

EIP staff supports the applicants’ security fencing plans and appreciates the applicants balancing DNR coordination with minimizing visual impacts. EIP staff recommends maintaining special condition 5.8 as is written in the DSPs.

EIP appreciates the opportunity to comment on the proposed projects.

Sincerely,



Tessa Kothlow
EIP Environmental Review Manager

⁷ Minnesota Department of Natural Resources, *Comments*, July 10, 2025, eDocket No. [20257-220849-01](#)