

STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Joint Application of
Midwater BESS, LLC for a Site Permit
and Route Permit for the up to 150 MW
Midwater Energy Storage Project and
Associated 161 kV Transmission Line in
Freeborn County, Minnesota.

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**FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND
RECOMMENDATIONS**

This matter was assigned to Administrative Law Judge Megan J. McKenzie to conduct a joint public hearing and prepare a report on the joint application (MPUC Docket Nos. IP-7138/ESS-24-294 and IP-7138/TL-24-295) (Application) of Midwater BESS, LLC (Applicant or Midwater) to construct and operate the up to 150-megawatt (MW) alternating current (AC) battery energy storage system and associated facilities (BESS Facility or BESS) and an approximately 2,668-foot long 161 kilovolt (kV) high voltage transmission line and associated facilities (HVTL Facility) (collectively, the Project) in the Shell Rock Township, Freeborn County, Minnesota. The Minnesota Public Utilities Commission (Commission or PUC) also requested the Judge prepare findings of fact and conclusions of law and provide recommendations, if any, on conditions and provisions of the proposed site and route permits.

Public hearings on the Application were held on March 3, 2026 (in-person) and March 4, 2026 (remote-access). The factual record remained open until March 16, 2026, for the receipt of written public comments.

Jeremy P. Duehr with Fredrikson & Byron P.A., and Mary Matze, Manager of Development for Spearmint Renewable Development Company, LLC (Spearmint) appeared on behalf of the Applicant.

Jacques Harvieux, Energy Facilities Planner, appeared on behalf of the Commission Staff at the in-person and remote-access hearing.

Jim Sullivan, Environmental Review Manager appeared on behalf of the Commission's Energy Infrastructure Permitting (PUC-EIP) staff.

STATEMENT OF ISSUES

1. Has Midwater satisfied the criteria set forth in Minn. Stat. ch. 216E (2024) and Minn. R. ch. 7850 (2025) for a Site Permit for the for the proposed Project?
2. Has Midwater satisfied the criteria established in Minn. Stat. ch. 216E and Minn. R. ch. 7850 for a Route Permit for the proposed Project?

SUMMARY OF RECOMMENDATIONS

The Commission should **DENY** a Site Permit for the BESS Facility and **DENY** a Route Permit for the HVTL as discussed below.

Based on the evidence in the hearing record, the Administrative Law Judge makes the following:

FINDINGS OF FACT

I. APPLICANT

1. Midwater is a wholly owned indirect subsidiary of Spearmint Renewable Development Company, LLC (Spearmint Energy). Spearmint Energy is a next-generation renewable energy company that develops and installs battery storage facilities.¹
2. Spearmint Energy currently operates a 150 MW/300 MWh BESS project located in West Texas and is also developing over 20 projects.²

II. PROCEDURAL BACKGROUND

3. On September 23, 2024, the Applicant filed a Notice of Intent to Submit Site Permit Application Under the Alternative Permitting Process.³
4. On November 19, 2024, the Applicant filed a Joint Application for the Site and Route Permits.⁴
5. On November 21, 2024, the Applicant filed a Notice of Midwater BESS, LLC's Filing of a Joint Application for a Site Permit and Route Permit to persons interested in the Project, the Commission's Energy Facilities General List, local officials, tribes, and property owners in accordance with Minn. R. 7850.2100.⁵
6. On November 27, 2024, the Commission filed a Notice of Comment Period regarding the completeness of the Application, requesting initial comments by

¹ Exhibit (Ex.) App.-2 at 13, 18 (Joint Application to the Minnesota Public Utilities Commission for a Site Permit and Route Permit) (Application) (eDocket No. 202411-212161-01 to -14) (Nov. 19, 2024).

² Ex. App.-2 at 18 (Application).

³ Ex. App.-1 (Notice of Intent to Submit Joint Site and Route Permit Application under Alternative Process) (eDocket No. 20249-210416-01) (Sept. 23, 2024).

⁴ Ex. App.-2 (Application).

⁵ Ex. App.-15 (Notice of Application) (eDocket No. 202411-212278-01) (Nov. 21, 2024).

December 11, 2024, reply comments by December 18, 2024, and supplemental comments by January 6, 2025. The notice requested comments on whether the Application was complete within the meaning of the Commission's rules; whether the Commission should appoint an advisory task force; whether there are any contested issues of fact with respect to the representations made in the Application; whether the Commission should direct the Executive Secretary to issue an authorization to initiate a State Historic Preservation Office (SHPO) Consultation to the Applicant; and whether there were any other issues or concerns that should be considered.⁶

7. On December 11, 2024, PUC-EIP⁷ filed comments regarding the Application's completeness.⁸ PUC-EIP recommended that the Commission accept the Application as substantially complete.⁹ However, PUC-EIP also recommended that the Commission require the Applicant to continue working with PUC-EIP staff and provide supplemental information as necessary throughout the environmental review and permitting process.¹⁰ PUC-EIP further recommended that the Commission not appoint an advisory task force and request a full Administrative Law Judge report with findings, conclusions, and recommendations for the Project's public hearing.¹¹

8. On December 18, 2024, the Applicant submitted reply comments regarding the completeness of its Application.¹² The Applicant requested that the Commission find the Application to be substantially complete and approve its review under the alternative permitting process.¹³ The Applicant also requested the Commission to find that an advisory task force is not warranted and to refer the matter to CAH for a public hearing and the preparation of a full Administrative Law Judge report.¹⁴

9. On December 23, 2024, the Applicant submitted Confirmation of Notice Compliance Filing for the Application.¹⁵

10. On January 21, 2025, the Commission accepted the Site Permit Application as substantially complete.¹⁶ The Commission declined to appoint an advisory task force and requested a full administrative law judge report with findings, conclusions, and

⁶ Ex. PUC-1 (Notice of Comment Period on Application Completeness) (eDocket No. 202411-212477-01) (Nov. 27, 2024).

⁷ On July 1, 2025, Department of Commerce Energy Environmental Review and Analysis (DOC EERA) 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); PUC-17 (Notice) (July 9, 2025) (eDocket No. 20257-220799-01). For the purposes of continuity, information submitted by the DOC EERA or the PUC-EIP will be identified as PUC-EIP for all filings.

⁸ Ex. EIP-1 (Completeness Comments and Recommendations) (eDocket No. 202412-212896-01) (Dec. 11, 2024).

⁹ Ex. EIP-1 at 5 (Completeness Comments and Recommendations).

¹⁰ Ex. EIP-1 at 5 (Completeness Comments and Recommendations).

¹¹ Ex. EIP-1 at 5-6 (Completeness Comments and Recommendations).

¹² Ex. App.-16 (Midwater Completeness Reply Comments) (eDocket No. 202412-213171-01) (Dec. 18, 2024).

¹³ Ex. App.-16 at 1 (Midwater Completeness Reply Comments).

¹⁴ Ex. App.-16 at 2 (Midwater Completeness Reply Comments).

¹⁵ Ex. App.-17 (Confirmation of Notice) (eDocket No. 202412-213308-01) (Dec. 23, 2024).

¹⁶ Ex. PUC-2 (Completeness Order) (eDocket No. 20251-214166-01) (Jan. 21, 2025).

recommendations following the Project's public hearing.¹⁷ Additionally, the Commission directed the Executive Secretary to issue an authorization allowing the Applicant to initiate consultation with the Minnesota State Historic Preservation Office (SHPO).¹⁸

11. On February 7, 2025, the Commission issued a Notice of Public Information and Environmental Assessment (EA) Scoping Meetings for the Project scheduling the meetings for February 19, 2025 (in-person), and February 20, 2025 (remote-access) with public comments accepted through March 10, 2025. The Commission requested responses to three questions regarding the Project: (1) What potential human and environmental impacts of the proposed project should be studied in the environmental assessment? (2) Are there methods to minimize, mitigate, or avoid these impacts that should be studied in the environmental assessment? And (3) Are there any unique characteristics of the proposed route or the project that should be considered?¹⁹ On March 24, 2025, the Commission added an additional, in-person public meeting on April 7, 2025 in the City of Glenville and extended the written comment period to April 21, 2025.²⁰

12. On February 19, 2025, the Commission held an in-person public information and scoping meeting in Albert Lea, Minnesota. Four members of the public provided comments at this meeting. On February 20, 2025, the Commission held the remote public information and scoping meeting via WebEx. Approximately twelve members of the public attended this remote meeting, during which they posed some questions and provided some comments. No site or route alternatives were proposed during the scoping process. Oral comments received at the meeting from the public and written comments submitted after the meeting are discussed below.

13. On February 25, 2025, the Commission filed sample energy storage system site and route permits.²¹

14. On March 7, 2025, the Minnesota Department of Natural Resources (DNR) filed its comments on the Project.²² Additionally, DNR previously completed a Natural Heritage Review for the Project on June 4, 2024.²³

15. On March 10, 2025, Minnesota Department of Transportation (MnDOT) filed its comments and recommendations on the Project.²⁴

¹⁷ Ex. PUC-2 (Completeness Order).

¹⁸ Ex. PUC-2 (Completeness Order).

¹⁹ Ex. PUC-3 (Notice of Public Information and EA Scoping Meetings) (eDocket No. 20252-215067-01) (Feb. 7, 2025).

²⁰ Ex. PUC-7 (Notice of Additional Public Information and EA Scoping Meeting) (eDocket No. 20253-216704-01) (March 24, 2025).

²¹ Exs. PUC-4 (Sample Site Permit) (eDocket No. 20252-215749-01) (Feb. 25, 2025), PUC-5 (Sample Route Permit) (eDocket No. 20252-215748-01) (Feb. 25, 2025).

²² Ex. EIP-4 (DNR Comment Letter) (eDocket No. 20253-216145-01) (Mar. 7, 2025).

²³ Ex. EIP-3 (DNR Natural Heritage Review Letter) (eDocket No. 20253-216145-02) (Mar. 7, 2024).

²⁴ Ex. EIP-6 (MnDOT Comment Letter) (eDocket No. 20253-216207-01) (Mar. 10, 2025).

16. By letter dated March 19, 2025, the Commission authorized the Applicant to initiate consultation with SHPO under Minn. Stat. § 138.665.²⁵ Specifically, the Applicant is authorized to gather information to identify designated historic properties and to collaborate with other interested entities, including Tribal Nations and PUC-EIP, to assess the effects of the proposed Project on designated historic properties, as outlined in Minn. Stat. § 138.665.²⁶ Additionally, the Commission required that, when submitting its prehearing testimony prior to the public hearing on the Project, the Applicant must file a compliance filing informing the Commission of the status of its consultation with SHPO.²⁷ This filing should demonstrate that consultation has occurred, assess whether the proposed Project will affect designated properties, and, if so, identify any permit terms and conditions agreed upon by the Applicant and SHPO to avoid or mitigate any adverse effects on the designated or listed properties.²⁸

17. On March 24, 2025, the Commission issued a Notice of Additional Public Information and Environmental Assessment Scoping Meetings for the Project, stating that an additional in-person meeting was scheduled for April 7, 2025, in Glenville, Minnesota.²⁹ Additionally, the Commission extended the written comment period through April 21, 2025.³⁰

18. On April 2, 2025, the Applicant submitted a compliance filing in accordance with the Commission's letter dated March 19, 2025, which authorized the Applicant to initiate consultation with SHPO.³¹ The filing detailed consultation activities, such as the results of archaeological field survey, as well as findings and conclusions resulting from the consultation.³² The filing noted that SHPO reviewed the field survey findings and agreed that "no known or suspected archaeological resources will be affected by the Project."³³ Additionally, the filing stated that SHPO confirmed "no properties listed in the National or State Registers of Historic Places, or within the Historic Sites Network will be affected by the Project."³⁴

19. On April 7, 2025, the Commission held an additional in-person public information and scoping meeting in City of Glenville, Minnesota. Nine members of the Public provided comments.³⁵ The oral comments received at the meeting from the public are discussed below.

20. On April 9, 2025, Shell Rock Township filed a resolution adopted during the Shell Rock Township board meeting on April 8, 2025, regarding the location of the

²⁵ Ex. PUC-6 (SHPO Authorization Letter) (eDocket No. 20253-216620-01) (Mar. 20, 2025).

²⁶ Ex. PUC-6 at 1-2 (SHPO Authorization Letter).

²⁷ Ex. PUC-6 at 1-2 (SHPO Authorization Letter).

²⁸ Ex. PUC-6 at 1-2 (SHPO Authorization Letter).

²⁹ Ex. PUC-7 at 1 (Notice of Additional Public Information and EA Scoping Meeting and Extension of Comment Period) (eDocket No. 20253-216704-01) (Mar. 24, 2025).

³⁰ Ex. PUC-7 at 2 (Notice of Additional Public Information and EA Scoping Meeting and Extension of Comment Period).

³¹ Ex. App.-17 at 1 (Confirmation of SHPO Consultation) (Apr. 2, 2025) (eDocket No. 20254-217191-01).

³² Ex. App.-17 at 1-2 (Confirmation of SHPO Consultation).

³³ Ex. App.-17 at 2 (Confirmation of SHPO Consultation).

³⁴ Ex. App.-17 at 2 (Confirmation of SHPO Consultation).

³⁵ Ex. EIP-27 (Midwater Scoping Meeting, Glenville) (eDocket No. 20254-218333-01) (April 30, 2025).

Project.³⁶ The resolution asserted that the BESS poses significant threats, including, but not limited to: environmental contamination, disruption of local wildlife habitats and biodiversity, river and soil contamination, aquifer contamination, and noise pollution from the operation of the BESS system.³⁷

21. On April 15, 2025, the Minnesota Pollution Control Agency (MPCA) indicated that MPCA staff had no comments on the Project.³⁸

22. On April 15, 2025, the Butler County, Iowa, Board of Supervisors filed a letter expressing concern that the Project, located near the Shell Rock River, might negatively affect the efforts of the Shell Rock River Watershed Management Coalition to maintain water quality.³⁹ Specifically, as a downstream community, Bulter County's biggest concern is the possibility of heavy metal contamination of the Shell Rock River.⁴⁰ Therefore, the Bulter County Board of Supervisors requested that the Commission deny the Application to reduce the risk of heavy metal contamination.⁴¹

23. On April 17, 2025, the Freeborn County Board of Commissioners filed a resolution opposing the Project due to potential risks to public health, safety, welfare, property and the environment.⁴² Specifically, the resolution stated "Freeborn County Board of Commissioners finds that the proposed [BESS] project near Glenville, MN, as currently proposed and reviewed, is inconsistent with the County's goals and responsibilities regarding the protection of public health, safety, and welfare, and the promotion of responsible and compatible land use in this specific area."⁴³

24. On April 18, 2025, the Shell Rock River Watershed District (SRRWD) filed comments on the Project and specifically referenced two district rules.⁴⁴ The SRRWD is a local government unit that has established rules and is guided by State-approved, comprehensive water management plans.⁴⁵ First, the SRRWD highlighted its stormwater facilities maintenance requirements.⁴⁶ Second, the SRRWD requested the Applicant comply with its more restrictive water quality treatment requirement by limiting stormwater pond discharges to 5.66 cubic feet per second per acre of treatment for a 1.25-inch or greater rainfall event.⁴⁷

25. During the extended EA scoping comment period from February 7 to April 21, 2025, members of the public submitted over three hundred written comments

³⁶ Ex. EIP-18 at 1 (Shell Rock Township Resolution) (eDocket No. 20254-217456-01) (April 9, 2025).

³⁷ Ex. EIP-18 at 2 (Shell Rock Township Resolution).

³⁸ Ex. EIP-20 (MPCA Comment Letter) (eDocket No. 20254-217720-01) (April 16, 2025).

³⁹ Ex. EIP-19 (Butler County Comments) (eDocket No. 20254-217701-01) (April 15, 2025).

⁴⁰ Ex. EIP-19 (Butler County Comments).

⁴¹ Ex. EIP-19 (Butler County Comments).

⁴² Ex. EIP-21 (Freeborn County Resolution) (eDocket No. 20254-217825-01) (April 17, 2025).

⁴³ Ex. EIP-21 (Freeborn County Resolution) (eDocket No. 20254-217825-01) (April 17, 2025).

⁴⁴ Ex. EIP-24 (SRRWD Comments) (eDocket No. 20254-218094-01) (Apr. 24, 2025).

⁴⁵ Ex. EIP-24 (SRRWD Comments).

⁴⁶ Ex. EIP-24 (SRRWD Comments).

⁴⁷ Ex. EIP-24 (SRRWD Comments).

regarding the Project,⁴⁸ including a petition requesting that the Commission deny the Joint Application.⁴⁹ The Commission also received comments in support of the Project. The majority of comments in support of the Project were from outside of Minnesota or outside of Freeborn County.⁵⁰

26. On April 21, 2025, the International Union Operating Engineers Local 49 (IUOE Local 49) and North Central States Regional Council of Carpenters (NCSRC of Carpenters) filed comments in support of the Project.⁵¹ Specifically, IUOE Local 49 and NCSRC of Carpenters “encourage[d] the Commission to adopt a scope for an environmental review that is reasonable and not overly burdensome for the [A]pplicant or Department of Commerce.”⁵²

27. On April 21, 2025, the Applicant submitted reply comments addressing the assertions in the Shell Rock Township Resolution and Freeborn County Resolutions that the Project will cause human and environmental impacts.⁵³ Specifically, the Applicant asserted the claims made in the resolutions were untimely and pre-judge the potential Project impacts prior to the preparation of the EA.⁵⁴ Additionally, the Applicant expressed disagreement with the Resolutions opposing the Project’s development and encouraged the Township, County, and the public to review the complete EA to determine whether their concerns are justified.⁵⁵ Finally, the Applicant reaffirmed its commitment to ongoing engagement with the Township, County, landowners and stakeholders throughout the regulatory review process conducted by the Commission.⁵⁶

⁴⁸ Exs. EIP-2 (Cary Williamson Comment) (eDocket No. 20252-215708-01) (Feb. 25, 2025); EIP-5 (Brittany Clark Comment) (eDocket No. 20253-216208-01) (March 10, 2025); EIP-7 (Clark Ericksen Comment) (eDocket No. 20253-216321-02) (March 12, 2025); EIP-8 (Lori Ericksen Comment) (eDocket No. 0253-216321-01) (March 12, 2025); EIP-9 (Daniel Minear Comment) (eDocket No. 0253-216317-01) (March 12, 2025); EIP-11 (Dawn Kaasa Comment) (eDocket No. 20253-216465-01) (March 17, 2025); EIP-16 (John Forman Comment) (eDocket No. 20253-216793-01) (March 25, 2025); EIP-17 (Mike Lee Comment) (eDocket No. 20253-216953-01) (March 28, 2025); EIP-14 (Midwater Public Comments Batch 1 of 2) (eDocket No. 20253-216746-01) (March 24, 2025); EIP-15 (Midwater Public Comments Batch 2 of 2) (eDocket No. 20253-216747-01) (March 24, 2025); EIP-26 (Midwater Public Comments Batch 4) (eDocket No. 20254-218408-01) (April 25, 2025); EIP-29 (Midwater Public Comments Batch 5) (eDocket No. 0255-218578-01) (May 5, 2025); Lisa Holz Comments (eDockets No. 20253-216127-01) (Mar. 6, 2025). Exhibits EIP-26 (Midwater Public Comments Batch 4) and EIP-29 (Midwater Public Comments Batch 5) have a filing date outside the comment period. However, it appears the documents in the comment batches are dated within the comment period.

⁴⁹ Ex. EIP-10 (Citizen Petition) (eDocket No. 20253-216315-01) (March 12, 2025).

⁵⁰ EIP-25 (Midwater Public Comments Batch 3) (eDocket No. 20254-218151-01) (April 25, 2025).

⁵¹ Ex. EIP-23 (IUOE Local 49 and NCSRC of Carpenters Comments Comments) (eDocket No. 20254-217919-01) (Apr. 21, 2025).

⁵² Ex. EIP-23 (IUOE Local 49 and NCSRC of Carpenters Comments Comments).

⁵³ Ex. App.-19 at 1-2 (Reply Comments) (eDockets No. 20254-217951-01) (Apr. 21, 2025).

⁵⁴ Ex. App.-19 at 2 (Reply Comments).

⁵⁵ Ex. App.-19 at 2 (Reply Comments).

⁵⁶ Ex. App.-19 at 2 (Reply Comments).

28. This matter was assigned to Administrative Law Judge Jessica A. Palmer-Denig.⁵⁷ On May 1, 2025, Judge Palmer-Denig issued an Order for a prehearing conference to be held on May 28, 2025.⁵⁸

29. On May 5, 2025, PUC-EIP filed an Alternative Site Comment Letter, indicating the completion of the environmental assessment scoping process.⁵⁹ Additionally, during the scoping process, PUC-EIP reported that no comments were received suggesting an alternative site for the proposed BESS Facility, nor an alternative route for the proposed HVTL.⁶⁰ Consequently, PUC-EIP recommended that the Commission authorize PUC-EIP to include in the scoping decision for the EA solely the proposed BESS site and HVTL route identified by the Applicant in its joint application.⁶¹

30. On May 9, 2025, the Commission issued a Notice of Commission Agenda Meeting – Hybrid Format, scheduling a meeting for May 22, 2025.⁶² The meeting’s purpose is for the Commission to consider: (1) the actions it should take concerning site and route alternatives to be evaluated in the environmental assessment for the Project; and (2) what actions it should take concerning other procedural items.⁶³

31. On May 27, 2025, Judge Palmer-Denig issued an Order canceling the prehearing conference scheduled for May 28, 2025, and stayed proceedings in this matter pending further direction from the Commission.⁶⁴

32. On June 2, 2025, the Commission issued an Order establishing a Citizens Advisory Task Force (Task Force), pursuant to Minn. R. 7850.3600 (2023).⁶⁵ This Order directed the Task Force to examine and make recommendations on the following: (1) the identification of additional viable sites or routes in close proximity to the ITC Midwest Glenworth Substation; (2) the identification of potential appropriate permit conditions to mitigate stormwater runoff; (3) the identification of potential appropriate permit conditions to mitigate local emergency response to Project emergencies; (4) the identification of potential appropriate permit conditions for setbacks from residences, schools and commercial properties; and (5) the facilitation of conversations with local governments regarding any potential economic advantages from the Project being located within municipal services.⁶⁶ This Order also detailed the composition of the Task Force, which includes specific citizen representations should they choose to participate.⁶⁷

33. On June 18, 2025, PUC-EIP issued an Advisory Task Force Establishment and Charge Order, listing the governmental units from which up to 11 members of the

⁵⁷ Order for Prehearing Conference (eDockets No. [20255-218448-01](#)) (May 1, 2025).

⁵⁸ Order for Prehearing Conference.

⁵⁹ Ex. EIP-28 at 1 (EERA Alternative Site Comment Letter) (eDockets No. 20255-218581-01) (May 5, 2025).

⁶⁰ Ex. EIP-28 at 1-2 (EERA Alternative Site Comment Letter).

⁶¹ Ex. EIP-28 at 2 (EERA Alternative Site Comment Letter).

⁶² Ex. PUC-12 at 1 (Notice of Commission Meeting) (eDockets No. 20255-218673-01) (May 9, 2025).

⁶³ Ex. PUC-12 at 5 (Notice of Commission Meeting).

⁶⁴ Order Canceling Prehearing Conference (eDockets No. [20255-219255-01](#)) (May 27, 2025).

⁶⁵ Ex. PUC-16 at 1 (Order Establishing Advisory Task Force) (eDockets No. 20256-219493-01) (June 2, 2025).

⁶⁶ Ex. PUC-16 at 2 (Order Establishing Advisory Task Force).

⁶⁷ Ex. PUC-16 at 2 (Order Establishing Advisory Task Force).

Task Force will be solicited.⁶⁸ This Order also reiterates the scope and nature of the Task Force’s responsibilities as outlined in the Commission’s Order dated June 2, 2025, which established the Task Force.⁶⁹

34. On July 9, 2025, the Commission filed a notice of legislative changes indicating that as of July 1, 2025, EERA moved to the Commission to become the PUC-EIP.⁷⁰ The notice further clarified that matters, which were initially filed prior to July 1, 2025, will continue to be reviewed under “Minn. Stat. § 216E (2023) or Minn. Stat. § 216F (2023), as applicable.”⁷¹ The alternative permitting procedures outlined in Minn. Stat. § 216E.04 apply to this matter.

35. On November 14, 2025, the Task Force submitted the Midwater Energy Storage Project Advisory Task Force Report (Task Force Report).⁷² The Task Force Report is organized into four sections: (1) Impacts and Issues to Study in the EA, (2) Mitigation Measures, (3) Identification of Viable Alternatives Sites, and (4) Conclusions.⁷³ The Task Force Report identified seven broad categories of impacts and issues to study in the EA, which are: (1) Alternative Sites, (2) Decommissioning and Project End-of-Life, (3) Emergency Response, (4) Fire Hazard and Thermal Events, (5) Tax Revenue and Financial Liability, (6) Water Resources, and (7) Visual/Aesthetics/Noise.⁷⁴ Of these, the Task Force addresses 6 categories in the Mitigation Measures section that could be analyzed in the EA.⁷⁵ The Task did not address alternative sites as a mitigation measure but addressed it in the Identification of Viable Alternatives Sites section.⁷⁶ The Task Force Report noted that the Applicant has no obligation to propose alternative sites for its BESS facility in its permit application to PUC.⁷⁷ The Task Force Report further stated that the Task Force “identified two potential alternative sites, but did not have the time, expertise, or perceived authority to directly solicit landowners and determine whether the sites were viable alternatives.”⁷⁸ In conclusion, the Task Force highlighted six areas of importance for decisionmakers to consider, discussed below.⁷⁹

36. On December 1, 2025, Judge Palmer-Denig issued a second order for a prehearing conference scheduled for December 17, 2025.⁸⁰

37. On December 3, 2025, PUC-EIP issued the Notice of EA Scoping Decision for the Project.⁸¹ The Notice of Scoping Decision indicated that the EA was anticipated

⁶⁸ Ex. EIP-30 at 1 (Advisory Task Force Establishment, Charge, and Order) (eDockets No. 20256-220015-01) (June 18, 2025).

⁶⁹ Ex. EIP-30 at 2 (Advisory Task Force Establishment, Charge, and Order).

⁷⁰ Ex. PUC-17 (Notice of Legislative Changes) (eDockets No. 20257-220799-01) (July 9, 2025).

⁷¹ *Id.*

⁷² Ex. EIP-32 (Midwater BESS Citizen Advisory Task Force Report) (eDockets No. 202511-224951-01) (Nov. 14, 2025).

⁷³ Ex. EIP-32 at 8-15 (Midwater BESS Citizen Advisory Task Force Report).

⁷⁴ Ex. EIP-32 at 8-10 (Midwater BESS Citizen Advisory Task Force Report).

⁷⁵ Ex. EIP-32 at 10-12 (Midwater BESS Citizen Advisory Task Force Report).

⁷⁶ Ex. EIP-32 at 12-14 (Midwater BESS Citizen Advisory Task Force Report).

⁷⁷ Ex. EIP-32 at 13 (Midwater BESS Citizen Advisory Task Force Report).

⁷⁸ Ex. EIP-32 at 14 (Midwater BESS Citizen Advisory Task Force Report).

⁷⁹ Ex. EIP-32 at 15 (Midwater BESS Citizen Advisory Task Force Report).

⁸⁰ Second Order for Prehearing Conference (eDockets No. [202512-225360-01](#)) (Dec. 1, 2025).

⁸¹ Ex. EIP-33 (Midwater EA Scoping Decision) (eDockets No. 202512-225501-01) (Dec. 3, 2025).

to be completed and issued in the first quarter of 2026.⁸² Additionally, the Notice of Scoping Decision also outlined the scope of the EA and identified issues that are outside the scope of the EA.⁸³

38. On December 22, 2025, the Commission approved the scope of the environmental assessment as recommended in PUC-EIP's December 3, 2025, proposed Notice of Scoping Decision.⁸⁴

39. On December 24, 2025, Judge Palmer-Denig issued the Scheduling Order for the Project.⁸⁵

40. On January 6, 2026, the matter was reassigned to Judge McKenzie.⁸⁶

41. On February 17, 2026, the Commission issued a Notice of Public Hearings and Availability of the Environmental Assessment for the Project.⁸⁷ The Notice scheduled an in-person hearing for March 3, 2026, to be held in Glenville, Minnesota, and a virtual hearing for March 4, 2026.⁸⁸

42. On February 19, 2026, PUC-EIP filed the EA for the Project.⁸⁹

43. During the comment period between February 16, 2026 and March 16, 2026, members of the public submitted written comments regarding the Project.⁹⁰ In addition, the City of Northwood, Iowa, and the Albert Lee-Freeborn County Chamber of Commerce submitted comments.⁹¹ Written comments are discussed below.

44. On February 27, 2026, Applicant filed the Direct Testimony of Mary Matze on behalf of Midwater with accompanying Schedules A-C.⁹² The Direct Testimony

⁸² Ex. EIP-33 at 11 (Midwater EA Scoping Decision).

⁸³ Ex. EIP-33 at 9-11 (Midwater EA Scoping Decision).

⁸⁴ PUC Consent Items (eDockets No. [202512-226105-01](#)) (Dec. 22, 2025)

⁸⁵ Scheduling Order (eDockets. No. [202512-226199-01](#)) (Dec. 24, 2025).

⁸⁶ Reassignment Letter (eDockets No. [20261-226540-01](#)) (Jan. 6, 2026).

⁸⁷ Ex. PUC-18 (Notice of Public Hearings and Availability of Environmental Assessment) (eDockets No. 20262-228210-01) (Feb. 17, 2026).

⁸⁸ Ex. PUC-18 (Notice of Public Hearings and Availability of EA); EQB Monitor Notice – Public Hearings (Mar. 24, 2026) (eDockets No. [20263-229596-03](#)).

⁸⁹ Ex. EIP-34 (Midwater BESS Project - Environmental Assessment) (eDockets No. 20262-228390-01) (Feb. 19, 2026).

⁹⁰ Danielle Wood Comments (eDockets No. 20263-228960-01) (Mar. 5, 2026); M Jones Comments (eDockets No. 20263-228993-01) (Mar. 6, 2026); Rita Williamson Comments (eDockets No. 0263-229039-01) (Mar. 9, 2026); Tim Kaasa Comments and Photos (eDockets No. 20263-229268-01, 20263-229342-01, 20263-229369-01) (Mar. 13, and 16-17, 2026); Dawn Kaasa Comments (eDockets No. 20263-229222-01, 0263-229367-01) (Mar. 13, 17, 2026); David Irons Comments (eDockets No. 20263-229345-01) (Mar. 16, 2026); Michael Olson Comments (eDockets No. 20263-229329-01) (Mar. 16, 2026); Kelly Olson Comments (eDockets No. 20263-229327-01) (Mar. 16, 2026); Clark Ericksen Comments (eDockets No. 20263-229325-01) (Mar. 16, 2026); Joelle Mayer Comments (eDockets No. 20263-229294-01) (Mar. 16, 2026); Karissa Studier Comments (eDockets No. 20263-229368-01) (Mar. 17, 2026).

⁹¹ City of Northwoods Comments (eDockets No. 20263-229186-01) (Mar. 12, 2026); Albert Lee-Freeborn County Chamber of Commerce Comments (eDockets No. 20263-229326-01) (Mar. 16, 2026).

⁹² Ex. App.-21 at 1 (Direct Testimony of Mary Matze with Schedules A, B and C) (eDockets No. 20262-228779-01) (Feb. 27, 2026).

provided an overview and updates on the Project, addressed key safety standards for BESS, discussed coordination with SHPO and MDA, responded to the Task Force Report's recommendations, and provided comments on the proposed DSP and DRP outlined in the Project's EA.⁹³

45. On March 3, 2026, an in-person hearing on the Project was held in Glenville, Minnesota.⁹⁴ At this hearing, several members of the public expressed concerns and provided comments about the Project.⁹⁵ Furthermore, 13 exhibits were filed at the hearing.⁹⁶

46. On March 4, 2026, a virtual hearing on the Project was held remotely via Webex and telephone.⁹⁷ One member of the public expressed concerns and provided comments on the Project.⁹⁸ Specifically, the commenter requested that the Commission deny the permit for the Project or require additional analysis of alternate sites.⁹⁹

47. The Commission filed the Public Hearings and Availability of EA Notice – EQB Monitor¹⁰⁰ and the Scoping Meeting Notice-EQB Monitor on March 24, 2026.¹⁰¹

48. On March 24, 2026, PUC-EIP filed an email correspondence with Applicant, wherein PUC-EIP determined that an Agricultural Impact Management Plan (AIMP) was not required for the Project.¹⁰²

⁹³ Ex. App.-21 at 30 (Direct Testimony of Mary Matze with Schedules A, B and C).

⁹⁴ Glenville Public Hearing Transcript (Glenville Public Hearing Tr.) at 1 (eDockets No. 20263-229644-01) (Mar. 3, 2026).

⁹⁵ Glenville Public Hearing Tr. at 27-67.

⁹⁶ EIP-35 (Public Hearing Exhibit 1 in Glenville: March 3, 2026 Public Hearing Sign-In Sheet) (eDockets No. 20263-229644-03) (Mar. 26, 2026); EIP-36 (Public Hearing Exhibit 2 in Glenville: D. Kaasa Statement) (eDockets No. 20263-229644-04) (Mar. 26, 2026); EIP-37 (Public Hearing Exhibit 3 in Glenville: T. Kaasa Statement) (eDockets No. 20263-229644-05) (Mar. 26, 2026); EIP-38 (Hearing Exhibit 4 in Glenville: G. Olson Statement) (eDockets No. 20263-229644-06) (Mar. 26, 2026); EIP-39 (Public Hearing Exhibit 5 in Glenville: LFP Batteries Are Dangerous, Says Research Scientist) (eDockets No. 20263-229644-07) (Mar. 26, 2026); EIP-40 (Public Hearing Exhibit 6 in Glenville: *Combustion characteristics of lithium-iron-phosphate batteries with different combustion states*) (eDockets No. 20263-229644-08) (Mar. 26, 2026); EIP-41 (Public Hearing Exhibit 7 in Glenville: *Study of the Temperature and Flame Characteristics of Two Capacity LiFePo4 Batteries in Thermal Runaway*) (eDockets No. 20263-229644-09) (Mar. 26, 2026); EIP-42 (Public Hearing Exhibit 8 in Glenville: *Explosion characteristics of two-phase ejecta from large-capacity lithium iron phosphate batteries*) (eDockets No. 20263-229644-10) (Mar. 26, 2026); EIP-43 (Public Hearing Exhibit 9 in Glenville: *Big Batteries Are Booming*) (eDockets No. 20263-229644-11) (Mar. 26, 2026); EIP-44 (Public Hearing Exhibit 10 in Glenville: San Jose State University Media Advisory) (eDockets No. 20263-229644-12) (Mar. 26, 2026); EIP-45 (Public Hearing Exhibit 11 in Glenville: California EPA Memorandum) (eDockets No. 20263-229644-13) (Mar. 26, 2026); EIP-46 (Public Hearing Exhibit 12 in Glenville: *How safe are lithium iron phosphate batteries?*) (eDockets No. 20263-229644-13) (Mar. 26, 2026); EIP-47 (Public Hearing Exhibit 13 in Glenville: *Data-driven modeling of downwind toxic gas dispersion in lithium-ion battery failures using computational fluid dynamics*) (eDockets No. 20263-229644-15) (Mar. 26, 2026).

⁹⁷ Virtual Public Hearing Tr. at 1 (eDockets No. 20263-229644-02) (Mar. 4, 2026).

⁹⁸ Virtual Public Hearing Tr. at 28-32.

⁹⁹ Virtual Public Hearing Tr. at 32.

¹⁰⁰ EQB Monitor Notice - Public Hearings (eDockets No. 20263-229596-03) (Mar. 24, 2026).

¹⁰¹ EQB Monitor Notice - Scoping Meetings (eDockets No. 20263-229596-01) (Mar. 24, 2026); EQB Monitor Notice - Additional Scoping Meeting (eDockets No. 20263-229596-02) (Mar. 24, 2026).

¹⁰² MDA Comment (eDockets No. 20263-229598-01) (Mar. 24, 2026).

49. On March 25, 2026, Applicant filed responses to public comments.¹⁰³ Additionally, on the same date, Applicant filed its Proposed Findings of Fact, Conclusions of Law, and Recommendations.¹⁰⁴

50. On April 13, 2026, PUC-EIP filed comments in response to Applicant's Proposed Findings of Fact, Conclusions of Law, and Recommendations.¹⁰⁵ PUC-EIP offered several edits and corrections to Applicant's Proposed Findings of Fact, Conclusions of Law, and Recommendations, addressing formatting issues, missing words, and punctuation.¹⁰⁶

51. On April 15, 2026, Applicant filed a Project update letter, which included correspondence with Leonard Wabasha of the Shakopee Mdewakanton Sioux regarding Applicant's completed cultural resources report.¹⁰⁷ The letter attached a response from Wabasha stating that "[a]s long as there are no significant cultural archaeological sites in the project [area of potential effect] [he has] no concerns."¹⁰⁸

III. ADVISORY TASK FORCE

52. On May 22, 2025, the Commission established a Citizens Advisory Task Force under Minn. R. 7850.3600. Specifically, the Commission authorized PUC-EIP to establish the ATF for the site of the BESS Project. The Commission requested the ATF "examine and make recommendations on the following:

- a. Identification of additional viable sites or routes in close proximity to the ITC Midwest Glenworth Substation that should be studied;
- b. Identify potential appropriate permit conditions to mitigate stormwater runoff at the proposed site and any viable alternatives;
- c. Identify potential appropriate permit conditions to mitigate local emergency response to any emergencies at the facility;
- d. Identify potential appropriate permit conditions for setbacks from residences, schools, and commercial properties; and
- e. Facilitate conversations with the City of Glenville and Freeborn County on any potential advantages for this economic development project being within city municipal services."¹⁰⁹

¹⁰³ Response to Public Comments (eDockets No. 20263-229642-01) (Mar. 25, 2026).

¹⁰⁴ Applicant's Proposed Findings of Fact, Conclusion of Law, and Recommendations (eDockets No. 20263-229642-02) (Mar. 25, 2026).

¹⁰⁵ PUC-EIP Comments on the Draft Midwater Findings of Fact at 1 (PUC-EIP Comments on FOF) (eDockets No. 20264-230346-01) (Apr. 13, 2026).

¹⁰⁶ See PUC-EIP Comments on FOF at 1-10.

¹⁰⁷ Project Update Letter (eDockets No. 20264-230476-01) (Apr. 15, 2026).

¹⁰⁸ Project Update Letter, Attachment A.

¹⁰⁹ PUC-16 at 2 (Order Establishing Advisory Task Force).

53. The Commission stated, “The Task Force is not created to analyze any specific other sites at other substations in the southeast region.”¹¹⁰

54. On June 18, 2025, PUC-EIP issued an Order establishing the ATF.¹¹¹

55. The ATF comprised representatives of the local government units (LGUs) surrounding the Project Site. Specifically, the Members included representatives from Freeborn County, Shell Rock Township, Shell Rock River Watershed District, Albert Lee, City of Albert Lea, and City of Glenville. In addition, a union member of IBEW Local 343 and a manager of ITC Midwest LLC were part of the ATF.

56. The ATF held three separate meetings on July 24, 2025, August 22, 2025, and September 16, 2025. The meetings were attended by ATF Members, as well as PUC staff, consulting staff, and a representative of Midwater.¹¹²

57. At the August 22 meeting, representatives from the DNR, MPCA, and Minnesota State Fire Marshall’s office respectively provided additional information on the process for evaluating environmental impacts, stormwater designed requirements and retention pond function, and a comparison of BESS technology types and safety protocols.¹¹³

58. The ATF discussed the possibility of viable alternative sites. The task force did not identify any viable site alternatives for study in the EA. The task force expressed frustration at the alternative site selection limitations, and at the fact that Midwater was not required to provide alternative sites in its Application.¹¹⁴

59. Some ATF members were concerned about the proximity of the proposed BESS to the Shell Rock River, a designated state water trail, and the precedent it could set for future BESS sites. These members strongly preferred a location removed from potential water impacts. The ATF also discussed the DNR wildlife management area—home to deer, waterfowl, and upland game—located across from the proposed BESS site.¹¹⁵

60. The ATF Report identified additional issues and impacts to be studied by the PUC as part of the forthcoming Environmental Assessment. The issues identified by the ATF mirrored those raised in the public scoping comments and included:

- a. Decommissioning and Project End-of-Life: concerns stemming from past environmental incidents caused by other companies in the region, as well as a desire to prevent any future burden on taxpayers and liability to Freeborn County and the city of Glenville;

¹¹⁰ PUC-16 at 2 (Order Establishing Advisory Task Force).

¹¹¹ Ex. EIP-30 (Task Force Appointment Letter).

¹¹² Ex. EIP-32 at A-6 (Task Force Report).

¹¹³ Ex. EIP-32 at A-6 (Task Force Report).

¹¹⁴ Ex. EIP-32 at A-6 (Task Force Report).

¹¹⁵ Ex. EIP-32 at A-8 (Task Force Report).

- b. Emergency Response: Ensuring emergency response planning, training, equipment, and evacuation (and specifically evacuation from the nearby Glenville-Emmons K-12 school) in the event of an emergency at the Project site, including fire or other thermal runaway events;
- c. Fire Hazard and Thermal Events: Potential thermal and fire risks associated with the selected BESS technology;
- d. Tax Revenue and Financial Liability: removing any potential tax burden on residents of the city of Glenville and Freeborn County. The task force members discussed establishing a bond or escrow requirement to cover any costs related to emergency pollution cleanup, site decommissioning, or company bankruptcy;
- e. Water Resources: Impacts to water resources, including both impacts to the Shell Rock River and watershed as well as groundwater and potential impacts to residential groundwater wells; and
- f. Visual / Aesthetics / Noise: Considering types of fence and buffer around the Facilities, visual appearance, and noise. In addition, impacts to the Project from hunting (e.g., stray bullets) at nearby Wildlife Management Areas. (WMAs)¹¹⁶

61. Regarding viable alternative sites, the ATF discussed sites away from the Shell Rock River and the associated state designated water trails and WMAs.¹¹⁷

62. The ATF expressed frustration over the insufficiently defined term of “viability,” the Task Force Charge restrictions on what constitutes a viable alternative site, and the absence of any requirement for the Applicant to identify alternative sites as part of the application.¹¹⁸ The ATF was similarly frustrated due to the apparent requirement that it evaluate whether a potentially viable alternative site was available for lease or purchase, noting that this requirement was beyond the ATF’s authority or expertise.¹¹⁹

63. The ATF ultimately identified two potential areas that should be discussed further – one area adjacent to the Glenville water treatment facility and another located adjacent to a nearby industrial park. However, the ATF could not ascertain whether these areas were available for sale or lease. As a result, the task force did not identify any viable site alternatives for study in the EA.¹²⁰

¹¹⁶ Ex. EIP-32 at A-6 to A-7 (Task Force Report).

¹¹⁷ Ex. EIP-32 at A-12 to A-14 (Task Force Report).

¹¹⁸ Ex. EIP-32 at A-13 (Task Force Report).

¹¹⁹ Ex. EIP-32 at A-13 to A-14 (Task Force Report).

¹²⁰ Ex. EIP-32 at A-14 (Task Force Report), App. L (Alternative Site Suggestions).

64. The ATF recommended the following measures for either permit conditions or otherwise, to mitigate potential impacts of the Project:

- a. Decommissioning / financial liability: Applicant should be required to establish a fund and/or post a bond to a third party to pay for Project decommissioning and environmental remediation as needed;
- b. Emergency Response: Applicant must create a detailed emergency response plan to respond to reasonably foreseeable emergencies as a permit condition. Applicant should also provide a site plan to local officials and first responders; have clear processes and requirements for notifying local officials of any on-site incident; establish on-site safety protocols; designate and identify an individual that can be reliably contacted by emergency responders and/or the public in case of an emergency; signage outside of the BESS Facility providing contact information for the Project management and local emergency response teams; and have onsite weather monitoring equipment for use during an emergency;
- c. Fire Hazard and Thermal Events: Applicant must provide system-specific training for fire crews, calculate specific water volume needed to both cool BESS enclosures in the event of an emergency. Applicant must provide regular trainings and minimize runoff, procure equipment needed to ensure proper flow rate as needed, provide on-site and real-time monitoring (e.g. cameras), complete a feasibility study for using “dry hydrants” to pump water from the Shell Rock River in the event of a fire;
- d. Water Resources: Applicant must construct a stormwater retention pond sufficient to retain runoff from a 1.5 inch storm event; provide regular maintenance of the pond; install biochar filters between the retention pond and the river; conduct a baseline water quality testing of the river and groundwater; and develop and implement an “enhanced monitoring plan” in the event of an incident; and
- e. Visual / Aesthetics / Noise: Applicant must adhere to vegetative buffer requirements for BESS prescribed by County ordinance(s); install unobtrusive fencing; utilize three rows of native buffers around BESS Facility, and conduct baseline noise testing.¹²¹

65. The Report also provided conclusions by the ATF that highlight areas of importance for the Commission’s consideration:

- a. Impacts on water resources, including the Shell Rock River, its watershed, and the state water trail, are paramount to the task force. Comprehensive and stringent requirements regarding water

¹²¹ Ex. EIP-32 at A-10 to A-12 (Task Force Report).

protection and prevention of potential pollution in stormwater runoff are essential to this project.

- b. The ATF expressed concerns about the potential impacts to wildlife habitat due to the nearby DNR wildlife management area. If the BESS is sited at the proposed location, the area cannot be a part of the conservation reserve program.
- c. Fire safety and thermal events was a topic of interest to the ATF. Many task force members are reassured by the decision to use lithium-iron technology on the site, as opposed to other BESS technologies. The task force agreed that the purchase of additional fire safety equipment and regular training for local firefighters should be permit conditions. Some task force members wanted to prepare for worst-case-scenario fire emergencies.
- d. Several task force members expressed concern about the siting and permitting process not starting locally, including the lack of notice during the application process and the lack of local control in the permitting process. Task force members noted unhappiness about the project expressed to them by their constituents and by local officials, citing site location near the Shell Rock River and the WMA as a primary concern.
- e. Establishing clear guidelines for clean-up costs for contamination during the lifetime of the BESS and decommissioning is important to the task force. The taskforce wants permit conditions that ensure no future tax burden on local communities.
- f. The task force expressed a desire to work collaboratively with the Applicant and with future site operators. They requested that local officials be put in regular contact with site operators to discuss topics such as emergency response plans, notification of contamination events or fire events, and decommissioning.¹²²

IV. DESCRIPTION OF THE PROJECT

66. The Project consists of an up to 150 MW AC capacity BESS Facility, aboveground approximately 2,668-foot long 161 kV HVTL Facility, and associated facilities in Shell Rock Township, Freeborn County, Minnesota. The HVTL Facility will be located between the Project Substation and the point of interconnection to the electrical grid at the ITC Midwest Glenworth Substation.¹²³ The HVTL Facility is connected to switches and protection devices to a high-voltage power transformer that transforms the

¹²² Ex. EIP-32 at A-15 (Task Force Report).

¹²³ Ex. App.-2 at 15 (Application).

voltage from 161 kV to 34.5 kV and from 34.5 kV to 161 kV, depending on the travel direction of the flow of electricity.¹²⁴

67. The Project will include battery enclosures; an integrated battery management system; heat, smoke and gas detection and mitigation systems; a supervisory control and data acquisition system; power conversion systems consisting of inverters and transformers; electrical feeder lines; stormwater ponds; storage and parking areas; access roads; fencing; and a substation for the BESS (the Project Substation).¹²⁵

68. Power will be collected from the grid and stored in the BESS Facility batteries. Electricity will flow from the ITC Midwest Glenworth Substation, through the HVTL Facility to the Project Substation where the power is stepped down from 161 kV to 34.5 kV, and then to the Power Conversion Systems (PCS), within the BESS Facility. The stepped-down power is then transformed from AC to DC energy via the inverters and stored in the batteries until released back to the grid. When grid energy demand occurs, the Project will dispense the stored energy in a reverse manner. Electricity flows from the battery modules in the BESS enclosure and is changed from DC to AC energy via the same PCS. The AC energy will flow from the PCS through the medium-voltage transformers, then through 34.5 kV feeder lines and back to the bi-directional 34.5 kV to 161 kV transformers at the Project Substation. The transformers step up the energy to 161 kV to be delivered to the ITC Midwest Glenworth Substation through the HVTL Facility. At that point, energy flows on the grid to electricity users' loads.¹²⁶

69. The Project will help integrate renewable energy, particularly wind and solar, by reducing the need to curtail wind and solar energy production during off-peak times (e.g., windy nights) and instead storing that electricity for daytime use. The BESS will also provide voltage and frequency regulation to maintain grid stability.¹²⁷

70. Midwater designed the BESS Facility with flexibility to accommodate a variety of Lithium Iron Phosphate (LFP) battery technologies up to 150 MW AC storage capacity.¹²⁸ LFP batteries are more stable than Nickel Manganese Cobalt Oxide and have a lower risk of thermal runaway. LFP batteries contain gel-type electrolytes which are fully contained within each battery cell.¹²⁹

V. SITE LOCATION AND CHARACTERISTICS

71. The Project is located adjacent to U.S. Highway 65 in Freeborn County in Shell Rock Township. It is approximately 0.4 miles southeast of the City of Glenville and approximately 4.5 miles west of the City of Myrtle.¹³⁰

72. The Project Area is 104.4 acres of privately-owned agricultural land over three parcels, for which Midwater has a lease on two of the Parcels. Midwater has an

¹²⁴ Ex. App.-2 at 26 (Application).

¹²⁵ Ex. App.-2 at 26 (Application).

¹²⁶ Ex. App.-2 at 24-25 (Application).

¹²⁷ Ex. App.-2 at 15-16 (Application).

¹²⁸ Ex. App.-2 at 36 (Application).

¹²⁹ Ex. App.-21 at 6 (Direct Testimony of Mary Matze).

¹³⁰ Ex. App.-2 at 24 (Application).

option to purchase the third parcel, the southernmost one which will have the majority of the BESS Facility infrastructure and will encompass 16.6 acres. This land is currently enrolled in the voluntary Conservation Reserve Program. The fenced portion of the BESS Facility will encompass 5.6 acres of the BESS Facility Development Area.¹³¹

73. The proposed HVTL Facility will be an approximately 150-foot wide (75 feet on each side of the proposed HVTL centerline), 2,668-foot-long, route, comprising approximately 8.2 acres of the Project Area. The Proposed HVTL Facility Development Area is adjacent to, or transects, existing transmission lines in the vicinity of the Project that connect to the ITC Midwest Glenworth Substation.¹³²

VI. PROJECT SCHEDULE

74. Midwater plans to begin construction in the second or third quarter of 2027, with a commercial operation date currently anticipated by the end of 2028.¹³³

VII. SUMMARY OF PUBLIC COMMENTS

A. State Agency Comments – Scoping Period

75. On March 10, 2025, the DNR provided comments regarding potential impacts to the environment and wildlife and other recommendations that should be considered in scoping for the EA, including fence height, chloride free dust suppression, downward lighting and limiting blue hue, water appropriations, wildlife friendly erosion control, vegetation management and avian flight diverters.¹³⁴

76. DNR also submitted the Formal Natural Heritage Review for the Project it had provided to Midwater on June 4, 2024 identifying sensitive species that may be present within the vicinity of the Project Area and recommendations to avoid impacts to those sensitive species. DNR noted sensitive sites in the vicinity of the Project and recommendations to avoid impacts to those sensitive sites.¹³⁵

77. MnDOT also submitted comments on March 10, 2025. MnDOT requested that Midwater investigate access options from U.S. Highway 65 and design considerations regarding encroachment of MnDOT highway right-of-way (ROW). MnDOT also noted Midwater will need a permit for pole placement for the HVTL.¹³⁶

78. On April 15, 2025, MPCA indicated that MPCA staff had no comments on the Project.¹³⁷

¹³¹ Ex. App.-2 at 18, 25, 37 (Application).

¹³² Ex. App.-2 at 33-34 (Application).

¹³³ Ex. EIP-34 at 19 (EA).

¹³⁴ Ex. EIP-4 (DNR Comment Letter).

¹³⁵ Ex. EIP-3 (DNR Natural Heritage Review Letter).

¹³⁶ Ex. EIP-6 (MnDOT Comment Letter).

¹³⁷ Ex. EIP-20 (MPCA Comment Letter).

B. Local / Regional Government Comments – Scoping Period

79. On April 8, 2025, the Shell Rock Township Board passed a Resolution regarding the BESS. Citing potential adverse effects to the environment and public safety, the resolution expressed the Board’s “firm opposition to the establishment of the BESS system in Shell Rock Township” and further urged the development of “alternative solutions that do not jeopardize the health and safety of our township.”¹³⁸

80. On April 15, 2025, the Freeborn County Board of Commissioners passed a “Resolution Opposing the Proposed Battery Energy Storage System (“BESS”) Near Glenville, MN as Currently Proposed Docket Nos. ESS 24-294 and TL 24-295.” The resolution expressed concern over the Project’s scale and proximity to the community of Glenville, the Shell Rock River, and designated wildlife areas. The resolution discussed concerns about risks to public health, safety, welfare, property, and the environment due to the potential for toxic emissions, noise, thermal runaway events, fire, and explosions, as well as associated challenges for emergency response and evacuation. The resolution states the proposed site has exposure to severe weather that could damage the facility and increase the risk of environmental contamination.¹³⁹

81. On April 15, 2025, the Butler County Board of Supervisors in Iowa submitted comments. They explained that the Shell Rock River flows through Butler County, Iowa, with four county-run campgrounds on the Shell Rock River which rely on the boating and fishing opportunities available on the river. Butler County is part of the Shell Rock River Watershed Management Coalition. The Board expressed concerns that a new project located so close to the river may negatively impact the work happening to ensure clean water. The Board requested the Application be denied.¹⁴⁰

82. On April 18, 2025, SSRRWD submitted comments referencing two rules related to the maintenance and design of stormwater facilities, including retention ponds. SRRWD requested that any retention ponds be designed to limit discharge to 5.66 cubic feet per second, per acre of treatment, for a 1.25-inch rain event and also requested that the ponds be equipped with “skimmers to further treat water before it is discharged.”¹⁴¹

C. Written Public Comments – Scoping Period

83. Over 140 individuals submitted comments during the scoping comment period in support of the Project. Many of the individual comments in support of the Project were from outside the State of Minnesota or from outside of Freeborn County and discussed BESS generally as opposed to this particular site. The comments emphasized BESS contributions to grid reliability and resiliency, energy cost control, pollution reduction, and integration of renewable energy. Comments asked for a transparent

¹³⁸ Ex. EIP-18 at 2 (Shell Rock Township Board Resolution).

¹³⁹ Ex. EIP-21 (Freeborn County Board of Commissioners Resolution).

¹⁴⁰ Ex. EIP-19 (Butler County Board of Supervisors Comment).

¹⁴¹ Ex. EIP-24 (SRRWD Comment).

administrative review process that ensures safety while providing community and statewide energy benefits.¹⁴²

84. On April 21, 2025, the International Union of Operating Engineers (IUOE) Local 49 and the NCSRC of Carpenters submitted comments in support of the Project. The organizations stated

Given that this is one of the first stand-alone battery projects in the state, we would encourage the Commission to adopt a scope for an environmental review that is reasonable and not overly burdensome for the applicant or Department of Commerce. Resources like these will be critical for meeting state goals and we should not set a precedent that discourages future development.¹⁴³

85. On February 25, 2025, approximately 100 residents of the City of Glenville, Shell Rock, and Freeman Township in Freeborn County submitted a petition to the Commission. The petition requested:

[W]ith thermal runaway risks, the surrounding wildlife environment, river and aquifer pollution, and the potential need for evacuation of Glenville and schools creates a bad situation. We ask you to deny this location to preserve the health of our community, natural resources, and our way of life.¹⁴⁴

86. Members of the public submitted comments that raised public health and safety concerns, including Spearmint's lack of experience operating a BESS, potential risks from noise, thermal runaway, fire or explosion, proximity to the City of Glenville and area schools, and inadequacy of emergency response planning, equipment and water for a BESS fire, as well as the costs of remediation in the event of an incident.¹⁴⁵

87. Members of the public submitted comments that also raised concerns about potential Native American burials, potential adverse environmental impacts to the aquifer, floodplains, fish, wildlife, agricultural land and livestock, and the Shell Rock River due to the release of toxic air emissions, glycol coolant, lithium iron phosphate batteries, off-gassing and contaminated runoff carrying heavy metals and other pollutants.¹⁴⁶ Other

¹⁴² Exs. EIP-25 at 2-146 (Midwater Public Comment Batch 3); EIP-26 at 15 (Midwater Public Comment Batch 4); EIP-16 (John Forman Comment Letter).

¹⁴³ Ex. EIP-23 (IUOE Local 49 and NCSRC of Carpenters Comment Letter).

¹⁴⁴ Ex. EIP-10 (Citizen Petition).

¹⁴⁵ Exs. EIP-14 at 10, 12-19, 21-24, 27, 31-32, 34-37, 41, 44-51, 53-58, 61, 63, 66-80, 86-87, 89-108 (Midwater Public Comment Batch 1); EIP-15 at 4-17, 19-28, 30-57, 59-61, 63-64, and 66-82 (Midwater Public Comment Batch 2); EIP-26 at 3-4, 7-11, 14, and 16-17 (Midwater Public Comment Batch 4); EIP-29 at 2, 4-8, 30-34, 37-38, 45-111, 38-43, 112-116, 132-145 (Midwater Public Comment Batch 5); Lisa Holz Comments; (Clark Ericksen Comment); EIP-8 (Lori Ericksen Comment); EIP-2 (Cary Williamson Comment); EIP-17 (Mike Lee Comment).

¹⁴⁶ Exs. EIP-14 at 4-37, 39-41, 43-82, 84-87, 89-91, 93-101, 103-108 (Midwater Public Comment Batch 1); EIP-15 at 4-10, 12-18, 20-28, 30-82 (Midwater Public Comment Batch 2); EIP-26 at 2-3, 5-15, 16-17 (Midwater Public Comment Batch 4); EIP-29 at 7-28, 37-38 (Midwater Public Comment Batch 5); EIP-5 (Brittany Clark Comment); EIP-7 (Clark Ericksen Comment); EIP-2 (Cary Williamson Comment); EIP-17 (Mike Lee Comment); Lisa Holz Comments.

commenters questioned what procedures Midwater would use to dispose of spent batteries as well as its plans for decommissioning the BESS Facility at the conclusion of the Project.¹⁴⁷

88. Members of the public submitted comments regarding potential impacts of the Project to local property values and loss of students and school funds, while others generally questioned whether members of the community would be compensated for the placement of the Facility at the planned location.¹⁴⁸ One commenter inquired whether the land for the Project was acquired via eminent domain or voluntary purchase.¹⁴⁹

89. Members of the community submitted a letter to Governor Walz and Lt. Governor Peggy Flanagan requesting the State institute a moratorium on the construction of BESS systems adjacent to waterbodies pending investigation of adverse health effects of BESS systems.¹⁵⁰

90. Comments also suggested a lack of adequate transparency and public outreach and involvement in the impacted community in the planning process for the Project.¹⁵¹

91. Finally, other commenters expressed doubt regarding the benefits of the Project to the local community, the utility of the Project in achieving Minnesota's carbon free goals and its impact on energy rates, and the use of construction workers.¹⁵²

D. February 19, 2025, Public Scoping Meeting

92. On February 19, 2025, an in-person Informational and Environmental Assessment Scoping Meeting was held in Albert Lea, Minnesota. Jacques Harvieux of the Public Utilities Commission and Jim Sullivan of the Department of Commerce presented. Mary Matze, from Spearmint Energy, provided a presentation on the Project and responded to comments and questions from the public.¹⁵³

93. Property Owner Daniel Minear commented at the meeting. Minear owns property adjacent to the proposed BESS and is a renewable energy professional who has been in the business for 28 years. Minear spoke about the sandy soil in the area and how pollutants go right into the groundwater. Minear also mentioned concerns about

¹⁴⁷ Ex. EIP-14 at 21 and 53 (Midwater Public Comment Batch 1).

¹⁴⁸ Exs. EIP-14 at 21, 33, 53, 61 (Midwater Public Comment Batch 1); and EIP-15 at 12, 15, 53 (Midwater Public Comment Batch 2).

¹⁴⁹ Ex. EIP-14 at 54 (Midwater Public Comment Batch 1).

¹⁵⁰ Ex. EIP-9 (Daniel Minear Comment).

¹⁵¹ Exs. EIP-14 at 54, 58-59, 65, 102 (Midwater Public Comment Batch 1); EIP-15 at 35 (Midwater Public Comment Batch 2); EIP-29 at 2 (Midwater Public Comment Batch 5); EIP-19 (Butler County Comment); EIP-2 (Cary Williamson Comment).

¹⁵² Exs. EIP-14 at 25-26, 32, 77-80, and 103 (Midwater Public Comment Batch 1); EIP-11 (Dawn Kaasa Comment).

¹⁵³ Ex. EIP-12 (Scoping Meeting Transcript).

notification of the process and questioned why a meeting is not taking place in Glenville, as the location of the proposed BESS.¹⁵⁴

94. Residents characterized the site as sensitive due to Conservation Reserve Program / Reinvest in Minnesota Reserve Program status of the land, its setting within the Shell Rock River corridor, and wetlands and wildlife habitat present on the Project Area. Commenters also noted historic pollution of the river and risks for river pollution.¹⁵⁵

95. A neighbor expressed concerns over the apparent response plan for a fire at the BESS and the feasibility of extinguishing a battery fire.¹⁵⁶ Commenters were concerned about training and compensation for volunteer firefighters¹⁵⁷ and the proximity of the Project to a local school and the City of Glenville.¹⁵⁸ A neighbor planning to purchase property and construct a home near the Project is reconsidering those plans as a result of the Project.¹⁵⁹

96. A representative from IUOE Local 49 represented that Spearmint had spoken with him about utilizing local union labor; the commenter requested that the EA include a discussion of labor considerations.¹⁶⁰ The NCSRC of Carpenters thanked Spearmint for committing to prevailing wage and local, trained professionals.¹⁶¹ One commenter raised concerns that the Project would not utilize local union labor to construct and operate the Facility and the resulting lack of economic benefits to the community.¹⁶²

E. February 20, 2025, Virtual Public Scoping Meeting

97. On February 20, 2025, an Informational and Environmental Assessment Scoping Meeting was held virtually. Mary Matze provided a presentation and summary of the Project design, timeline, and purpose. Jim Sullivan of the Department of Commerce, furthermore, provided an overview of the administrative process related to review of Midwater's joint application.¹⁶³

98. Commissioner Kaasa also requested additional information on plans to respond to a thermal event or fire at the Facility.¹⁶⁴

99. Phillip Johnson of the Albert Lea Economic Development Agency expressed support for the Project noting benefits of adding resources to the State's renewable energy portfolio.¹⁶⁵

¹⁵⁴ Ex. EIP-12 (Scoping Meeting Transcript).

¹⁵⁵ Ex. EIP-12 at 24-25, 40-43 (Scoping Meeting Transcript).

¹⁵⁶ Ex. EIP-12 at 23-24 (Scoping Meeting Transcript).

¹⁵⁷ Ex. EIP-12 at 22-23 (Scoping Meeting Transcript).

¹⁵⁸ Ex. EIP-12 at 20, 23 (Scoping Meeting Transcript).

¹⁵⁹ Ex. EIP-12 at 21 (Scoping Meeting Transcript).

¹⁶⁰ Ex. EIP-12 at 33-34 (Scoping Meeting Transcript).

¹⁶¹ Ex. EIP-12 at 34-35 (Scoping Meeting Transcript).

¹⁶² Ex. EIP-12 at 21-22 (Scoping Meeting Transcript).

¹⁶³ Ex. EIP-13 (Virtual Scoping Meeting Transcript).

¹⁶⁴ Ex. EIP-13 at 18, 20 (Virtual Scoping Meeting Transcript).

¹⁶⁵ Ex. EIP-13 at 19 (Virtual Scoping Meeting Transcript).

100. Members of the public expressed concern that the Project Area is too close to the local high school, an anhydrous ammonia storage location, and the Shell Rock River. Members of the public shared additional concerns regarding potential pollution impacts to the river given the area's sandy soils and also cited potential impacts to towns located downstream.¹⁶⁶

101. Paul Hayes, a fire protection engineer, answered questions on behalf of Midwater regarding fire risk at BESS facilities and noted the steady decline in BESS fire event frequency, despite rapid growth in total operational facilities, due in large part to the evolution of codes governing battery storage facilities.¹⁶⁷

F. April 7, 2025, Public Scoping Meeting

102. A supplemental in-person Scoping and Informational Meeting was held on April 7, 2025, in Glenville, Minnesota. The meeting was attended by various members of the public, Jacques Harvieux of the Public Utilities Commission, and Jim Sullivan of the Department of Commerce. Mary Matze as well as Derek Post, an independent fire protection engineer with expertise in battery energy storage, fire risk modeling, and fire suppression, presented and answered questions on behalf of Midwater.¹⁶⁸

103. Commenters noted concerns related to the proximity of the site to the Shell Rock River, and the presence of wetlands, hydric soils, permeable soils, groundwater contamination and flood risk, including the presence Federal Emergency Management Agency (FEMA)-mapped flood zones within the Project Area, stormwater pond adequacy, discharge of contaminants and the potential for downstream contamination that may result from flooding of the Facility.¹⁶⁹ Commenters questioned why the facility could not be located at a different nearby substation located farther from the Shell Rock River and the City of Glenville.¹⁷⁰

104. Commenters raised concerns about BESS safety during power outages, snow events, thermal events, including fire propagation and non-flame thermal incidents that could still cause hazardous off-gassing, prolonged emissions, emergency response, health impacts due to fire, noise and contaminants, emergency response, and potential evacuations or shelter-in-place orders¹⁷¹ as well as the liability for the associated costs.¹⁷² They questioned the standard response strategy of letting BESS fires burn out, suggesting that longer burn times may increase airborne and deposited contaminants.¹⁷³ Commenters also asked for information related to battery disposal and end-of-life management.¹⁷⁴

¹⁶⁶ Ex. EIP-13 at 20-21, 29 (Virtual Scoping Meeting Transcript).

¹⁶⁷ Ex. EIP-13 at 25-26 (Virtual Scoping Meeting Transcript).

¹⁶⁸ Ex. EIP-27 (Oral Comments).

¹⁶⁹ Ex. EIP-27 at 47, 51-55, 58-59, 66-67, 75-76, 81-83, 109, 112-129 (Oral Comments).

¹⁷⁰ Ex. EIP-27 at 45, 95 (Oral Comments).

¹⁷¹ Ex. EIP-27 at 67-68, 80, 92-93, 112-113, 116 (Oral Comments).

¹⁷² Ex. EIP-27 at 96-97, 124-126 (Oral Comments).

¹⁷³ Ex. EIP-27 at 46, 62-63, 70-71, 101-104, 106-107, 116-117, 120 (Oral Comments).

¹⁷⁴ Ex. EIP-27 at 72-73 (Oral Comments).

105. Commenters asked questions regarding operational characteristics of the BESS, monitoring planned for the Project, and noise impacts.¹⁷⁵

106. Residents noted the proximity to WMAs and a designated state water trail, urging consideration of cumulative effects on wildlife, canoeing, and county investments in tourism, parks, and trails.¹⁷⁶

107. One labor representative stated his support of the Project's commitment to prevailing wages and local training pathways, citing socioeconomic benefits.¹⁷⁷

108. Others requested additional information regarding Midwater's tax obligations stemming from the Project and whether BESS would be tax-exempt generally.¹⁷⁸ A commenter questioned the magnitude of local job creation given remote monitoring and limited onsite staffing.¹⁷⁹

G. Comments Received During the March 3 And 4, 2026 Public Hearings and Associated Comment Period

109. Members of the public expressed concerns about Project impacts to the Shell Rock River¹⁸⁰ and groundwater.¹⁸¹

110. Members of the public expressed concerns that a thermal runaway can disperse heavy-metal contamination over a wide area, potentially impacting two nearby schools, the City of Glenville, public health and safety, and the environment. They questioned whether local agencies have the staffing, expertise, or resources to manage such an event.¹⁸²

¹⁷⁵ Ex. EIP-27 at 70-72, 90, 100, 120-123, 134 (Oral Comments).

¹⁷⁶ Ex. EIP-27 at 86, 126-127 (Oral Comments).

¹⁷⁷ Ex. EIP-27 at 61-62 (Oral Comments).

¹⁷⁸ Ex. EIP-27 at 69, 97 (Oral Comments).

¹⁷⁹ Ex. EIP-27 at 50-51 (Oral Comments).

¹⁸⁰ In-Person Public Hearing Tr. at 28, 36, 54-56 (Mar. 3, 2026); City of Northwood Public Comment (Mar. 12, 2026) (eDockets No. [20263-229186-01](#)); David Irons Public Comment at 1-2 (Mar. 16, 2026) (eDockets No. [20263-229345-01](#)); Dawn Kaasa Public Comment at 1-2 (Mar. 13, 2026) (eDocket No. [20263-229222-01](#)); Dawn Knaack Public Comment (Mar. 17, 2026) (eDockets No. [20263-229367-01](#)); Joelle Mayers Public Comment at 1-2 (Mar. 16, 2026) (eDockets No. [20263-229294-01](#)); Tim Kaasa Public Comment (Mar. 17, 2026) (eDockets No. [20263-229369-01](#)); Karissa Studier Public Comment (Mar. 17, 2026) (eDockets No. [20263-229368-01](#)); Albert Lea – Freeborn County Chamber of Commerce Public Comment (Mar. 16, 2026) (eDockets No. [20263-229326-01](#)); Kelly Olson Public Comment (Mar. 16, 2026) (eDockets No. [20263-229327-01](#)); Michael Olson Public Comment (Mar. 16, 2026) (eDockets No. [20263-229329-01](#)); Tim Kaasa Photographs Public Comment (Mar. 16, 2026) (eDockets No. [20263-229342-01](#)); Rita Williamson Public Comment (Mar. 9, 2026) (eDockets No. [20263-229039-01](#)); M. Jones Public Comment (Mar. 6, 2026) (eDockets No. [20263-228993-01](#)).

¹⁸¹ In-Person Public Hearing Tr. at 30,38, 46 (Mar. 3, 2026). Dawn Kaasa Public Comment (Mar. 13, 2026) (eDocket No. [20263-229222-01](#)); Tim Kaasa Public Comment (Mar. 17, 2026) (eDockets No. [20263-229369-01](#));

¹⁸² In-Person Public Hearing Tr. At 38, 47, 57-59, 62-64 (Mar. 3, 2026); Dawn Kaasa Public Comment at 1-2 (Mar. 13, 2026) (eDocket No. [20263-229222-01](#)); Dawn Knaack Public Comment (Mar. 17, 2026) (eDockets No. [20263-229367-01](#)); Joelle Mayers Public Comment at 1-2 (Mar. 16, 2026).

111. On March 15, 2026, the Albert Lea-Freeborn County (ALFC) Chamber of Commerce filed a letter expressing support for the Project.¹⁸³ Specifically, the letter highlighted that the Project will bring several benefits to ALFC, including: (1) strengthening the local tax base; (2) job creation and local spending; (3) stabilizing energy cost; and (4) keeping Freeborn County competitive, as modern and resilient power grids are essential for attracting new industries and facilitating the growth of existing manufacturers.¹⁸⁴

H. State and Federal Agency Comments

1. PUC-EIP

112. On March 16, 2026, PUC-EIP filed written comments.¹⁸⁵

113. PUC-EIP made recommendations for updates to the Decommissioning Plan.¹⁸⁶ Specifically, PUC-EIP noted that the following areas did not meet expectations: project description, use of capacity, and permits and notifications.¹⁸⁷ PUC-EIP also noted that only the independent preparer met expectations, and that tasks and timing generally met expectations.¹⁸⁸ Additionally, PUC-EIP noted that the following areas partially meet expectations: decommissioning objective, scheduled updates, and financial assurance.¹⁸⁹ Lastly, PUC-EIP offered recommendations for cost estimates.¹⁹⁰

114. PUC-EIP provided responses to the direct testimony filed by Applicant regarding permit conditions for the Project.¹⁹¹ Specifically, under the emergency response plan, PUC-EIP supported Applicant's proposal to replace special conditions 5.6 (local firefighter training) and 5.7 (emergency planning and preparedness) with a single permit condition addressing emergency response measures for the Project.¹⁹² Regarding dry hydrant use, PUC-EIP supported the removal of special condition 5.9 (Dry Hydrant Use) and incorporating the feasibility assessment into Applicant's proposed New Emergency Response Condition. Finally, with respect to surface and groundwater monitoring, PUC-EIP also supported Applicant's suggested changes to the sampling and reporting schedule for emergency water monitoring.¹⁹³

2. DNR

115. On March 16, 2026, DNR filed comments.¹⁹⁴

¹⁸³ ALFC Chamber of Commerce Comments at 1 (eDockets No. [20263-229326-01](#)) (Mar. 16, 2026).

¹⁸⁴ ALFC Chamber of Commerce Comments at 2-3.

¹⁸⁵ PUC-EIP Comments at 1 (eDockets No. [20263-229297-01](#)) (Mar. 16, 2026).

¹⁸⁶ PUC-EIP Comments at 1.

¹⁸⁷ PUC-EIP Comments at 3-4.

¹⁸⁸ PUC-EIP Comments at 3-4.

¹⁸⁹ PUC-EIP Comments at 3-5.

¹⁹⁰ PUC-EIP Comments at 5.

¹⁹¹ PUC-EIP Comments at 1, 5-6.

¹⁹² PUC-EIP Comments at 5-6.

¹⁹³ PUC-EIP Comments at 6.

¹⁹⁴ DNR Comment Letter at 1.

116. DNR proposed revisions to dust suppression (special condition 5.17).¹⁹⁵ Specifically, DNR recommended that the final route permit incorporate the requirement that “[t]he Permittee shall utilize non-chloride products for onsite dust control during construction.”¹⁹⁶

117. DNR also suggested the inclusion of a special condition requiring Applicant to coordinate with DNR concerning rare species.¹⁹⁷ Specifically, DNR recommended that Applicant include a provision in the route permit similar to the following:

The Permittee will comply with applicable [DNR] requirements related to state-listed endangered and threatened species in accordance with Minnesota’s Endangered Species Statute (Minnesota Statutes, section 84.0895) and associated Rules (Minnesota Rules, part 6212.1800 to 6212.2300 and 6134). The Permittee shall keep records of compliance with this section and provide them upon the request of EIP staff.¹⁹⁸

118. Finally, DNR expressed support for the following special conditions as proposed: vegetation management plan (special condition 5.11), security fence (special condition 5.16), avian protection (standard condition 5.3.16), lighting (special condition 5.1), and bio-netting or natural netting (special condition 5.14).¹⁹⁹

3. Vegetation Management Plan Working Group (VMPWG)

119. On March 13, 2026, VMPWG filed written comments.²⁰⁰

120. VMPWG did not recommend any action by the Commission at this time but offered comments to support transparency in the record as VMPWG works with the Applicants to develop a VMP that meets pre-construction compliance filing requirements.²⁰¹

121. VMPWG provided comments and recommendations that should be included in the preconstruction VMP submission.²⁰² These comments and recommendations addressed: project description, site description, management units, site preparation, vegetation installation, seed mixes, visual screening, concrete and gravel components, herbicide use and weed control, vegetation management, monitoring and reporting, and updates to the vegetation management plan.²⁰³

¹⁹⁵ DNR Comment Letter at 1.

¹⁹⁶ DNR Comment Letter at 1.

¹⁹⁷ DNR Comment Letter at 1-2.

¹⁹⁸ DNR Comment Letter at 1-2.

¹⁹⁹ DNR Comment Letter at 2.

²⁰⁰ VMPWG Comments at 1 (eDockets No. [20263-229306-01](#)) (Mar. 16, 2026).

²⁰¹ VMPWG Comments at 1.

²⁰² VMPWG Comments at 2.

²⁰³ VMPWG Comments at 2-5.

4. U.S. Fish and Wildlife Service (USFWS)

122. On March 6, 2026, USFWS filed comments on the Project.²⁰⁴

123. Specifically, USFWS provided comments and recommendations regarding the following matters: consulting a database to identify species that are either federally protected or proposed for protection; utilizing a bird database; obtaining eagle take permits; reducing habitat fragmentation; and promoting the preservation and enhancement of native plant communities.²⁰⁵

VIII. PERMITTEE

124. The permittee for the Project is Midwater.²⁰⁶

IX. CERTIFICATE OF NEED

125. The Project does not require a Certificate of Need. Under Minn. Stat. § 216B.243, subd. 8(9) (2024), a certificate of need is not required for an Energy Storage System (ESS) or HVTL that directly interconnects an ESS to the transmission system.²⁰⁷

X. SITE PERMIT

A. Site Permit Criteria

126. Minn. Stat. § 216E.01, subd. 3a (2024), defines an ESS as “equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts (kW) or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.”

127. ESS are governed by Minn. Stat. ch. 216E and Minn. R. ch. 7850. Site permit determinations must “be guided by the state’s goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state’s electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.”²⁰⁸ Site permits must also comply with the requirements of the Minnesota Environmental Policy Act, Minn. Stat., ch. 116D, and the Minnesota Environmental Rights Act, Minn. Stat., ch. 116B.²⁰⁹

128. An ESS is eligible for the alternative permitting process under Minn. Stat. § 216E.04. Midwater filed the Application under the alternative process established by the Commission in Minn. R. parts 7850.2800-.3900.²¹⁰

²⁰⁴ USFWS Comment (eDockets No. [20263-229075-01](#)) (Mar. 10, 2026).

²⁰⁵ USFWS Comment (eDockets No. [20263-229075-01](#)) (Mar. 10, 2026).

²⁰⁶ Ex. App.-2 at 13 (Application).

²⁰⁷ Ex. App.-2 at 22 (Application).

²⁰⁸ Minn. Stat. § 216E.03, subd. 7 (2024).

²⁰⁹ Minn. R. 7850.4000 (2025).

²¹⁰ Ex. App.-1 (Notice of Intent to Submit Joint Site and Route Permit Application under Alternative Process).

129. Under Minn. Stat. § 216E.04, for an ESS permitted under the alternative permitting process, PUC-EIP prepares an EA for the Commission containing information on the human and environmental impacts of the proposed Project and addresses mitigating measures. The EA is the only state environmental review document required to be prepared on the Project.

130. The EA in this case was lacking and did not address many of the specific concerns raised by commentors. The EA was also conclusory and many of its assertions were unsupported. It would be reasonable for the Commission to require further assessment of watershed impacts and the feasibility and cost of remediation in the event of a fire or thermal runaway event. However, based on the evidence in the record the Commission may assess the Project on the record using the criteria and factors set out above.

XI. APPLICATION OF THE SITING CRITERIA TO THE PROPOSED PROJECT

A. Effects on Human Settlement

131. Minnesota law requires consideration of the Project's effects on human settlement, including displacement of residences and businesses, noise created by construction and operation of the Project, and impacts to aesthetics, cultural values, recreation, and public services.²¹¹

1. Displacement

132. There are no residences, businesses, or structures such as barns or sheds located within the Project Area, and none will be displaced by the Project.²¹²

2. Noise

133. The MPCA has established standards for the regulation of noise levels. The most restrictive MPCA noise limits are 60–65 A-weighted decibels (dBA) during the daytime and 50–55 dBA during the nighttime.²¹³

134. In Minnesota, noise standards are based on noise area classifications (NAC) corresponding to the location of the listener, referred to as a receptor. NACs are assigned to areas based on the type of land use activity occurring at that location.²¹⁴

135. Noise standards are expressed as a range of permissible dBA over a one-hour period. L₁₀ may be exceeded 10 percent of the time, or six minutes per hour, while L₅₀ may be exceeded 50 percent of the time, or 30 minutes per hour. Standards vary between daytime and nighttime hours.²¹⁵

²¹¹ Minn. Stat. § 216E.03, subd. 7(b); Minn. R. 7850.4100, subp. A.

²¹² Ex. EIP-34 at 106 (EA).

²¹³ Ex. EIP-34 at 47 (EA).

²¹⁴ Ex. EIP-34 at 47 (EA).

²¹⁵ Ex. EIP-34 at 47-48 (EA).

136. A predictive noise model evaluated project and total noise at sensitive receptors within 3,200 feet of the project boundary, comparing results to Minnesota nighttime noise limits because BESS facilities may operate continuously. The proposed project is in a rural, agriculturally dominated area and is near a railroad and US Highway 65. Potential noise impacts from the project are associated with construction noise and operational noise. Based on the modeling assumptions, Midwater modeled compliance with the Minnesota nighttime noise limits.²¹⁶

137. The Project will create intermittent, temporary construction noise from heavy equipment, backing alarms, and related activities. Construction noise will be similar to that of existing farm operations and will vary day to day. Midwater plans to limit construction to daytime hours when practicable and ensure equipment is fitted with properly functioning mufflers and other noise-control devices.²¹⁷

138. The BESS, as designed and modeled using integrated BESS containers with an emitting sound power level of 87 dBA at the source, is predicted to comply with the 50 dBA nighttime noise limit for NAC-1 receptors without mitigation. If final equipment exceeds 87 dBA as a noise source, noise mitigation, such as noise walls, silencers, barriers, or operational limits, may be required, and an additional noise study would be conducted. Midwater will be required to comply with Minnesota noise regulations at all times.²¹⁸

139. Facility noise is recognized as a stressor that may disrupt wildlife in the area. Public comments about noise concerns as well as the ATF raised concerns about noise and wildlife.²¹⁹ The DNR acknowledged that it does not have data on BESS noise as of yet, but does not anticipate a lot of impacts that do not already exist.²²⁰ USFWS did not express concerns about noise impacts to wildlife or recommend any conditions or measures to reduce noise impacts on wildlife or surrounding habitat.²²¹

140. While the EA claims that noise impacts on wildlife are typically assessed “qualitatively through environmental review and conservation statutes, rather than being regulated by specific noise limits,” other permitting cases and cases under the Minnesota Environmental Rights Act, Minn. Stat. §§ 116B.01-13 (2024), do consider the Minnesota Pollution Control Agency’s noise regulations and have considered the impact of noise on wildlife.²²²

141. The EA determined that the impact intensity level is expected to be minimal for wildlife.²²³ No additional mitigation was recommended.

²¹⁶ Ex. EIP-34 at 48 (EA).

²¹⁷ Ex. EIP-34 at 48 (EA).

²¹⁸ Ex. EIP-34 at 49 (EA).

²¹⁹ Ex. EIP-32 at 87 (Task Force Report); *see, e.g.*, Ex. EIP-27 at 120-123 (Oral Comments).

²²⁰ Ex. EIP-32 at 87 (Task Force Report).

²²¹ Ex. EIP-4 (DNR Comment Letter); DNR Comment Letter; USFWS Comment Letter.

²²² *See In the Matter of Minnesota Environmental Rights Act Challenge to Minn. R. 6132.2000*, Findings of Fact, Conclusions of Law, and Recommendation, CAH 24-2004-39617(May 12, 2025).

²²³ Ex. EIP-34 at 49 (EA).

142. If the selected BESS units have a maximum sound power level of 87 dBA or less, the Project will comply with Noise pollution limits without additional mitigation. However, that compliance depends on selecting integrated BESS units rated at or below the above level. If the equipment exceeds 87 dBA, Midwater will need to do additional noise mitigation.²²⁴

143. In the Draft Site Permit, the following sections address noise: Section 4.3.7 (Noise); Section 5.3 (Pre-Construction Noise Modeling and Impact Assessment); and Section 5.4 (Noise Studies and Noise Mitigation).²²⁵

3. Cultural Values

144. Cultural values are shared community beliefs or attitudes that define what is collectively important to the group. These values provide a framework for individuals and community thought and action. Infrastructure projects believed inconsistent with these values can deteriorate community character. Those found consistent with these values can strengthen it. Projects often invoke varying reactions and can, at times, weaken community unity.²²⁶

145. Minnesota as a state values environmental quality. Minnesota has enacted legislation requiring electric utilities to generate or procure 100 percent of the utility's total retail electric sales to retail customers in Minnesota from carbon-free energy technologies by 2040.²²⁷ BESS systems align with the State's carbon-free policy. However, the State's carbon-free standard does not override the requirements that a proposed site be appropriate for a utility project.

146. Minnesota also highly values its unique natural environment resources, including water resources.²²⁸ "The quality of life of every Minnesotan depends on water. Minnesota's rivers, lakes, streams, wetlands, and groundwater provide a foundation for drinking water and the state's recreational, municipal, commercial, industrial, agricultural, environmental, aesthetic, and economic well-being."²²⁹ In furtherance of environmental protection, Minnesota Law requires management "of groundwater and surface water resources from the perspective of aquifers, watersheds, and river basins to achieve protection, preservation, enhancement, and restoration of the state's valuable groundwater and surface water resources."²³⁰

²²⁴ Ex. EIP-34 at 49-50 (EA).

²²⁵ Ex. EIP-34, Appendix (App.) C (Draft Site Permit) (EA).

²²⁶ Ex. EIP-34 at 50 (EA).

²²⁷ Minn. Stat. § 216B.1691, subd. 2g (2024).

²²⁸ See e.g. Minnesota Environmental Rights Act, Minn. Stat. § 116B.10 (allowing citizens and other parties to bring a civil action when an environmental quality standard, limitation, rule, order, license, stipulation agreement, or permit is inadequate to protect the air, water, land, or other natural resources located within the state from pollution, impairment, or destruction); Minnesota Water Pollution Control Act, Minn. Stat. §§ 115.01-.09 (2024);

²²⁹ Minn. Stat. § 103A.212 (2024).

²³⁰ *Id.*

147. Minnesota also recognizes the value and importance of its fish and game resources and requires that hunting and fishing “be forever preserved for the people and shall be managed by law and regulation for the public good.”²³¹

148. Public comments from local residents submitted in this matter and the actions of local governments related to this project show a clear shared community value of protecting the Shell Rock River and its related natural resources such as fish and game. The local residents also clearly share a commitment to the health and safety of local residents and particularly the children attending the public school located in close proximity to the project.

149. On April 8, 2025, Shell Rock Township passed a resolution that expressed its opposition to the establishment of a BESS system in Shell Rock Township. The Township premised their resolution on concerns related to chemical leaks and hazardous waste spills, disruption of local wildlife habitats and biodiversity, river, soil, and aquifer contamination, and noise pollution affecting the quality of life.²³²

150. The Freeborn County Board of Commissioners Resolution 25-139, passed on April 15, 2025, delineated “the County's goals and responsibilities regarding the protection of public health, safety, and welfare, and the promotion of responsible and compatible land use in this specific area.”²³³

151. While the EA found that construction and normal operation of the Project is not anticipated to impact or alter the work life and leisure pursuits of residents or visitors in the Project Area or affect land use in such a way as to impact the underlying culture or community unity of the area, the EA did not adequately address the risks to the Shell Rock River watershed in the event of a fire or thermal runaway event.²³⁴

152. The development of the Project may change the character of the immediate area, at least where it is visible. In addition, the Project represents a shift in energy infrastructure by introducing storage facilities to the rural landscape.²³⁵

153. The value residents put on the character of the landscape within which they live is subjective, meaning its relative value depends upon the perception and psychological responses unique to individuals. A significant number of local residents have expressed that project construction will change their perception of the immediate area’s character thus potentially eroding their sense of place.²³⁶

4. Zoning and Land Use

154. The National Land Cover Database provides “spatial reference and descriptive data for characteristics of the land surface” nationwide. The predominant land

²³¹ Minnesota Constitution, Art. XII, Sec. 12.

²³² Ex. EIP-18 (Shell Rock Township Resolution).

²³³ Ex. EIP-21 (Freeborn County Resolution).

²³⁴ Ex. EIP-34 at § 4.3.3 (EA).

²³⁵ Ex. EIP-34 at § 4.3.3 (EA).

²³⁶ See Public Comments; Ex. EIP-34 at § 4.3.3 (EA).

uses within the Project Area, as classified by the U.S. Geological Survey (USGS), are hay/pasture (41.3%), herbaceous (19.2%), and emergent herbaceous wetlands (19.4%). Smaller portions of the area consist of developed land, open water, crops, and wooded areas. The BESS Facility Area is primarily hay/pasture (89.5%). Emergent herbaceous wetlands in the Project Area are present near the Shell Rock River.²³⁷

155. Construction of the BESS will alter current and future land use and land cover in the Project Area. Constructing the Project will change land use at the site from agricultural to energy storage production for the expected 30-year life of the Project. After the Project's useful life, the land control area could be restored to agricultural or other planned land uses by implementing appropriate restoration measures.²³⁸

156. The Freeborn County Comprehensive Plan (Comprehensive Plan) serves as a guide for land use decisions within the county. The Comprehensive Plan is closely tied to zoning and subdivision regulations and provides descriptions and intended purposes for various land use types. The Project Area is situated within the Agricultural District, which is designated to preserve and conserve land for agricultural purposes.²³⁹ The Comprehensive Plan does not address renewable energy systems.²⁴⁰

157. Freeborn County also adopted the 2016–2021 Comprehensive Water Plan. The Comprehensive Water Plan establishes priorities and actions related to water quality, water quantity, and land use conditions that affect land and water resources. Key resources and concerns addressed include aquifers, surface waters (lakes, shorelands, aquatic invasive species, and wetlands), soil and erosion, waste disposal and management (subsurface sewage treatment systems, feedlots, and solid waste), drainage, and municipal wastewater and stormwater.²⁴¹

158. Midwater reviewed the general setbacks for the Agricultural Zoning District in effect, pursuant to Freeborn County zoning ordinances when it submitted the Application. Midwater designed the Project to meet or exceed the setback requirements as provided in the zoning ordinances.²⁴²

159. Freeborn County is currently undertaking the development and enactment of an ordinance to regulate siting and operation of Energy Storage Systems. As of this time, the ordinance has not been passed. However, the Project would present potentially nonconforming actions under the ordinance, if passed.²⁴³

160. Freeborn County proposes regulating the installation and operation of commercial energy storage systems outside municipal limits with a rated capacity of 40

²³⁷ Ex. EIP-34 at 52 (EA).

²³⁸ Ex. EIP-34 at 51-52 (EA).

²³⁹ Ex. EIP-34 at 52 (EA).

²⁴⁰ Ex. App.-2 at 69-70 (Application).

²⁴¹ Ex. EIP-34 at 52 (EA).

²⁴² Ex. App.-2 at 41 (Application).

²⁴³ Ex. EIP-34 at 54 (EA).

kilowatts or greater, up to the threshold requiring Commission permitting.²⁴⁴ A summary of the Draft Ordinance includes:

161. **Setback Distances:** Under the proposed Freeborn County ordinance, energy storage systems must adhere to specific setback requirements, including 1,320 feet from dwellings (except for owners or municipalities with a waiver), 150 feet from road rights-of-way (with fencing at least 100 feet from roads), 100 feet from wetlands and 103E public drainage systems, and 30 feet from side and rear property lines. Systems cannot be installed within 200 feet of a dwelling. Height restrictions limit battery units and support structures to a maximum of 12 feet, with stacking prohibited unless specifically approved.

162. **Site Security - Fencing** and security measures require secure perimeter fencing with gates, warning signs, and 24-hour emergency contact information. Barbed or razor wire is generally prohibited, and fencing plans should minimize impacts on wildlife where feasible.

163. **Stormwater Management - Stormwater** and erosion control must comply with MPCA Construction Stormwater Permit requirements, and applicants must obtain recommendations from the affected watershed district.

164. **Aesthetics - Aesthetics** and landscaping standards require structures to be white, gray, or otherwise non-obtrusive with matte finishes, and a vegetative buffer consisting of at least three rows of plantings must surround the perimeter fence. The buffer must reach the height of the tallest system component within two years, be maintained by the owner and operator, and include pollinator-friendly ground cover.

165. **Signage - All signage** must comply with Freeborn County Code of Ordinances, Chapter 30. Power lines associated with the system, up to 34.5 kV, must be buried, with variances required for aboveground lines. Waste disposal must follow applicable local, state, and federal regulations for solid and hazardous materials.

166. **Emergency Services and Fire Prevention - Energy storage systems** must comply with applicable Minnesota and National Electrical Codes and notify the PUC Energy Facilities Permitting Program. Fire safety measures include an automatic fire suppression system maintained and tested twice yearly, a 20-foot non-combustible buffer between batteries and combustible materials, and early detection systems for thermal runaway. Project developers must coordinate with local emergency services and submit project summaries, site plans, and emergency response plans to the Zoning Administrator.

167. **PFAS Prohibition - The use of PFAS chemicals** is prohibited, with certification required for all components and replacements.

168. **Decommissioning - In terms of abandonment and decommissioning,** a system is considered discontinued if it is inactive for one year unless a reactivation plan is approved, and all unused or defunct equipment must be removed within 30 days.

²⁴⁴ Ex. EIP-32 (Task Force Report), App. I (Draft ESS Ordinance for Freeborn County).

169. Construction Codes - All installations must also meet applicable local, state, and federal standards, including the Minnesota Building Code and the National Electric Code.²⁴⁵

170. On April 15, 2025, Freeborn County Commission passed a resolution opposing the BESS in the location proposed in Glenville, Minnesota. Freeborn County explains how it was attempting to address community concerns regarding potential adverse impacts on the local community, residents, wildlife, and environment adjacent to the BESS while also balancing the need for renewable resources prioritized by the State of Minnesota. Specifically,

[The] Freeborn County Board of Commissioners finds that the proposed [BESS] project near Glenville, MN, as currently proposed and reviewed, is inconsistent with the County's goals and responsibilities regarding the protection of public health, safety, and welfare, and the promotion of responsible and compatible land use in this specific area.²⁴⁶

171. In the Draft Site Permit, the following sections address land use, zoning, and the preservation and restoration of agricultural land, which are guided by the ATF and the proposed Freeborn County ordinance: Section 4.3.22 (Drainage Tiles); Section 5.5 (Hazard Mitigation Analysis); Section 5.6 (Local Firefighter Training); and Section 9.2 (Site Final Restoration).²⁴⁷

5. Property Values

172. Property value impacts can be measured in three ways: sale price (the value the market ultimately assigns), sales volume (how active the market is at those values), and marketing time (how easily that value is realized). These measures are influenced by a complex interaction of other factors that together help distinguish between nominal price changes and true market value shifts, by factoring in liquidity and demand pressures, rather than relying on headline numbers.²⁴⁸

173. Electrical generating facilities can impact property values. Unlike fossil-fueled electric generating facilities, this Project will not generate emissions. Potential impacts from operational noise are possible but can be mitigated. Aesthetic impacts will occur, but because the Project is relatively low in height, especially when compared to a wind turbine or a smokestack, impacts are anticipated to be minimal. The low facility profile, especially with the vegetative barrier surrounding the site, would further localize impacts.²⁴⁹

174. Commission staff relied on a study, The Impact of Utility-scale Battery Energy Storage System Projects on Property Values in California, Massachusetts, and

²⁴⁵ Ex. EIP-34 at 52-53 (EA).

²⁴⁶ Ex. EIP-21 (Freeborn County Resolution).

²⁴⁷ Ex. EIP-34, App. C (Draft Site Permit) (EA).

²⁴⁸ Ex. EIP-34 at 54-55 (EA).

²⁴⁹ Ex. EIP-34 at 55 (EA). Prior to this study, no research systematically evaluated how operational BESS facilities impact surrounding property prices.

New York, for the Midwater Project and assessed property value impacts. The study evaluated whether large BESS facilities affect the value of nearby homes in California, Massachusetts, and New York during the shift toward clean energy.²⁵⁰

175. The study found primarily that being close to an operating utility-scale BESS does not have a statistically meaningful effect on nearby home prices. This finding remains consistent after several additional tests, including examining individual projects, looking at how prices change over different time periods after a BESS becomes operational, and comparing neighborhoods with different income and demographic characteristics.²⁵¹

176. Impacts on the value of specific properties within the Project vicinity could occur. The Project is screened to some extent from nearby residences by the topography, existing vegetation around the property,²⁵² and a planned three-tiered vegetative barrier.²⁵³

177. In the Draft Site Permit, Section 5.1 (Tiered Vegetative Buffer) addresses property values through mitigation.²⁵⁴

178. It should be noted that the ATF and many commentors expressed concerns about a fire or thermal runaway event. While normal operation may not impact property values, residents' concerns that the pollution caused by a catastrophic thermal runaway event would significantly decrease nearby property values are not unfounded. The EA did not adequately address the feasibility, timeline, or costs of remediation after an emergency event.

6. Transportation and Public Services

179. Potential project effects to the electrical grid, roads and railroads, and other utilities are anticipated to be short-term, intermittent, and localized during construction. Project effects to water (wells and septic systems) are not expected to occur. Overall, construction-related effects are expected to be minimal, and are associated with possible traffic delays. During operation, negligible traffic increases would occur for maintenance. Impacts are unavoidable but can be minimized.²⁵⁵

180. The Project site is not serviced by city water supply or sanitary sewer; and there are no groundwater wells within the Project Area. Minnesota Energy Resources provides natural gas service in the Project Area. There are no mapped pipelines within the Project Land Control Area. The major roadway accessing the Project Area is U.S. Highway 65 and runs parallel to the Project Area along the western boundary. The Union Pacific Railroad route parallels the west side of U.S. Highway 65 and does not cross any

²⁵⁰ Ex. EIP-34 at 55 (EA).

²⁵¹ Ex. EIP-34 at 55 (EA).

²⁵² Ex. App.-21, Schedule B (Direct Testimony of Mary Matze, Schedule B - Draft Landscaping and Screening Plan).

²⁵³ Ex. EIP-34 at 55 (EA).

²⁵⁴ Ex. EIP-34, App. C (Draft Site Permit) (EA).

²⁵⁵ Ex. EIP-34 at 56 (EA).

portion of the site. The Albert Lea Municipal Airport is closest to the Project area and is located approximately nine miles from Glenville, Minnesota.²⁵⁶

181. If a water supply well is needed as part of the Project for a possible operations and maintenance (O&M) building, Midwater will install it following Minnesota Department of Health (MDH) guidelines. It will be for potable water in the building.²⁵⁷

182. During construction, trucks will use U.S. Highway 65 to access the Project site. Estimated truck traffic includes about five trips per day during site preparation, 15 per day during BESS installation, and three per day during the mechanical, electrical, and commissioning phase. Overweight or oversized loads are not expected, but Midwater will obtain required state and local approvals if needed. Slow-moving construction vehicles may cause brief delays on smaller roads, similar to agricultural planting or harvest periods, but such delays should be minimal and limited to the short construction delivery period.²⁵⁸

183. Construction is expected to involve an average workforce of 30 to 50 personnel, with a peak of up to 75 workers for limited periods. This workforce is anticipated to generate approximately 20 to 40 daily passenger vehicle trips, assuming limited ridesharing or carpooling. No impacts on roads are anticipated during the operation.²⁵⁹

184. Changes or additions to driveways from U.S. Highway 65 will require MnDOT permits. MnDOT noted that access to the Project Area from low-traffic township or county roads is not possible and encourages Midwater to investigate utilizing or upgrading the existing access northwest of the proposed, new project access from U.S. Highway 65. Additionally, MnDOT noted that when Midwater requests access to the Project Area from U.S. Highway 65, the District 6 Development Review Committee may require Midwater to install temporary or permanent turn lanes to mitigate increased safety risks.²⁶⁰

185. In the Draft Site Permit, the following sections address transportation and public services: Section 4.3.5 (Public Services, Public Utilities, and Existing Easements); Section 4.3.19 (Roads); Section 5.2 (Tiered Vegetative Buffer); and Section 5.12 (Surface and Groundwater Monitoring).²⁶¹

7. Socioeconomic

186. The Project effect on socioeconomics is anticipated to be minimal to significant and positive. Effects associated with construction will, overall, be short term

²⁵⁶ Ex. EIP-34 at 56-57 (EA).

²⁵⁷ Ex. App.-2 at 117 (Application).

²⁵⁸ Ex. EIP-34 at 57-58 (EA).

²⁵⁹ Ex. EIP-34 at 57-58 (EA).

²⁶⁰ Ex. EIP-34 at 58-59 (EA).

²⁶¹ Ex. EIP-34, App. C (Draft Site Permit) (EA).

and minimal. The project will not disrupt local communities or businesses and does not disproportionately impact low-income or minority populations.²⁶²

187. The proposed project will affect approximately 17 acres of agricultural land currently enrolled in the Conservation Reserve Program (CRP) during its operational life. Lease and purchase payments paid to the landowners will offset potential financial losses associated with removing a portion of their land from agricultural production.²⁶³

188. Midwater anticipates the Project will support approximately 75 jobs during the construction phase, and one to two long-term personnel during the operations phase. Indirect economic benefits occur from additional local spending on lodging, goods and services and local sales tax.²⁶⁴

189. The Project is expected to generate approximately \$19,700 in annual property tax revenue for Freeborn County over the 30-year lease term, totaling about \$788,000. In addition, Shell Rock Township is projected to receive approximately \$2,400 annually over the same 30-year period, for a total of about \$95,000.²⁶⁵

190. In the Draft Site Permit, the following sections address socioeconomic issues: Section 8.5 (Labor Statistic Reporting) and Section 8.6 (Prevailing Wage).²⁶⁶

8. Environmental Justice

191. Environmental justice is the “fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.” The goal of this “fair treatment” is not to shift risks among populations, but to identify potential disproportionately high and adverse effects and identify alternatives that may mitigate these impacts.²⁶⁷

192. There are no environmental justice communities impacted by the Project. The Project will not create disproportionate or adverse impacts to low-income or minority populations because the percentage of low-income and minority residents in the Project Area is not meaningfully greater than the State of Minnesota as a whole. Mitigation is not proposed.²⁶⁸

193. Commentors expressed frustration that the region is disproportionately bearing the burden of the shift away from carbon energy sources, with a marked increase in wind and BESS facilities. The Commission should consider these concerns.

²⁶² Ex. EIP-34 at 60 (EA).

²⁶³ Ex. EIP-34 at 61 (EA).

²⁶⁴ Ex. EIP-34 at 60 (EA).

²⁶⁵ Ex. EIP-34 at 61 (EA).

²⁶⁶ Ex. EIP-34, App. C (Draft Site Permit) (EA).

²⁶⁷ Ex. EIP-34 at 62 (EA).

²⁶⁸ Ex. EIP-34 at 62-63 (EA).

9. Aesthetic

194. For most people who pass through the Project Area on U.S. Highway 65 or the Shell Rock River, the Project effect on aesthetics under typical or atypical operating scenarios is expected to be negligible to minimal. For individuals with more view exposure, such as people who live in the Project Area, the effect is anticipated to be minimal.²⁶⁹

195. The visible elements of the facility will consist of approximately 150 to 200 new BESS enclosures, a fenced area of approximately 16.6 acres, a Project Substation, up to four new transmission structures, new stormwater ponds, and potentially a new O&M building. A new 10-foot chain link fence will include neutral-colored, non-reflective opacity strips, and will be topped by barbed wire. Most components of the BESS will be finished in non-descript, neutral colors, with the majority standing at less than ten feet in height. BESS enclosures will have limited visibility from surrounding locations due to existing vegetative screening.²⁷⁰

196. The Project substation is anticipated to be less than 50 feet tall and will be located adjacent to the existing ITC Midwest Glenworth Substation.²⁷¹

197. Thirteen places within a quarter mile of the Project Area may experience visual impacts, including seven residences, two roads, one railroad, one water trail, and two public lands. The seven residential locations would experience long-term exposure to the change in viewshed, while the remaining locations reflect short-term exposure opportunities.²⁷²

198. Exterior security lighting will be installed at the Project substation. Switch-activated lights will be located at each BESS enclosure to allow for maintenance and repair. Impacts to light-sensitive land uses are not anticipated given the rural project location and the minimal required lighting for operations.²⁷³

199. In the Draft Site Permit, the following sections address socioeconomic issues: Section 4.3.8 (Aesthetics); Section 5.1(Lighting); and Section 5.2 (Tiered Vegetative Buffer).²⁷⁴

B. Effects on Public Health and Safety

200. A BESS can provide major grid benefits, such as stabilizing power supply, supporting renewable integration, and improving reliability. However, its operation may also result in public health and safety impacts such as potential effects from a BESS fire

²⁶⁹ Ex. EIP-34 at 43 (EA).

²⁷⁰ Ex. EIP-34 at 44 (EA).

²⁷¹ Ex. EIP-34 at 45 (EA).

²⁷² Ex. EIP-34 at 46 (EA).

²⁷³ Ex. EIP-34 at 46 (EA).

²⁷⁴ Ex. EIP-34, App. C (Draft Site Permit) (EA).

or thermal runaway, electrical and explosion hazards, public safety and emergency services, and construction-related factors that affect public safety.²⁷⁵

201. Lithium-ion battery-based systems can produce both fire and thermal runaway propagation—two meaningfully distinct chemical processes. The primary operational safety hazard associated with a BESS is battery failure that could lead to thermal runaway and/or fire.²⁷⁶ “[E]lectrochemical energy sources like lithium-ion batteries have inherent safety risks related to fire and toxicity.”²⁷⁷ Thermal runaway and fire can result in dispersal of pollutants like heavy metals.²⁷⁸

202. Thermal runaway events may require specialized emergency response due to the potential for high heat, smoke, and hazardous gases. While such events are infrequent, their consequences could be more severe than typical or atypical electrical facility incidents. These impacts can be minimized through facility design, operational protocols, emergency planning, and coordination with local responders.²⁷⁹

203. Midwater has incorporated safety precautions into the design of the BESS. The storage cells (batteries) will be arranged in a modular system encased in standalone enclosures. The enclosures will be weatherproof and be equipped with an integrated enclosure management systems including: heating, ventilation, and air conditioning equipment for thermal management, heat and smoke detection, gas detection and ventilation systems, deflagration venting, and automatic stop and response personnel alerts.²⁸⁰ The enclosures include leak-proof secondary containment in the bottom of each enclosure to prevent liquid, including coolant used to cool the enclosures, from leaking out of the enclosure.²⁸¹

204. The BESS Facility will be equipped with cell, module, rack, and system level monitoring points that produce real-time data that is fed into automatic control systems housed in the battery management system (BMS) as well as to the site controller, an off-site person charged with monitoring the system. A local technician will be at the BESS Facility on a daily basis during the work week.²⁸² The battery management system, local technicians, and site controller ensure that the BESS Facility operates within the original equipment manufacturer’s operating parameters. If any operating limit is exceeded or an alarm is triggered, the BMS will automatically send a fault signal to the whole battery string to disconnect from the inverter, or the rack contacts will open to disconnect individual racks. These systems are designed to identify operational malfunctions or other safety hazards immediately and prevent incidents from occurring or propagating. Detected faults, abnormal conditions, and gas detection will also be transmitted to remote operators and local technicians that can travel to the site to investigate and respond.²⁸³

²⁷⁵ Ex. EIP-34 at 63 (EA).

²⁷⁶ Ex. EIP-34 at 64 (EA).

²⁷⁷ Ex. EIP-29 at 9 (Attachment to Public Comment).

²⁷⁸ Hearing Exs. 8, 10, 11.

²⁷⁹ Ex. EIP-34 at 64 (EA).

²⁸⁰ Ex. App.-2 at 78-79 (Application).

²⁸¹ Ex. App.-21 at 6-7 (Direct Testimony of Mary Matze).

²⁸² Response to Public Comments at 7.

²⁸³ Ex. App.-2 at 79 (Application); Response to Public Comments at 7.

205. BESS are a relatively new technology and ongoing research is shaping industry standards that continue to reduce incident risk and address safety concerns. This is particularly present in the battery-type selected for the BESS. The BESS will use LFP technology. LFP batteries have a higher thermal runaway temperature, making them more stable and less prone to fire.²⁸⁴ However, “LFP batteries are more hazardous in terms of combustion and explosion compared to NCM batteries.”²⁸⁵

206. BESS Equipment will be designed and tested to industry standards, including, Underwriters Laboratory (UL) UL1973, UL9540, and Institute of Electrical and Electronics Engineers 1547. The BESS equipment will be certified and compliant with relevant safety standards, including National Fire Protection Association (NFPA) 68, NFPA 69, and NFPA 855. The Project will also comply with the applicable version of the International Fire Code (IFC), the National Electric Code (NFPA 70), and the practices recommended in NFPA 850 for Electric Generating plants and High Voltage Direct Current Converter Stations and IEEE 979 Guide for Substation Fire Protection.²⁸⁶

207. BESS equipment will undergo UL 9540A “Test Method for Evaluating Thermal Runaway Fire Propagation in Battery Energy Storage Systems” performed by a third-party recognized by the Occupational Safety and Health Administration’s (OSHA) Nationally Recognized Testing Laboratory. That testing will evaluate the BESS enclosure’s behavior during an initial thermal runaway event and ensures minimal fire propagation risk. These tests and reports provide an industry standard baseline and provide confidence as to the potential hazards posed by the specific batteries used to ensure that the appropriate safety features are incorporated based upon the results, as required by NFPA 855 and the IFC.²⁸⁷

208. While the Applicant has proposed measures to mitigate the risk of thermal runaway occurring, it must be acknowledged that thermal runaway and fire are known and potential risks of any BESS system. A site permit analysis must consider the impacts of such an event should it occur.

209. The EA and the record as a whole do not contain analysis of how a thermal event or fire would impact the Rock River Watershed. Predictive modeling about the dispersion of pollutants through the watershed, as well study of the feasibility, methods, and costs of cleanup, have not been submitted. The EA’s conclusory statements that pollution would be localized and short term are simply unsupported in the record.

1. Public Safety and Emergency Services

210. Like any construction project, there are risks for injuries from falls, equipment and vehicle use, electrical accidents, and similar hazards. Potential impacts from construction are anticipated to be minimal.²⁸⁸

²⁸⁴ Ex. EIP-34 at 66 (EA).

²⁸⁵ Public Hearing Ex. 8 (eDockets No. 20263-229644-10).

²⁸⁶ Ex. App.-2 at 79 (Application).

²⁸⁷ Ex. App.-2 at 79 (Application).

²⁸⁸ Ex. EIP-34 at 64 (EA).

211. The inflow of temporary construction personnel could increase demand for emergency and public health services. Although no road closures are anticipated during construction, any temporary closures could impede police, fire, and other rescue vehicles access to the site of an emergency.²⁸⁹

212. Construction is bound by federal and state OSHA requirements for worker safety, and must comply with local, state, and federal regulations regarding installation of the facilities and qualifications of workers. Established industry safety procedures will be followed during and after construction of the Project. Crews will be trained and briefed on safety issues, reducing the risk of injury. The Project will be fenced to prevent unauthorized access. Electrical inspections will ensure proper installation of all components, and the Project will undergo routine inspection. Electrical work will be completed by trained technicians.²⁹⁰

213. The main safety hazard of a BESS is battery failure leading to thermal runaway or fire. Thermal runaway is a phenomenon when a battery cell generates heat at a greater rate than the heat can dissipate from the cell, resulting in a cascading chemical reaction which produces additional heat. Thermal runaway events can result in extremely high temperatures, smoke, fire, and potentially ejection of gas, shrapnel, and particulates.²⁹¹

214. BESS containers include explosion prevention systems to remove flammable gases during a thermal runaway event and relieve pressure to limit gas levels within the containers from reaching levels that can be flammable or explosive. The containers are spaced to minimize the potential for fire to spread to other containers. The BESS equipment is monitored remotely, tracking cell voltage and temperature to identify and isolate potential issues before they occur. Midwater will also install fire detection systems in the containers to recognize incidents and disconnect and isolate failed equipment.²⁹²

215. The National Fire Protection Association issued updated NFPA 855 Standard for the Installation of Stationary Energy Storage Systems in 2023. The standard includes fire detection and suppression, explosion control, exhaust ventilation, gas detection, and thermal runaway requirements. NFPA standards require BESS facilities to prepare a hazard mitigation analysis (HMA) detailing the results of the equipment testing and the risks associated with the technology prior to installation of the BESS.²⁹³

216. Emergency responses to fires or thermal runaway events at BESS facilities are characterized as accident scenarios, require specialized response, and pose potentially significant environmental impacts. BESS fires present unique challenges to firefighters. During a thermal runaway event or fire, gases can build up inside battery containers, making it unsafe for first responders to approach or enter them. Because

²⁸⁹ Ex. EIP-34 at 64-65 (EA).

²⁹⁰ Ex. EIP-34 at 65 (EA).

²⁹¹ Ex. EIP-34 at 64, 66 (EA).

²⁹² Ex. EIP-34 at 67 (EA).

²⁹³ Ex. EIP-34 at 68 (EA).

these fires may be difficult to put out, some batteries may continue to hold energy, and toxic gases may be present.²⁹⁴

217. Coordination of emergency services would help ensure appropriate emergency preparedness and response capabilities throughout construction and operation. Law enforcement in the project area is provided by the Freeborn County Sheriff, and the police departments of Albert Lea. Fire service is provided by the Albert Lea Fire Department and the Glenville Volunteer Fire Department. Ambulance response is provided by regional and local ambulance services. The primary ambulance service for the Project area is the Mayo Clinic Ambulance in Albert Lea. Hospitals near the project area include the Mayo Clinic Hospital Albert Lea, which is located within ten miles of the project.²⁹⁵

218. Current industry guidance recommends that responders keep a safe distance, monitor the situation, and allow the fire to burn out naturally as the batteries release their stored energy.²⁹⁶

219. The EA claims that under this scenario, environmental impacts are potentially significant in the short term, but largely confined to the Project site, and reversible through emergency service response and related remediation activities, as needed.²⁹⁷ However, these statements are conclusory and unsupported. The EA does not address whether contamination to the Shell Rock River watershed can be remediated and ignores contamination being transported downriver far from the project site and throughout the watershed. The presence of the Shell Rock River makes this site significantly different from other BESS sites.

220. Midwater argues it will coordinate with the local fire departments to ensure an adequate water supply at the BESS in the event of a fire. Potential solutions include providing a permanently filled frost-protected water tank at the Project site filled by water truck or an onsite water well over the course of days, shuttling water from the City of Glenville with existing fire department equipment and providing a back-up water truck for use by local emergency responders.²⁹⁸ This acknowledgement that water would be used in the event of a fire again suggests contaminated water could reach the Shell Rock River in an emergency. The close proximity of the project to the City of Glenville would also necessitate prioritizing human health and safety over environmental protection in the event of an emergency. The record is not sufficient to conclude that the Albert Lea Fire Department or the Glenville Volunteer Fire Department would have any ability to mitigate or prevent contamination to the Shell Rock River watershed in the event of a fire or thermal runaway event.

221. In the Draft Site Permit, the following sections address public safety and emergency services: Section 4.3.27 (Public Safety); Section 5.5 (Hazard Mitigation Analysis); Section 5.6 (Local Firefighter Training); Section 5.7 (Emergency Planning and

²⁹⁴ Ex. EIP-34 at 66 (EA).

²⁹⁵ Ex. EIP-34 at 64 (EA).

²⁹⁶ Ex. EIP-34 at 67 (EA).

²⁹⁷ Ex. EIP-34 at 67 (EA).

²⁹⁸ Ex. App.-21 at 17-18 (Direct Testimony of Mary Matze).

Preparedness); Section 5.8 (Site Monitoring); Section 5.9 (Dry Hydrant Use); Section 8.3 (Site Plan); Section 8.11 (Emergency Response); Section 8.12 (Extraordinary Events); and Section 9.1 (Decommissioning Plan).²⁹⁹

C. Effects On Land-Based Economies

222. Minnesota law requires consideration of the Project's potential effect on land-based economies—specifically, agriculture, forestry, tourism, and mining.³⁰⁰

1. Agriculture

223. A loss of approximately 17 acres of farmland in Freeborn County will occur for the life of the Project. Potential impacts are localized and unavoidable.³⁰¹

224. From the U.S. Department of Agriculture's 2022 Census of Agriculture, there are approximately 351,174 acres of farmland in Freeborn County, including 332,702 acres of cropland (94.7 percent). By acreage, the largest crops are corn and soybeans.³⁰²

225. Construction of the Project has the potential to damage agricultural soils through compaction or erosion if best management practices (BMPs) are not implemented to minimize damage.³⁰³

226. The removal of 17 acres relative to 332,702 acres of farmland in the county is insignificant. Midwater also indicates that the land could be returned to pre-construction use after the Project is decommissioned and the site is restored.³⁰⁴

227. In the Draft Site Permit, the following sections address agriculture: Section 4.3.9 (Topsoil Protection); Section 4.3.10 (Soil Compaction); Section 4.3.11 (Soil Erosion and Sediment Control); Section 4.3.15 (Vegetation Management); Section 4.3.18 (Noxious Weeds); Section 4.3.23 (Restoration); Section 4.3.26 (Damages); and Section 5.2 (Tiered Vegetative Buffer).³⁰⁵

228. Section 5.10 of the Draft Site Permit originally provided for the development and implementation of an Agricultural Impact Mitigation Plan (AIMP). MDA has subsequently agreed that an AIMP is not necessary for the Project because it involves only a standalone BESS facility, rather than a combined solar and BESS project. Based on Midwater's coordination with MDA, Section 5.10 is removed as a special condition from the Draft Site Permit.³⁰⁶

²⁹⁹ Ex. EIP-34, App. C (Draft Site Permit) (EA).

³⁰⁰ Minn. Stat. § 216E.03, subd. 7(b); Minn. R. 7850.4100, subp. C.

³⁰¹ Ex. EIP-34 at 69 (EA).

³⁰² Ex. EIP-34 at 69 (EA).

³⁰³ Ex. EIP-34 at 70 (EA).

³⁰⁴ Ex. EIP-34 at 70 (EA).

³⁰⁵ Ex. EIP-34, App. C (Draft Site Permit) (EA).

³⁰⁶ Ex. App.21 at 24 (Direct Testimony of Mary Matze).

2. Tourism and Recreation

229. Tourism in the Project Area is largely related to recreational activities including fishing, hunting, and boating. Activities in the Project Area are typically associated with the Shell Rock River State Water Trail and the Shell Rock wildlife management area (WMA).³⁰⁷

230. Although the Shell Rock River Water Trail is located within the proposed BESS Project Area, no project infrastructure will obstruct or restrict public access to the water trail. Users traveling along the small segment of the trail near the Project Area may experience a minor increase in noise during BESS construction and operation. These effects will be temporary and limited to the immediate vicinity of the facility.³⁰⁸

231. During the construction phase, there may be temporary visual, auditory, and aesthetic impacts experienced by some visitors and nearby residents. Once construction is complete, normal operation of the BESS is not expected to disrupt recreational activities or reduce public use of the water trail.³⁰⁹

232. A BESS fire or thermal runaway event would most likely result in significant impacts to recreation and tourism. A thermal runaway event could lead to temporary access restrictions, evacuations, or road closures, limiting use of nearby recreational areas. Smoke, odors, or visible emergency activity could deter use of trails, wildlife areas, or river access points during the incident and immediate recovery. Depending on wind and duration, smoke could temporarily reduce air quality or visibility, discouraging activities like fishing, hunting, boating, or snowmobiling.³¹⁰

233. While the EA claims fire or thermal runaway impacts would be short-lived and localized to the site, with normal recreation expected to resume once the site is safe, these statements are not supported with evidence.³¹¹ The EA does not address contamination traveling downstream in the Shell Rock River watershed or the feasibility, cost, or timeline to remediate that contamination. Downstream local governments expressed significant concern regarding the impact an emergency event could have on their local tourism.³¹²

234. Existing and proposed visual screening measures for the BESS Facility can help reduce long-term perception-related concerns that sometimes influence recreational or tourism use.³¹³

235. The EA claims no public or private recreational lands or opportunities are located within or adjacent to the HVTL or BESS.³¹⁴ However, this disregards water

³⁰⁷ Ex. EIP-34 at 71 (EA).

³⁰⁸ Ex. EIP-34 at 71 (EA).

³⁰⁹ Ex. EIP-34 at 71 (EA).

³¹⁰ Ex. EIP-34 at § 4.5.2 (EA).

³¹¹ Ex. EIP-34 at § 4.5.2 (EA).

³¹² Ex. EIP-19 (Butler County Board of Supervisors Comment).

³¹³ Ex. EIP-34 at 72 (EA).

³¹⁴ Ex. EIP-34 at § 4.5.2 (EA).

recreation activities on the Shell Rock River such as boating and fishing. These activities were cited as major concerns to residents.

D. Effects on Archaeological and Historic Resources

236. Archaeological resources are locations where objects or other evidence of archaeological interest exist, and can include aboriginal mounds and earthworks, ancient burial grounds, prehistoric ruins, or historical remains. Historic resources are sites, buildings, structures, or other antiquities of state or national significance.³¹⁵

237. No historic or architectural resources have been previously inventoried within the Project Area. Two historic resources were identified adjacent to the Project boundary. Neither of these resources will be affected by the Project. An additional nine historic resources were identified within a one-mile buffer of the Project Area; however, none of these resources have been evaluated for listing in the National Register of Historic Places.³¹⁶

238. The potential for project construction-related impacts to archeological, cultural, and historic resources is negligible and unlikely. Midwater will prepare an Unanticipated Discoveries Plan that outlines the steps they will take if previously unrecorded cultural resources or human remains are encountered during construction.³¹⁷

239. Potential visual and landform impacts describe how a project may affect the appearance, visibility, or physical setting of archaeological, cultural, or historic sites. Visual impacts occur when construction or other changes alter how a site is seen or experienced, while landform impacts involve changes to terrain or topography that may disturb the site's natural context.³¹⁸

240. Midwater maintains that the visual impact of the BESS would not be out of character with the existing ITC Midwest Glenworth Substation and related infrastructure, explaining that the enclosures are neutral in color and relatively low in height. The constructed portion of the Project Area will feature a three-tier vegetative buffer, providing additional visual screening between the BESS and U.S. Highway 65. Given the distance between the Project Area and archaeological, cultural, and historical resources, visual impacts are considered negligible. Project construction and operation-related impacts to the local landscape are not anticipated to affect or interfere with the visual character of identified resources.³¹⁹

241. Potential visual and landform impacts from the Project are not likely to affect the appearance, visibility, or physical setting of archaeological, cultural, or historic sites. No mitigation is proposed.³²⁰

³¹⁵ Ex. EIP-34 at 73 (EA).

³¹⁶ Ex. EIP-34 at 74 (EA).

³¹⁷ Ex. EIP-34 at 75 (EA).

³¹⁸ Ex. EIP-34 at 75 (EA).

³¹⁹ Ex. EIP-34 at 76 (EA).

³²⁰ Ex. EIP-34 at 76 (EA).

E. Effects on Natural Environment

242. Minnesota Rules Section 7850.4100(E) requires that the Commission consider the effects of the Project on the natural environment, including effects on air and water quality resources and flora and fauna.

1. Air Quality

243. The Project air quality area is the regional airshed. Potential impacts on air quality are evaluated through three scenarios: construction, typical/atypical operations, and an accident scenario.³²¹

244. Minimal intermittent air emissions are expected during construction of the Project. Air emissions associated with construction are highly dependent upon weather conditions and the specific activity occurring. Once operational, neither the BESS nor the transmission line will generate criteria pollutants or carbon dioxide.³²²

245. Motorized equipment will emit exhaust. This includes construction equipment and vehicles travelling to and from the Project. Exhaust emissions, primarily from diesel equipment, would vary according to the phase of construction.³²³

246. During the construction phase, exhaust emissions can be minimized by keeping vehicles and equipment in good working order and not running equipment unless necessary. In addition, watering exposed surfaces, covering disturbed areas, and reducing speed limits on-site are all standard construction practices to mitigate air quality impacts.³²⁴

247. All projects that involve movement of soil, or exposure of erodible surfaces, generate some type of fugitive dust emissions. The Project will generate fugitive dust from travel on unpaved roads, grading, and excavation. However, fugitive dust emissions will be reduced by the elimination of farming-related emissions and establishment of permanent vegetative cover.³²⁵

248. Potential air quality impacts from a thermal runaway situation present a community hazard.³²⁶

249. Midwater evaluated the potential dispersion and off-site impacts of air pollutants that could be emitted during a runaway thermal event. A conservative worst-case fire scenario was developed using established electrical-to-combustion energy conversion methods, published industry data, and alignment between modeled

³²¹ Ex. EIP-34 at 77 (EA).

³²² Ex. EIP-34 at 77-78 (EA).

³²³ Ex. EIP-34 at 78 (EA).

³²⁴ Ex. EIP-34 at 79 (EA).

³²⁵ Ex. EIP-34 at 78 (EA).

³²⁶ Ex. EIP-34 at 66 (EA).

thermal impacts and observed enclosure damage. The modeling, moreover, conservatively evaluated the BESS container closest to the facility property boundary.³²⁷

250. The calculated heat release rate, combustion product yields, and associated parameters were then used as inputs for the plume dispersion modeling performed using the Fire Dynamics Simulator (FDS), a computational fluid dynamics model developed and maintained by the National Institute of Standards and Technology. FDS is a widely accepted and extensively validated fire modeling tool used by regulatory agencies, researchers, and fire protection professionals, and is supported by a substantial body of peer-reviewed literature. Modeling scenarios evaluated a range of wind speeds, wind directions, and BESS container configurations representative of outdoor, utility-scale installations, with conservative assumptions applied to reflect credible worst-case conditions.³²⁸

251. Modeling results indicate that the primary by-products of an event are the production of carbon monoxide, hydrogen fluoride, carbon dioxide gases and carbon soot. Concentrations of these gases generated during the modeled fire scenario decrease rapidly with distance from the source. All concentrations at the Project site boundary remained below Immediately Dangerous to Life or Health (IDLH) thresholds established by the National Institute for Occupational Safety and Health. Carbon dioxide concentrations did not exceed the IDLH threshold beyond the immediate vicinity of the BESS container, while hydrogen fluoride concentrations exhibited only brief exceedances of the 30 parts per million within the nearfield plume and did not extend to the site boundary.³²⁹

252. Modeling further indicates that reduced visibility due to soot was limited to the immediate plume region near the source and did not extend to the site boundary.³³⁰

253. Under the typical and atypical scenario, the facility is not likely to emit regulated air pollutants in amounts that require regulatory action; however, if emissions exceed regulatory levels, Midwater would have reporting practices established through their operations and maintenance plans.³³¹

254. Midwater is required by industry standards to design and install fire protection and hazard prevention practices. This includes conducting a rigorous hazard analysis, along with thorough mitigation planning that reduces the probability and consequence of a thermal runaway. In addition, system-level safety is established through integrated protective responses under failure conditions, as well as thermal runaway propagation testing that quantifies risk and feeds the container spacing and related mitigation decisions.³³²

³²⁷ Ex. EIP-34 at 78 (EA).

³²⁸ Ex. EIP-34 at 78 (EA).

³²⁹ Ex. EIP-34 at 79 (EA).

³³⁰ Ex. EIP-34 at 78 (EA).

³³¹ Ex. EIP-34 at 79 (EA).

³³² Ex. EIP-34 at 79-80 (EA).

255. Midwater consulted with local emergency responders who requested that Midwater purchase hose nozzles and gas detectors that can be used by emergency responders when responding to an emergency at the site. Midwater has committed to purchasing hose nozzles and gas detectors for local emergency responders use in emergencies and has proposed revisions to Section 8.11 of the Draft Site Permit to reflect this request and commitment.³³³

256. The Draft Site Permit includes a special condition resulting from Task Force recommendations which require Midwater to distribute their Hazard Mitigation Analysis with emergency responders prior to the Project's pre-construction meeting: Section 5.5 (Hazard Mitigation Analysis).³³⁴

257. There is insufficient evidence to conclude that soot generated from an accident scenario would not settle or be deposited in the Shell Rock River.

2. Soils

258. Impacts on soil resources will occur during construction and decommissioning of the Project. The level of impact is expected to be minimal.³³⁵

259. Within the Project Area, soils are primarily sandy loams, with smaller extents of clay loam soils. When adequately drained, these soils are well suited to the existing agricultural uses.³³⁶

260. Construction-related impacts to the soil will result mainly from grading and excavation for the substation, BESS, operations and maintenance facility, laydown yard, stormwater basins, and access roads. Given the rolling topography and existing agricultural land use, limited grading would be required. Temporary soil compaction could occur in undeveloped portions of the Project Area due to equipment use and installation of BESS module foundations.³³⁷

261. Construction activities could result in potential indirect impacts if sediment or fugitive dust from excavation, grading, vegetation removal, or construction traffic were to enter nearby surface waters. Also, there is a potential for construction-related erosion and sedimentation, as an impaired segment of the Shell Rock River is approximately 26 feet from the edge of the proposed stormwater ponding areas located within the BESS Facility Development Area.³³⁸

262. During project operation, minor soil compaction could occur along access roads from routine maintenance vehicle use. These impacts are expected to be negligible and confined to the roadbeds.³³⁹

³³³ Response to Public Comments at 9-10 (Mar. 25, 2026) (eDockets No. 20263-229642-01).

³³⁴ Ex. EIP-34, App. C (Draft Site Permit) (EA).

³³⁵ Ex. EIP-34 at 80 (EA).

³³⁶ Ex. EIP-34 at 80 (EA).

³³⁷ Ex. EIP-34 at 81 (EA).

³³⁸ Ex. EIP-34 at 84 (EA).

³³⁹ Ex. EIP-34 at 82 (EA).

263. Overall, the Project is expected to reduce long-term erosion potential by establishing permanent vegetative cover. Additional erosion control measures will include gravel surfacing the access roads and installation of culverts to manage and redirect surface water runoff.³⁴⁰

264. In the Draft Site Permit, the following sections address soil impacts: Section 4.3.9 (Topsoil Protection); Section 4.3.11 (Soil Erosion and Sediment Control); Section 4.3.23 (Restoration); and 5.11 (Vegetative Management Plan).³⁴¹

3. Surface Water and Floodplains

265. The Project is located in the Shell Rock River Watershed, a major watershed in the Mississippi River Basin. Two National Hydrography Dataset (NHD) watercourses and three NHD waterbodies are mapped within the Project Area.³⁴²

266. The EA claims that the level of impact is:

[A]nticipated to be minimal under typical or atypical operation scenarios; however, in an accident scenario, impacts may be significant, affecting air, water, and land resources, though reversible and likely short-term. Direct impacts to surface waters are not expected. Indirect impacts to surface waters might occur. These impacts will be short-term, of a small size, and localized. Impacts can be mitigated.³⁴³

267. These EA statements on the impacts of an accident scenario are conclusory and not supported by evidence. The close proximity of the project to the Shell Rock River indicates water contamination is probable in a fire or thermal runaway event and the EA does not address whether water contamination can be mitigated, how downstream impacts would be mitigated, or who would bear the cost of such efforts. The applicant acknowledges that potential impacts resulting from a significant thermal runaway event include stormwater runoff carrying pollutants such as electrolytes, coolant, or BESS debris that could reach the Shell Rock River and that long-term deposition impacts are possible.³⁴⁴

268. Federal Emergency Management Agency (FEMA) Flood Insurance Maps and field verification at the Project Area confirmed the presence of 100- and 500-year floodplains within the Project Area. However, all Project infrastructure is sited outside of mapped FEMA flood zones.³⁴⁵

269. There are two waters listed by the MPCA as *impaired waters* within the Project Area: Shell Rock River, and Salem Creek. The impairments include mercury,

³⁴⁰ Ex. EIP-34 at 821 (EA).

³⁴¹ Ex. EIP-34, App. C (Draft Site Permit) (EA).

³⁴² Ex. EIP-34 at 82 (EA).

³⁴³ Ex. EIP-34 at 82 (EA).

³⁴⁴ See Applicant's proposed findings.

³⁴⁵ Ex. EIP-34 at 83 (EA).

nutrient, dissolved oxygen, and turbidity (Shell Rock River) and fecal coliform (Salem Creek). The Shell Rock River is the receiving water for facility stormwater runoff.³⁴⁶

270. An impaired segment of the Shell Rock River is approximately 26 feet from the BESS Facility Development Area. All pole structures and BESS Facility components will be located outside of the Shell Rock River watercourse. BESS enclosures are located approximately 228 feet from the river.³⁴⁷

271. Because construction would disturb more than one acre, the Project will be required to obtain a MPCA Construction Stormwater General Permit (CSW Permit). Pursuant to the CSW Permit, Midwater is required to prepare and submit a Stormwater Pollution Prevention Plan (SWPPP), along with a Notice of Intent, due to the Shell Rock River being an impaired water. Pursuant to the CSW Permit, The SWPPP will outline best management practices (BMPs)—such as erosion and sediment controls, revegetation, soil stabilization, and dust control—to limit erosion and protect nearby resources during construction and operation. Stormwater ponds will be designed and constructed to meet MPCA and SRRWD requirements to collect and treat runoff during construction and operation.³⁴⁸

272. To mitigate impacts from increased stormwater runoff volume resulting from the addition of impervious surfaces associated with the BESS (i.e., concrete pads for BESS containers and associated equipment), Midwater will construct two permanent stormwater detention basins, in accordance with Section 15 of the MPCA's CSW Permit and upsized to accommodate anticipated stormwater volumes, through the SRRWD basin sizing criteria.³⁴⁹ The stormwater basins will be designed for the enhanced 1.25-inch water quality treatment standard of the SRRWD.³⁵⁰ The site will also be subject to the special conditions related to impaired waters outlined in Section 23 of the MPCA's CSW Permit.³⁵¹

273. The BESS enclosures include leak-proof secondary containment in the bottom of each enclosure to prevent liquid, including coolant used to cool the enclosures, from leaking out of the enclosure. LFP batteries contain gel-type electrolytes which are fully contained within each battery cell. The likelihood of electrolyte leakage from an LFP BESS is very low.³⁵²

274. Midwater asserts it will conduct ongoing surveillance of the BESS Facility to detect the presence of leaks or related failures, and will also conduct water quality testing of the detention basin to determine if treatment is needed prior to discharging stormwater to the Shell Rock River.³⁵³

³⁴⁶ Ex. EIP-34 at 84 (EA).

³⁴⁷ Ex. App.-2 at 65 (Application); Ex. EIP-34 at 84 (EA).

³⁴⁸ Ex. EIP-34 at 82 (EA). The Shell Rock River is impaired by mercury and elevated nutrient (phosphorus) levels from both regulated and non-regulated sources. *Id.* at 35.

³⁴⁹ Ex. EIP-34 at 84 (EA).

³⁵⁰ Ex. App.-21 at 19-20 (Direct Testimony of Mary Matze).

³⁵¹ Response to Public Comments at 4-5.

³⁵² Ex. App.-21 at 6 (Direct Testimony of Mary Matze); Ex. EIP-34 at § 4.7.4 (EA).

³⁵³ Ex. EIP-34 at 84 (EA).

275. In the Draft Site Permit, the following sections address surface water and flood plains: Section 4.3.11 (Soil Erosion and Sediment Control); Section 4.3.23 (Restoration); and Section 5.12 (Surface and Groundwater Monitoring).³⁵⁴ The Judge does not find that proposed permit conditions can mitigate the significant risks to the Shell Rock River in the event of a thermal runaway event, fire, or significant accident.

4. Geology and Groundwater

276. Surficial materials within the Project Area primarily consist of glacial drift composed of glacial till, characterized by a matrix of sand, silt, and clay with scattered pebbles, cobbles, and occasional boulders. The thickness of glacial drift overlying bedrock in Freeborn County generally ranges from less than 50 feet to more than 200 feet.³⁵⁵

277. A desktop geotechnical evaluation was completed for the Project Area in January 2024. This evaluation included a review of USGS information on karst hazard potential, as well as University of Minnesota and DNR Ecological and Water Resources Division karst mapping. These sources indicate that sinkholes, shallow limestone formations, unconfined or shallow aquifers, and other karst conditions are not present within or near the Project Area. The mapping tool identifies the nearest mapped karst feature approximately 13 miles southeast of the Project Area.³⁵⁶

278. The Project Area is located within the South-Central Minnesota Groundwater Province, which is characterized by thick glacial sediments composed primarily of loam and clay loam overlying regionally extensive Paleozoic sandstone and carbonate bedrock aquifers. Aquifers present in the vicinity include the Upper Carbonate aquifer, Cambrian-Ordovician aquifer system, St. Peter–Prairie du Chien–Jordan aquifer, and Mount Simon aquifer. These bedrock aquifers are regionally important water resources due to their high water-bearing potential.³⁵⁷

279. A review of U.S. EPA Sole Source Aquifer (SSA) designations, the Minnesota Well Index (MWI), and University of Minnesota Natural Resources Research Institute wellhead protection mapping indicated that no EPA-designated SSAs occur within the Project Area. The Project Area is not located within a delineated MDH Wellhead Protection Area (WHPA). No public water-supply wells or WHPAs are present within the Project Area. The nearest WHPA is located north of the Project Area.³⁵⁸

280. However, a portion of the Glenville Drinking Water Supply Management Area (DWSMA) is within the northern portion of the Project Area. The BESS infrastructure is located outside of the DWSMA, though a segment of the HVTL is located within the DWSMA.³⁵⁹

³⁵⁴ Ex. EIP-34, App. C (Draft Site Permit) (EA).

³⁵⁵ Ex. EIP-34 at 86 (EA).

³⁵⁶ Ex. EIP-34 at 87 (EA).

³⁵⁷ Ex. EIP-34 at 87 (EA).

³⁵⁸ Ex. EIP-34 at 87 (EA).

³⁵⁹ Ex. EIP-34 at 87 (EA).

281. According to the MWI, no wells are located within the Project Area. Within one mile of the Project Area, there are 18 wells, including 16 active domestic wells, one active test well, and one sealed environmental borehole. These wells were drilled to depths ranging from approximately 15 to 160 feet, with an average depth to bedrock of approximately 84 feet below ground surface. The shallowest active domestic well identified in the MWI reaches 90 feet below ground surface.³⁶⁰

282. DNR depth-to-water-table mapping indicates shallow groundwater conditions across much of the Project Area, with depths generally ranging from 0 to 10 feet and localized areas of 10 to 20 feet.³⁶¹

283. University of Minnesota surficial geology maps indicate that the subsurface Project Area geology is dominated by a sandy outwash, developed during the last glaciation. The groundwater sensitivity to pollutant impact is likely moderate to high in this location.³⁶²

284. MDH vulnerability assessments for public water-supply areas consider geologic sensitivity, well construction, maintenance, and use. Based on these criteria, the Glenville DWSMA is classified as having moderate to high vulnerability.³⁶³

285. For a groundwater impact to occur, a release from the BESS would need to (1) escape primary and secondary containment, (2) infiltrate underlying compacted gravel pad and soils, and (3) migrate downward to the water table.³⁶⁴

286. The surficial water table at the Project site is anticipated to be approximately 10 to 20 feet. The BESS design includes multiple engineered barriers that interrupt this pathway, including sealed enclosures, impermeable foundations, and controlled drainage. As a result, a complete exposure pathway to groundwater is not present under normal conditions.³⁶⁵

287. Midwater will use a closed-loop liquid cooling system with water-based fluids and glycol additives suited for Minnesota conditions. These non-flammable fluids are widely used in industrial HVAC systems. Coolant leaks are unlikely and typically stem from long-term wear or maintenance issues rather than sudden failure. Any release would be limited because the cooling system is fully contained within the BESS enclosure.³⁶⁶

288. For a thermal runaway event to create groundwater impacts, several conditions would need to occur sequentially:

- a. Release of contaminants (electrolyte, degraded battery materials, or fire residues);

³⁶⁰ Ex. EIP-34 at 88 (EA).

³⁶¹ Ex. EIP-34 at 88 (EA).

³⁶² Ex. EIP-34 at 88 (EA).

³⁶³ Ex. EIP-34 at 88 (EA).

³⁶⁴ Ex. EIP-34 at 88 (EA).

³⁶⁵ Ex. EIP-34 at § 4.7.4 (EA).

³⁶⁶ Ex. EIP-34 at § 4.7.4 (EA).

- b. Failure of primary containment (battery cell, module, enclosure);
- c. Failure of secondary containment or site controls;
- d. Infiltration of contaminants into soil;
- e. Migration to the water table.³⁶⁷

289. Midwater will design the BESS to interrupt these pathways through multiple engineered controls.

290. While the EA characterizes thermal runaway events as “acute and short-term occurrences rather than chronic sources of contamination” that will not impact groundwater, this characterization is not supported in the record. Thermal runaway may result in contamination, which, if left untreated, can become a chronic source of contamination. The EA and the record as a whole do not discuss methods or timelines for remediation after a thermal event.³⁶⁸

291. Midwater will use a LFP battery type that will be housed in factory-built, weather-resistant enclosures. Potential groundwater impacts were evaluated with consideration to the materials used in the BESS, the likelihood of release, and the design features intended to prevent migration of contaminants to soil and groundwater.³⁶⁹

292. Each LFP battery cell using this design contains a small quantity of organic electrolytes sealed within a metal cell casing. The electrolyte is not stored in bulk and is contained within multiple layers of engineered barriers, including individual cells, battery modules, racks, and the exterior enclosure. Under typical operating conditions, electrolytes are not released.³⁷⁰

293. The likelihood of electrolyte leakage from an LFP BESS is considered low. LFP chemistry is characterized by high thermal and chemical stability, with a reduced risk of thermal runaway compared to other lithium-ion chemistries. Liquid electrolyte release would generally only be expected under extreme conditions, such as severe mechanical damage or a major fire event.³⁷¹

294. Any electrolyte release would be small in quantity at the individual cell level and would be contained within the BESS enclosure and secondary containment features, preventing contact with soil or infiltration of groundwater. As a result, electrolyte-related groundwater impacts are not anticipated.³⁷²

295. Fire suppression water represents a more credible liquid release scenario than electrolyte itself. Water used during an emergency response could entrain combustion byproducts, particulate matter, or trace metals. Site design features, including

³⁶⁷ Ex. EIP-34.

³⁶⁸ Ex. EIP-34.

³⁶⁹ Ex. EIP-34 at § 4.7.4 (EA).

³⁷⁰ Ex. EIP-34 at § 4.7.4 (EA).

³⁷¹ Ex. EIP-34 at § 4.7.4 (EA).

³⁷² Ex. EIP-34 at § 4.7.4 (EA).

two stormwater detention basins, are intended to manage runoff and prevent uncontrolled discharge to soil.³⁷³ However, the Shell Rock River is the receiving water for facility stormwater runoff.³⁷⁴

296. The EA claims that “emergency response procedures typically include isolation, containment, and proper disposal of firefighting runoff where practicable.”³⁷⁵ However, it is unclear how this is feasible or consistent with the industry guidance recommendation “that responders keep a safe distance, monitor the situation, and allow the fire to burn out naturally as the batteries release their stored energy.”³⁷⁶

297. The EA claims that any significant release would be promptly reported and remediated in accordance with MPCA and MDH requirements.³⁷⁷ However, there is no detail about the feasibility of remediating the watershed, discussion of who would pay for that remediation, or what “prompt” means.

298. Based on the inherent stability of LFP battery chemistry, the sealed nature of battery electrolyte, the low likelihood of coolant leaks, and the multiple layers of engineered containment, the proposed BESS is not expected to result in adverse impacts to groundwater under normal operation. Potential releases are unlikely, limited in volume if they occur, and effectively mitigated by design and operational controls. Therefore, the Project is anticipated to pose a negligible risk to groundwater quality under normal operation.³⁷⁸

299. A thermal runaway event represents a credible worst-case safety scenario. The record is insufficient to conclude that liquid releases associated with thermal runaway would not reach the Shell Rock River watershed or result in ongoing contamination that may impact groundwater.

300. Section 5.12 (Surface and Groundwater Monitoring) of the Draft Site Permit is a special condition requiring Midwater to prepare and file a SGMP. The SGMP would identify groundwater monitoring locations, stormwater basin sampling points, sampling parameters, methods, and frequencies needed to detect potential impacts.³⁷⁹

5. Wetlands

301. Wetlands are areas with hydric (wetland) soils, hydrophilic (water-loving) vegetation, and wetland hydrology (inundated or saturated during much of the growing season). Wetland types include marshes, swamps, bogs, and fens. Wetlands vary widely due to differences in soils, topography, climate, hydrology, water chemistry, vegetation, and other factors. Wetlands are important to the health of waterways and communities that are downstream. Wetlands can be one source of hydrology in downstream watercourses and water bodies, detain floodwaters, recharge groundwater supplies,

³⁷³ Ex. EIP-34 at § 4.7.4 (EA).

³⁷⁴ Ex. EIP-34 at 84 (EA).

³⁷⁵ Ex. EIP-34 at § 4.7.4 (EA).

³⁷⁶ Ex. EIP-34 at 67 (EA).

³⁷⁷ Ex. EIP-34 at § 4.7.4 (EA).

³⁷⁸ Ex. EIP-34 at § 4.7.4 (EA).

³⁷⁹ Ex. EIP-34, App. C (Draft Site Permit) (EA).

remove pollution, and provide fish and wildlife habitat. Wetland health also has economic impacts because of their key role in fishing, hunting, agriculture, and recreation.³⁸⁰

302. Midwater conducted a desktop review of historical aerial photography to identify wetlands and watercourses within the Project Area in accordance with Minnesota Board of Water and Soil Resources and U.S. Army Corps of Engineers (USACE), following guidance for off-site wetland determinations.³⁸¹

303. Midwater identified 26 wetlands within the Project Area based on National Wetlands Inventory (NWI) data. Wetland delineation field investigations were conducted within the Project Area on April 29 and 30, 2024. Field delineations identified seven wetlands and one pond totaling approximately 28.48 acres. Most of the delineated features were classified as freshwater emergent or riverine wetlands.³⁸²

304. Three potential wetland areas identified during the desktop review were determined in the field to lack one or more of the three required wetland parameters and therefore were not classified as wetlands. Field delineation results also confirmed the presence and extent of NWI-mapped wetlands identified during the initial desktop assessment within the Project Area.³⁸³

305. Several NWI and field-delineated wetlands are present within the proposed BESS Development Area; however, BESS construction is not expected to result in direct or unavoidable wetland impacts. No wetland impacts subject to DNR, USFWS, USACE, or local permitting are anticipated, and no loss of Wetland Conservation Act (WCA) regulated wetlands is expected.³⁸⁴

306. Project wetland impacts that result from typical, atypical, or accidental scenarios are similar to those experienced by surface waters discussed above. No additional actions beyond those discussed in the Surface Water and Floodplain section above are required to address Project wetland impacts.³⁸⁵

307. BMPs identified in the SWWP will minimize potential for sediment to reach offsite wetlands during construction.³⁸⁶

308. The EA does not adequately address how the wetlands interact with the Shell Rock River watershed as a whole, or the potential for a fire or thermal runaway event to impact wetlands.

309. Section 4.3.13 (Wetlands and Water Resources) in the Draft Site Permit addresses wetlands.³⁸⁷

³⁸⁰ Ex. EIP-34 at 92 (EA).

³⁸¹ Ex. EIP-34 at 92 (EA).

³⁸² Ex. EIP-34 at 92-93 (EA).

³⁸³ Ex. EIP-34 at 93 (EA).

³⁸⁴ Ex. EIP-34 at 93 (EA).

³⁸⁵ Ex. EIP-34 at 94 (EA).

³⁸⁶ Ex. EIP-34 at 94 (EA).

³⁸⁷ Ex. EIP-34, App. C (Draft Site Permit) (EA).

6. Vegetation

310. Land use in the Project Area is dominated by agriculture, with increasing urban development in the northern portion. Agricultural lands include cultivated cropland and hay/pasture, with corn, soybeans, and harvested vegetables representing the primary crops in Freeborn County.³⁸⁸

311. Facility construction will eliminate vegetative cover and create impermeable surfaces with the access road and the developed area of the facility. Midwater estimates that approximately 17.7 acres will be converted from CRP land for the life of the facility. Removal of vegetative cover exposes soils and could result in soil erosion. Temporary or permanent removal of vegetation also has the potential to affect wildlife habitat.³⁸⁹

312. Construction activities could introduce or spread invasive species and noxious weeds and the early phases of site restoration and seeding of native species can result in populations of non-native and invasive species on site.³⁹⁰

313. Following construction, Midwater plans to establish native vegetation over the remainder of the site outside the fenced area using native prairie seed mixes that include both native grasses and wildflowers will be used at the facility. Once established, vegetation would be maintained using best practice guidance for establishing and maintaining the re-vegetated areas.³⁹¹

314. In the Draft Site Permit, the following sections address vegetation impacts: Section 4.3.17 (Invasive Species); Section 4.3.18 (Noxious Weeds); Section 5.11 (Vegetative Management Plan); and Section 5.13 (Tree Replacement Plan).³⁹²

7. Wildlife Habitat

315. Smooth brome and Kentucky bluegrass are the predominant vegetation types within the Project Area. These grasses represent temporary or managed cover types that provide limited seasonal habitat value and support a relatively small assemblage of generalist wildlife species.³⁹³

316. Mammals expected to utilize the Project Area include common, wide-ranging species such as raccoon, coyote, red fox, gray fox, striped skunk, thirteen-lined ground squirrel, and white-tailed deer. Avian species associated with agricultural settings may also be present, including American crow, eastern bluebird, mourning dove, ring-necked pheasant, wild turkey, various small passerine species, and common raptors such as red-tailed hawks. Following crop harvest, agricultural fields may provide short-term foraging opportunities for common waterfowl, including Canada goose and mallard.³⁹⁴

³⁸⁸ Ex. EIP-34 at 95 (EA).

³⁸⁹ Ex. EIP-34 at 95 (EA).

³⁹⁰ Ex. EIP-34 at 96 (EA).

³⁹¹ Ex. EIP-34 at 95 (EA).

³⁹² Ex. EIP-34, App. C (Draft Site Permit) (EA).

³⁹³ Ex. EIP-34 at 96-97 (EA).

³⁹⁴ Ex. EIP-34 at 97 (EA).

317. A site reconnaissance conducted by Midwater in spring of 2024 evaluated available habitat within the Project Area and vicinity for threatened and endangered species identified in the USFWS Information for Planning and Consultation (IPaC) and DNR Conservation Explorer tools. The reconnaissance identified minimally suitable nesting habitat for the listed avian species within the Project Area. Forested habitats are minimal, reducing suitability for tree-dependent migratory birds such as bald eagle and red-headed woodpecker.³⁹⁵

318. The Project will involve minimal or no tree clearing, and existing nesting habitat within shelterbelts and field edges will remain intact. Wetland- or water-dependent bird species are also unlikely to be impacted. Overall, the Project Area provides limited suitable habitat for migratory birds, and few, if any, Birds of Conservation Concern are expected to regularly use the area for nesting, foraging, or roosting. No waterfowl feeding and resting areas, as defined by the DNR, are located within one mile of the Project Area.³⁹⁶

319. In the Draft Site Permit, the following sections address vegetation impacts: Section 4.3.23 (Restoration); Section 8.13 (Wildlife Injuries and Fatalities); and Section 5.14 (Bio-Netting or Natural Netting).³⁹⁷ Additional mitigation measures include checking open trenches and removing trapped wildlife before backfilling, and restricting mowing from April 15 to August 15 once vegetation is established to support ground-nesting habitat.³⁹⁸

8. Climate Change

320. Climate change refers to any significant change in the measures of climate lasting for an extended period. Greenhouse gases (GHG) are gaseous emissions that trap heat in the atmosphere and contribute to climate change. These emissions occur from natural processes and human activities. The most common GHGs emitted from human activities include carbon dioxide, methane, and nitrous oxide.³⁹⁹

321. Project construction will result in short-term GHG emissions from the use of diesel- and gasoline-powered construction equipment and vehicles. Midwater prepared estimates of construction- and operations-related emissions based on comparable projects in Minnesota and experiences developing BESS projects nationwide. Operational emissions will be limited and primarily associated with on-site vehicle use and employee commuting.⁴⁰⁰ Midwater's GHG emission analysis estimates that the Project will result in 775.6 tons of CO₂ emitted as a result of construction activities and 5.6 tons resulting from operations during the life of the Project.⁴⁰¹

³⁹⁵ Ex. EIP-34 at 98 (EA).

³⁹⁶ Ex. EIP-34 at 98 (EA).

³⁹⁷ Ex. EIP-34, App. C (Draft Site Permit) (EA).

³⁹⁸ Ex. EIP-34 at 99 (EA).

³⁹⁹ Ex. EIP-34 at 103 (EA).

⁴⁰⁰ Ex. EIP-34 at 103 (EA).

⁴⁰¹ Ex. App.-11 (Application Appendix H).

322. Historical data for Freeborn County indicate that average annual temperatures and precipitation have increased over time, and climate models further project continued warming and increases in precipitation through mid-century. These projections are relevant given the Project's anticipated 30-year operational life.⁴⁰²

323. Midwater indicates that it will select enclosures and design foundations to withstand the current and anticipated temperature fluctuations and will install a temperature modulation system such as liquid and/or air cooling or natural convection in the enclosures to regulate heat and optimize battery performance. The BESS enclosures selected for the Project are designed to withstand wind, flood, blizzard, and hail events. Final design will include a safety factor for snow and wind loads for components and equipment pads.⁴⁰³

324. Flood risk was evaluated using third-party flood modeling tools and preliminary hydraulic modeling conducted as part of the Project's engineering design. These analyses indicate a low risk of flooding within the Project Area.⁴⁰⁴

325. By increasing the efficiency and reliability of renewable energy utilization, the Project supports Minnesota's climate goals, reduces reliance on higher-emission generation resources, and minimizes the need for additional transmission infrastructure.⁴⁰⁵

326. Emission related mitigations, outlined in the discussion on Air Quality above, will reduce emissions during construction. Strategies to reduce emissions include keeping vehicles in good working order, which will reduce the amount GHG emissions from diesel or gasoline.⁴⁰⁶

F. Effects on Rare and Unique Natural Resources

327. Minnesota Rules Section 7850.4100(F) requires that the Commission consider the effects of the Project on rare and unique natural resources.

328. The Information for Planning and Consultation (IPaC) system was reviewed to identify federally listed threatened and endangered species, candidate species, and designated critical habitat that may occur within or near the Project Area.⁴⁰⁷

329. The IPaC review identified one federally endangered species: the northern long-eared bat (*Myotis septentrionalis*); and one federally proposed endangered species: the tricolored bat (*Perimyotis subflavus*), as having potential to occur in the Project vicinity. Suitable habitat for both bat species generally consists of forested areas in proximity to water sources. According to the DNR and the USFWS, no known northern long-eared bat or tricolored bat maternity roost trees or hibernacula are documented in

⁴⁰² Ex. EIP-34 at 103 (EA).

⁴⁰³ Ex. EIP-34 at 103 (EA).

⁴⁰⁴ Ex. EIP-34 at 104 (EA).

⁴⁰⁵ Ex. EIP-34 at 104 (EA).

⁴⁰⁶ Ex. EIP-34 at 99 (EA).

⁴⁰⁷ Ex. EIP-34 at 99 (EA).

Freeborn County; however, these species may still occur within or near the Project Area.⁴⁰⁸

330. The IPaC review also identified the monarch butterfly (*Danaus plexippus*) as a candidate species for federal listing, although it is not currently afforded protection under the Endangered Species Act.⁴⁰⁹

331. Habitat suitability for tree-dependent species, including bald eagle, is minimal, and few migratory bird species that rely on forested areas are expected to occur within the Project Area. The DNR has indicated that there are two bald eagles nesting within or near the project area, with many public comments noting their presence in the area.⁴¹⁰

332. The DNR identified two state-listed species within the Project Area: the edible valerian (*Valeriana edulis* var. *ciliata*), a state-listed threatened plant species, and the suckermouth minnow (*Phenacobius mirabilis*), a state-listed species of special concern. The suckermouth minnow has been documented in the Shell Rock River. Although its reproductive biology is not well understood, spawning is believed to occur multiple times between late May and August.⁴¹¹

333. No native prairie occurs within the Project Area that would restrict development.⁴¹²

334. The Minnesota Wildlife Action Plan and associated Wildlife Action Network were also reviewed. The closest mapped Wildlife Action Network area is located approximately 1.8 miles southeast of the Project Area. Aquatic resources within the Project Area are limited and do not overlap with the Proposed BESS for HVTL Development Areas. No large block habitats occur within or adjacent to the Project Area, which is surrounded primarily by agricultural lands and small woodlots.⁴¹³

335. A review of public conservation and recreation lands found none within the Project Area or within a quarter-mile buffer. The Project Area includes approximately 104.4 acres of privately owned land, with approximately 53.4 acres currently or formerly enrolled in the CRP. One county conservation easement and the Shell Rock State Wildlife Management Area are located within a quarter mile of the Project Area, but no direct impacts are anticipated.⁴¹⁴

336. Two NHD watercourses, three NHD waterbodies, and one DNR PWI feature occur within the Project Area but will be avoided by project infrastructure. Best management practices along with implementation of the SWPPP, will be used to prevent

⁴⁰⁸ Ex. EIP-34 at 99 (EA).

⁴⁰⁹ Ex. EIP-34 at 99 (EA).

⁴¹⁰ Ex. EIP-34 at 100, 102 (EA).

⁴¹¹ Ex. EIP-34 at 100 (EA).

⁴¹² Ex. EIP-34 at 100 (EA).

⁴¹³ Ex. EIP-34 at 100 (EA).

⁴¹⁴ Ex. EIP-34 at 100 (EA).

or minimize indirect impacts to surrounding natural resources during construction and operation.⁴¹⁵

337. Other high-value ecological resources in the vicinity of the Project Area will not be affected as the Project will use setbacks, erosion control measures, and other protective practices. MBS Sites of Biodiversity Significance and DNR Regionally Significant Ecological Areas located southwest of the Project Area will remain unaffected due to project siting, separation by the Shell Rock River, and the implementation of BMPs. Because no native prairie occurs within the Project Area, no impacts are anticipated, and no mitigation measures are proposed.⁴¹⁶

338. Overall, review of NHIS data, MBS mapping, native prairie assessments, and other ecological resources indicate that the Project has been sited and designed to avoid high-value biological resources. With implementation of recommended avoidance measures and best management practices, no significant impacts to rare species, native plant communities, or other sensitive ecological resources are anticipated.⁴¹⁷

G. Application of Various Design Considerations

339. Minnesota Rules Section 7850.4100(G) requires the Commission to consider the application of design options that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission or generating capacity.

340. To maintain the facility's capacity and accreditation, BESS facilities anticipate replacing degraded batteries with new batteries periodically over the course of the facility's operating life. This periodic replacement is referred to as "augmentation." Battery augmentation may involve either the addition of battery modules within the existing enclosures (Scenario 1) or the installation of new enclosures and new batteries (Scenario 2).⁴¹⁸

341. The batteries used in the BESS will lose the ability to store and deliver energy, through a process sometimes referred to as "derating" or "degradation," which results in diminished capacity and efficiency, shorter operational life, and a decline in performance over time. To maintain the facility's capacity and accreditation, BESS facilities anticipate replacing degraded batteries with new batteries periodically over the course of the facility's operating life. This periodic replacement is referred to as "augmentation."⁴¹⁹

342. Midwater indicates the type and frequency of augmentation will depend upon the final design. The final design of the Project has accommodated the use of future augmentation units and so the initial build of BESS enclosures will not match that of the Project design. Midwater indicates the Project site will be designed and constructed to

⁴¹⁵ Ex. EIP-34 at 101 (EA).

⁴¹⁶ Ex. EIP-34 at 101 (EA).

⁴¹⁷ Ex. EIP-34 at 101 (EA).

⁴¹⁸ Ex. EIP-34 at 17. (EA).

⁴¹⁹ Ex. EIP-34 at 17. (EA).

accommodate future BESS augmentations within the fenced area in order to maintain the BESS Facility's rated capacity.⁴²⁰

H. Costs of Constructing, Operating, and Maintaining the Facility

343. Minnesota law requires consideration of the Project's cost of construction, operation, and maintenance.⁴²¹

344. Midwater estimates the total installed capital cost to construct the project to be approximately \$459 million.⁴²²

I. Adverse Human and Natural Environmental Effects that Cannot be Avoided

345. Minnesota Rules Section 7850.4100(M) requires that the Commission consider unavoidable adverse human and natural environmental effects.

346. Even with mitigation strategies, certain environmental effects can only partially be mitigated, or, in some cases, not at all. In these situations, the resulting impacts cannot be avoided.⁴²³

347. Unavoidable adverse effects associated with construction of the Project would last through construction and include: fugitive dust, noise disturbance to nearby residents and recreationalists, visual disturbance to nearby residents and recreationalists, soil compaction and erosion, vegetative clearing, disturbance and temporary displacement of wildlife, as well as direct impacts to wildlife inadvertently struck or crushed, minor amounts of marginal habitat loss, and possible traffic delays.⁴²⁴

348. Unavoidable adverse impacts associated with the operation would last the life of the Project, and include visual impacts of the Project, loss of land for agricultural purposes, and injury or death of birds and mammals from fencing.⁴²⁵

J. Irreversible and Irrecoverable Commitments of Resources

349. Minnesota Rules Section 7850.4100(N) requires the Commission to consider irreversible and irretrievable commitments of resources.

350. Resource commitments are irreversible when it is impossible or very difficult to redirect that resource to a different future use. An irretrievable commitment of resources means the resource is not recoverable for later use by future generations.⁴²⁶

⁴²⁰ Ex. EIP-34 at § 2.1.5 (EA) & Ex. App.-2 at § 5.1.1.1 (Application).

⁴²¹ Minn. R. 7850.4100(L).

⁴²² Ex. EIP-34 at 18 (EA).

⁴²³ Ex. EIP-34 at 105 (EA).

⁴²⁴ Ex. EIP-34 at 105 (EA).

⁴²⁵ Ex. EIP-34 at 105 (EA).

⁴²⁶ Ex. EIP-34 at 105 (EA).

351. Irreversible and irretrievable resource commitments are primarily related to project construction, including the use of water, aggregate, hydrocarbons, steel, concrete, wood, and other consumable resources. Some commitments, like fossil fuel use, are irretrievable. Some resource commitments, such as water use, are irreversible. Others may be partially recyclable, for example, the raw materials used to construct batteries and enclosures would be an irretrievable commitment of resources, excluding those materials that may be recycled at the end of useful life. The commitment of labor and fiscal resources to develop, construct, and operate the Project is considered irretrievable.⁴²⁷

XII. SITE PERMIT CONDITIONS

352. Although the recommendation is to deny the Site Permit for not meeting the siting criteria for the proposed BESS, the Judge will analyze the Site Permit conditions.

353. The Draft Site Permit, as revised by PUC-EIP and Midwater, includes several proposed permit conditions, many of which have been discussed above. The conditions apply to site preparation, construction, cleanup, restoration, operation, maintenance, abandonment, decommissioning, and other aspects of the Project.⁴²⁸

354. The EA and Draft Site Permit prepared by PUC-EIP⁴²⁹ included various recommendations and potential Site Permit conditions related to the Project, to which the Applicant responded in its direct testimony and written comments.⁴³⁰

355. For the Draft Site Permit Sections where Midwater proposed modifications, Midwater's proposed language is shown in [red](#), PUC-EIP proposed responses are shown in [green](#), and for Section 8.11, the requests of local emergency responders are shown in [blue](#).

356. On February 27, 2026, Midwater proposed that Section 5.2 of the Draft Site Permit be amended to only require a vegetative screening buffer between the BESS fence and US highway 65 where visual mitigation would be necessary for visual screening.⁴³¹ Midwater's proposed language is as follows:

5.2 Tiered Vegetative Buffer

The Permittee shall include a vegetative landscape buffer ~~surrounding~~ [between](#) the security fence of the BESS [and US Highway 65 to mitigate visual impacts to occupants of cars travelling on US Highway 65](#). The vegetative buffer shall consist of three (3) distinct rows of plantings designed to provide year-round screening. The Permittee shall coordinate

⁴²⁷ Ex. EIP-34 at 105-106 (EA).

⁴²⁸ Ex. EIP-34, App. C (Draft Site Permit) (EA).

⁴²⁹ Ex. EIP-34, App. C (Draft Site Permit) (EA).

⁴³⁰ Ex. App.-21 (Direct Testimony of Mary Matze); Response to Public Comments (eDockets No. 20263-229642-01) (Mar. 25, 2026).

⁴³¹ Ex. App.-21 at 12 (Direct Testimony of Mary Matze).

with the Freeborn County Office of Environmental Services to complete the following:

- Determine that plant species are compatible, native or locally appropriate species;
- Planting layout details; and,
- Vegetative buffer maintenance plan details.

Additionally, the Permittee shall ensure that the vegetative buffer is consistent with ITC Midwest standards for transmission line clearances.

357. PUC-EIP responded with amended language. PUC-EIP staff are concerned that seasonality and its relationship to foliage, as well as vegetative screening buffer growth time, do not appear to be factors considered in Midwater's modification. In addition, PUC-EIP staff believes Midwater's visual simulations show that the BESS will be visible to recreational users of the Shell Rock River.⁴³² PUC-EIP's amended language is:

5.2 Tiered Vegetative Buffer

~~The Permittee shall~~ The Permittee shall include a vegetative landscape buffer ~~surrounding~~ **between** the security fence of the BESS **and US Highway 65 to mitigate visual impacts to occupants of cars travelling on US Highway 65** and **between the security fence of the BESS and Shell Rock River to mitigate visual impacts to users of the Shell Rock River**. The vegetative buffer shall consist of three (3) distinct rows of plantings designed to provide year-round screening. The Permittee shall coordinate with the Freeborn County Office of Environmental Services to complete the following:

- Determine that plant species are compatible, native or locally appropriate species;
- Planting layout details; and,
- Vegetative buffer maintenance plan details.

Additionally, the Permittee shall ensure that the vegetative buffer is consistent with ITC Midwest standards for transmission line clearances.

358. The Judge finds PUC-EIP and Midwater's combined proposed changes for Section 5.2 of the Draft Site Permit are reasonable.

359. Midwater proposed replacing Draft Site Permit Sections 5.6 and 5.7 with a new condition requiring the elements of Draft Site Permit Sections 5.6 and 5.7 with a requirement that Midwater BESS prepare an Emergency Response Plan in consultation

⁴³² PUC-EIP Reply Comments on the Draft Midwater Findings at 10.

with local emergency responders. Midwater also proposed deleting Section 5.9 and coordinating with local emergency responders to identify and provide a solution for adequate water availability pursuant to a revised Draft Site Permit Section 8.11.⁴³³

360. PUC-EIP supported the deletion of Sections 5.6, 5.7 and 5.9 and the addition of permit language requiring the emergency response plan.⁴³⁴

361. For Draft Site Permit Section 8.11, Midwater worked to incorporate its proposed emergency language with requests from local emergency responders after Midwater coordinated with them.⁴³⁵ The new proposed language is below:

8.11 Emergency Response Plan

The Permittee shall prepare an Emergency Response Plan (ERP) in consultation with the emergency responders having jurisdiction over the Project prior to construction. The plan developed shall have a process for (1) identifying any specialized equipment gaps, such as hose nozzles and emergency event gas monitoring equipment, for responding to emergencies at the BESS; (2) acquiring the equipment at permittee's expense; and (3) providing any training for the specialized equipment at the Permittee's expense. The plan shall also indicate that the annual training of emergency service personnel with site operators must be done at the Permittee's expense. The Permittee shall file the ERP, along with any comments from emergency responders to the Commission at least 14 days prior to the pre-construction meeting and a revised ERP, if any, at least 14 days prior to the pre-operation meeting. At least 14 days prior to the pre-operation meeting the Permittee shall file with the Commission an affidavit of the distribution of the ERP to emergency responders and Public Safety Answering Points (PSAP) with jurisdiction over the Project. The Permittee shall obtain and register the Project address or other location indicators acceptable to the emergency responders and PSAP having jurisdiction over the Project.

362. PUC-EIP staff supported Midwater's initial proposed language. Staff also recognizes the importance of local collaboration to develop this language and supports Midwater's language addition.⁴³⁶

363. The Judge finds PUC-EIP and Midwater's proposed changes for Sections 5.6, 5.7, 5.9 and 8.11 of the Draft Site Permit are reasonable.

364. Section 5.10 of the Draft Site Permit originally provided for the development and implementation of an Agricultural Impact Mitigation Plan (AIMP) at MDA's request.⁴³⁷ MDA has subsequently agreed that an AIMP is not necessary for the Project because it involves only a standalone BESS facility, rather than a combined solar and BESS project.

⁴³³ Ex. App.-21 at 10-11 (Direct Testimony of Mary Matze).

⁴³⁴ PUC-EIP Reply Comments on the Draft Midwater Findings at 10.

⁴³⁵ Response to Public Comments at 9-10 (Mar. 25, 2026) (eDockets No. 20263-229642-01).

⁴³⁶ PUC-EIP Reply Comments on the Draft Midwater Findings at 7.

⁴³⁷ AIMP for the Project in Freeborn County (eDockets No. 20263-229598-01) (Mar. 24, 2026).

Based on Midwater's coordination with MDA, Section 5.10 has been removed as a special condition from the Draft Site Permit on March 16, 2026.⁴³⁸

365. Midwater proposed removal of Draft Site Permit Section 5.11 to align with both MDA comments and recommendations and a Site Permit issued by the Commission for another standalone BESS project in Olmsted County, Minnesota. The MDA agreed that Draft Site Permit Section 5.11 is not necessary in the Draft Site Permit.⁴³⁹

366. However, the DNR requested Draft Site Permit Section 5.11 also be incorporated into the Draft Route Permit.⁴⁴⁰ Midwater supports the DNR's request.⁴⁴¹

367. The Judge finds Section 5.11 will remain in the Draft Site Permit and is reasonable.

368. Midwater proposed revisions to the sampling and reporting schedule for emergency responds in Draft Site Permit Section 5.12.⁴⁴² Midwater's proposed revisions are:

5.12 Surface and Groundwater Monitoring

At least 14 days prior to the pre-construction meeting, the Permittee shall file a Surface and Groundwater Monitoring Plan (SGMP). The SGMP shall be designed to detect, evaluate, and respond to any potential impacts to surface water or groundwater resulting from construction, operation, or emergency events at the facility. The SGMP must be prepared in coordination with the Minnesota Pollution Control Agency and the Shell Rock River Watershed District. The SGMP must identify groundwater monitoring locations, stormwater basin sampling points, sampling parameters, methods, and frequencies needed to detect potential impacts. Pollutant concentration action levels must be established in coordination with the SRRWD. The SGMP must include procedures for baseline, routine, and event-based monitoring, as well as defined response actions if action levels are exceeded. Monitoring results must be reported annually to the SRRWD and the Commission; ~~results must be reported~~ samples must be collected after ~~within 24 hours upon~~ an emergency event at the BESS facility in accordance with the plan. The Permittee shall, within thirty days of the emergency event, file 16 the results of samples collected after an emergency event with the report required under Section 8.12 of this permit. The plan may be modified as needed based on monitoring results, site conditions, or regulatory requirements.

369. PUC-EIP supported Midwaters proposed changes to Draft Site Permit Section 5.12 with two changes. First, EIP inserts "MPCA and" language into Section 5.12

⁴³⁸ Ex. App.21 at 24 (Direct Testimony of Mary Matze).

⁴³⁹ MDA Comment at 1.

⁴⁴⁰ DNR Comment Letter at 2.

⁴⁴¹ MDA Comment at 1.

⁴⁴² Ex. App.-21 at 13 (Direct Testimony of Mary Matze).

because MPCA is the primary regulatory body involved with developing groundwater pollutant concentration action levels and then, also corrects a typo. The proposed language is:

5.12 Surface and Groundwater Monitoring

At least 14 days prior to the pre-construction meeting, the Permittee shall file a Surface and Groundwater Monitoring Plan (SGMP). The SGMP shall be designed to detect, evaluate, and respond to any potential impacts to surface water or groundwater resulting from construction, operation, or emergency events at the facility. The SGMP must be prepared in coordination with the Minnesota Pollution Control Agency and the Shell Rock River Watershed District. The SGMP must identify groundwater monitoring locations, stormwater basin sampling points, sampling parameters, methods, and frequencies needed to detect potential impacts. Pollutant concentration action levels must be established in coordination with the MPCA and SRRWD. The SGMP must include procedures for baseline, routine, and event-based monitoring, as well as defined response actions if action levels are exceeded. Monitoring results must be reported annually to the SRRWD and the Commission; ~~results must be reported~~ samples must be collected after within 24 hours upon an emergency event at the BESS facility in accordance with the plan. The Permittee shall, within thirty days of the emergency event, file 16 the results of samples collected after an emergency event with the report required under Section 8.12 of this permit. The plan may be modified as needed based on monitoring results, site conditions, or regulatory requirements.

370. The Judge finds PUC-EIP and Midwater's proposed changes for Section 5.12 of the Draft Site Permit are reasonable.

371. Midwater proposed the revision of Draft Site Permit Section 5.13 to allow tree replacement to occur as part of the required Visual Screening Plan.⁴⁴³ Midwater's proposed revisions are:

5.13 Tree Replacement Plan

In the event that tree removal is required for construction and operation of the BESS, the permittee, in coordination with the MDNR and Freeborn County, will develop a tree replacement plan to replace any trees that are removed for the construction of the project and file the plan with the Commission at least 14 days before the preconstruction meeting. Replacement trees may be planted on public lands with the permission of the public entity/owner. Replacement trees can be planted as part of the required Visual Screening Plan or may be planted on public lands with the permission of the public entity/owner.

⁴⁴³ Ex. App.21 at 29-30 (Direct Testimony of Mary Matze).

372. PUC-EIP staff are supportive of proposed language as it acknowledges a practical means to replace trees lost through project development.⁴⁴⁴

373. The Judge finds Midwater's proposed change for Section 5.13 of the Draft Site Permit is reasonable.

374. Midwater proposed the revision of Draft Site Permit Section 8.3 to require the submission of the Site Plan to Freeborn County, Shell Rock Township and local emergency responders serving the area in which the Project will be located.⁴⁴⁵ Midwater proposed the following revisions.

8.3 Site Plan

At least 14 days prior to the pre-construction meeting, the Permittee shall file with the Commission, and provide the ~~counties~~ county, township and local emergency responders serving the area where the Project will be constructed with a Site Plan that includes specifications and drawings for site preparation and grading; specifications and locations of the energy storage system and associated facilities; and procedures for cleanup and restoration. The documentation shall include maps depicting the Designated Site, energy storage system, and associated facilities layout in relation to that approved by this site permit.

375. PUC-EIP staff are supportive of proposed language because it provides local responders with a greater opportunity to evaluate site characteristics and develop realistic site response plans in the event of an emergency.⁴⁴⁶

376. The Judge finds Midwater's proposed change for Section 8.3 of the Draft Site Permit is reasonable.

377. The DNR requested a revision to Draft Site Permit Section 5.17 because of the Project's proximity to the Shell Rock River. The DNR emphasized the importance of avoiding any chloride-based dust suppression agents because they do not break down and may accumulate to levels that are toxic to wildlife and plants.⁴⁴⁷ DNR's proposed language is:

5.17 Dust Control

The Permittee shall minimize and avoid, if possible, the use or chloride-based dust control chemicals (i.e., calcium chloride, magnesium chloride). The Permittee shall utilize non-chloride products for onsite dust control during construction.

⁴⁴⁴ PUC-EIP Reply Comments on the Draft Midwater Findings at 7.

⁴⁴⁵ Ex. App.21 at 30 (Direct Testimony of Mary Matze).

⁴⁴⁶ PUC-EIP Comments on FOF at 7.

⁴⁴⁷ DNR Comment Letter (Mar. 16, 2026) (eDockets No. [20263-229344-01](#)).

378. Midwater agreed with the revision to Draft Site Permit Section 5.17.⁴⁴⁸ PUC-EIP staff also supported the change.⁴⁴⁹

379. The Judge finds DNR's proposed change for Section 5.17 of the Draft Site Permit is reasonable.

380. The DNR also proposed the addition of a special condition to both the Draft Site Permit and DRP requiring compliance with Minnesota's Endangered Species Statute and associated rules, with recordkeeping requirements. DNR proposed the following permit condition, which is supported by Midwater and PUC-EIP:⁴⁵⁰

5.x Endangered Species

The Permittee will comply with applicable Minnesota Department of Natural Resources requirements related to state-listed endangered and threatened species in accordance with Minnesota's Endangered Species Statute (Minnesota Statutes, section 84.0895) and associated Rules (Minnesota Rules, part 6212.1800 to 6212.2300 and 6134). The Permittee shall keep records of compliance with this section and provide them upon the request of EIP staff.

381. The Judge finds DNR's proposed addition of a special condition to the Draft Site Permit on endangered species is reasonable.

382. Should the Commission approve the site permit against the Court's recommendation, the Judge urges the Commission to require study of pollution dispersion in the Shell Rock River watershed so it would be available in the event of a fire or thermal event.

XIII. ROUTE PERMIT

383. The Judge's recommendation to deny the route permit is based on the recommendation to deny the site permit.

384. As previously noted, the Application is reviewed under the PPSA. The PPSA provides that no person may construct a high-voltage transmission line without a Route Permit from the Commission.⁴⁵¹ Under the PPSA, a high-voltage transmission line includes a transmission line that is 100 kV or more and is greater than 1,500 feet in length.⁴⁵² The proposed 115 kV Transmission Line is greater than 1,500 feet in length and, therefore, a route permit is required from the Commission prior to construction.⁴⁵³

⁴⁴⁸ Response to Public Comments at 12 (Mar. 25, 2026) (eDockets No. 20263-229642-01).

⁴⁴⁹ PUC-EIP Comments on FOF at 7.

⁴⁵⁰ DNR Comment Letter at 1-2.

⁴⁵¹ Minn. Stat. § 216E.03, subd. 2.

⁴⁵² Minn. Stat. § 216E.01, subd. 4; Ex. 156 at 2 (EA).

⁴⁵³ Ex. 156 at 2 (EA).

385. The HVTL is eligible for the alternative permitting process under Minn. Stat. § 216E.04, subds. 2(3) and 2(9) (2023) and Minn. R. 7850.3100 (2023).⁴⁵⁴

386. The Applicant filed the Joint Application for Site and Route Permits under the alternative process established by the Commission in Minn. R. 7850.2800–7850.3900 (2023).⁴⁵⁵

387. Under the PPSA, for a route permit, the Commission and the Judge must be guided by the same factors set out above for a Site Permit provided in Minn. Stat. § 216E.03, subd. 7 and Minn. R. 7850.4100(A)-(N).

388. There is sufficient evidence in the record for the Judge to assess the proposed route.

XIV. APPLICATION OF ROUTE PERMIT CRITERIA TO THE PROJECT

A. Effects on Human Settlement

1. Displacement

389. There are no residences, businesses, or structures such as barns or sheds located within the Project Area, and none will be displaced by the Project.⁴⁵⁶

2. Noise

390. The HVTL is expected to produce negligible noise impacts. Under normal conditions it should be inaudible, and during rainy or foggy periods, ambient noise is expected to exceed any corona-related noise. Nearby residences are not expected to experience noticeable noise impacts. As a result, no mitigation measures are proposed for the HVTL.⁴⁵⁷

3. Aesthetics

391. No aesthetics concerns are anticipated with the HVTL.⁴⁵⁸

4. Cultural Values

392. Cultural values are not expected to be impacted by the HVTL. The HVTL will not alter the rural character of the area, nor will it substantially alter the continuation of existing land use.⁴⁵⁹

⁴⁵⁴ Ex. App.-2 at 7 (Application).

⁴⁵⁵ Ex. App.-1 (Notice of Intent to Submit a Joint Site Permit Application Under Alternative Review Process).

⁴⁵⁶ Ex. EIP-34 at 106 (EA).

⁴⁵⁷ Ex. EIP-34 at 44 (EA).

⁴⁵⁸ Ex. EIP-34 at 49 (EA).

⁴⁵⁹ Ex. EIP-34 at 51 (EA).

5. Tourism and Recreation

393. The Freeborn County Trails snowmobile trail is present within the northwest corner of the Project Area. Project infrastructure near the snowmobile trail is the existing ITC Midwest Glenworth Substation and new transmission power line poles.⁴⁶⁰

394. Snowmobilers may notice a change in visual character along the portion of the snowmobile trail located near the HVTL project area. The existing trail alignment passes through the northwest corner of the project area beneath the HVTL Facility. Snowmobile trails typically function as part of a broader network connecting communities. While portions of the Freeborn County trail system traverse rural landscapes, other segments pass through municipalities and developed areas.⁴⁶¹

395. The presence of the HVTL is not expected to affect snowmobile trail use. Poles and associated support structures for the HVTL connecting the BESS to the ITC Midwest Glenworth Substation will be set back from the trail in accordance with state guidelines to ensure public safety. Trail markers and warning signage will be installed to help riders remain on the designated trail and to alert users to potential electrical hazards associated with unauthorized access to the HVTL or the ITC Midwest Glenworth Substation.⁴⁶²

396. The HVTL is not anticipated to result in impacts on recreational resources, and no mitigation measures are proposed.⁴⁶³

6. Public Service and Infrastructure

397. The primary electric provider in the project area is the Freeborn Mower Electrical Cooperative. There are several high voltage transmission lines (greater than 100 kV) in the Project Area, which connect to the ITC Midwest Glenworth Substation. No additional overhead transmission lines are mapped within one mile of the project. In addition, there are lower voltage electric distribution lines throughout the project area.⁴⁶⁴

398. The Project is not expected to affect existing utilities such as transmission lines or substations; therefore, no mitigation measures are proposed.⁴⁶⁵

B. Public Health and Safety

1. Electromagnetic Fields (EMF)

399. The proposed 161 kV HVTL Facility operates at a lower voltage and will have lower EMF and magnetic field density levels, therefore it will have equal or lesser impacts than the safety guidelines. In addition, the HVTL Facility is not located near any

⁴⁶⁰ Ex. EIP-34 at 71 (EA).

⁴⁶¹ Ex. EIP-34 at 71 (EA).

⁴⁶² Ex. EIP-34 at 72 (EA).

⁴⁶³ Ex. EIP-34 at 72 (EA).

⁴⁶⁴ Ex. EIP-34 at 57 (EA).

⁴⁶⁵ Ex. EIP-34 at 57 (EA).

residences or known occupied structures, thereby reducing any potential exposure to EMF.⁴⁶⁶

400. No health impacts due to EMF are anticipated for the route; therefore, no mitigation is proposed. The Transmission Line will be constructed to maintain proper safety clearances and similar concerns. Likewise, impacts to implantable medical devices are not expected.⁴⁶⁷

2. Stray Voltage

401. Stray voltage is an unintended transfer of electricity between two grounded objects and is typically caused by improperly grounded electrical equipment in farm buildings or by a faulty utility connection at the distribution level.⁴⁶⁸

402. All Project electrical components, including inverters and transformers, are incorporated into the regional transmission grid and will be grounded in accordance with NESC. Stray voltage potential will be negligible.⁴⁶⁹

C. Land-Based Economies

1. Agriculture

403. The DRP includes conditions that address agricultural mitigation, where relevant, and soil-related impacts. Sections 5.3.10-5.3.13 require mitigation of potential impacts to soil and VMP to address impacts to vegetation. No additional mitigation is necessary.⁴⁷⁰

2. Forestry, and Mining

404. Active forestry operations, including commercial timber harvest, woodlots, or other forestry resources do not occur within the Project Area. Impacts on forestry operations will not occur.⁴⁷¹

405. There are no gravel pits or rock quarries within the right-of-way of the route. Impacts on Impacts to mining resources are not anticipated.⁴⁷²

D. Archaeological and Historical Resources

406. While the likelihood of a construction-related impact to archeological, cultural, and historic resources at the project area is slight, Midwater will prepare an UDP

⁴⁶⁶ Ex. App.-2 at 78.

⁴⁶⁷ Ex. EIP-34 at 106 (EA).

⁴⁶⁸ Ex. App.-2 at 77.

⁴⁶⁹ Ex. App.-2 at 77.

⁴⁷⁰ Ex. EIP-34 at 107 (EA).

⁴⁷¹ Ex. EIP-34 at 107 (EA).

⁴⁷² Ex. EIP-34 at 107 (EA).

missing that outlines the steps they will take if previously unrecorded cultural resources or human remains are encountered during construction.⁴⁷³

407. Potential visual and landform impacts from the project are not likely to affect the appearance, visibility, or physical setting of archaeological, cultural, or historic sites. No mitigation is expected.⁴⁷⁴

408. In addition to siting the Route to avoid archaeological and historic resources, Section 3.15 of the DRP addresses archeological resources and requires the permittee to avoid impacts to archaeological and historic resources where possible and to mitigate impacts where avoidance is not possible.

E. Natural Environment

1. Air Quality

409. Minimal intermittent air emissions are expected during construction of the project. Air emissions associated with construction are highly dependent upon weather conditions and the specific activity occurring. Once operational, the HVTL will generate criteria pollutants or carbon dioxide.⁴⁷⁵

2. Geology and Soil

410. Hydric soils are primarily located within jurisdictional wetlands and outside of the HVTL project development disturbance areas. Two hydric map units (Unit 517, Shandep loam; and Unit 392, Biscay clay loam, zero to two percent slopes) will be disturbed by construction activities. The Biscay clay loam is located in the northern portion of the project area where the HVTL structures will be placed, resulting in minimal soil disturbance.⁴⁷⁶

411. The Shandep soils will be stockpiled separately and used to restore and reclaim the site to existing pre-construction conditions. Excavated topsoil management will follow BMPs.⁴⁷⁷

412. DNR requested Draft Site Permit Section 5.11 (Vegetative Management Plan) also be incorporated into the Draft Route Permit.⁴⁷⁸

3. Surface waters, floodplains, groundwater, and wetlands

413. The Project is located in the Shell Rock River Watershed, a major watershed in the Mississippi River Basin. Two National Hydrography Dataset (NHD) watercourses and three NHD waterbodies are mapped within the Project Area; however, none occur within the proposed BESS Development Area or the proposed HVTL

⁴⁷³ Ex. EIP-34 at 75 (EA).

⁴⁷⁴ Ex. EIP-34 at 75 (EA).

⁴⁷⁵ Ex. EIP-34 at 78 (EA).

⁴⁷⁶ Ex. EIP-34 at 81 (EA).

⁴⁷⁷ Ex. EIP-34 at 81 (EA).

⁴⁷⁸ DNR Comment Letter at 2.

Development Area. The HVTL will not impact any NHD watercourses or waterbodies. In addition, one DNR Public Waters Inventory (PWI) feature is present within the Project Area but will not be affected by the HVTL.⁴⁷⁹

414. The HVTL is designed to avoid impacts to flood zones with all Project infrastructure sited completely outside of mapped FEMA flood zones.⁴⁸⁰

415. A segment of the HVTL is located within the DWSMA. No further mitigation is needed.⁴⁸¹

416. The HVTL is designed to avoid and minimize impacts to water resources to the extent practicable. All pole structures are located outside of delineated wetlands, although a portion of the overhead line will cross the edge of one wetland. Temporary, minor, and reversible wetland impacts may occur during construction and installation. These impacts will be minimized using BMPs, including erosion and sediment control measures, and all temporarily disturbed wetland areas will be restored. Any permanent wetland impacts exceeding de minimis thresholds would be mitigated in accordance with applicable state and federal regulations.⁴⁸²

4. Vegetation

417. Field surveys did not reveal native prairie within the HVTL development area.⁴⁸³

418. DNR requested Draft Site Permit Section 5.11 (Vegetative Management Plan) also be incorporated into the Draft Route Permit.⁴⁸⁴

5. Wildlife

419. The project layout specifically avoids portions of the project area that could provide quality habitat for avian species. The continued presence of perennial grasses on steeper slopes within the HVTL areas will help maintain existing habitat conditions, resulting in minimal impacts on nesting or foraging birds. Enhanced vegetative diversity is anticipated to provide additional benefits for ground-nesting species while maintaining soil and water quality.⁴⁸⁵

420. Aquatic resources within the Project Area are limited and do not overlap with the HVTL development area.⁴⁸⁶

⁴⁷⁹ Ex. EIP-34 at § 4.7.3 (EA).

⁴⁸⁰ Ex. EIP-34 at 81 (EA).

⁴⁸¹ Ex. EIP-34 at 81 (EA).

⁴⁸² Ex. EIP-34 at 94 (EA).

⁴⁸³ Ex. EIP-34 at 95 (EA).

⁴⁸⁴ DNR Comment Letter at 2.

⁴⁸⁵ Ex. EIP-34 at 98-99 (EA).

⁴⁸⁶ Ex. EIP-34 at 101 (EA).

421. The DNR also proposed the addition of a special condition to the Draft Route Permit requiring compliance with Minnesota's Endangered Species Statute and associated rules, with recordkeeping requirements.⁴⁸⁷

F. Effects on Rare and Unique Natural Resources

422. No impacts to Minnesota state-listed endangered, threatened, or special concern species are anticipated during construction or operation of the HVTL.⁴⁸⁸ Accordingly, no impacts to rare or significant habitats are expected.

423. No further mitigation is needed.

G. Climate Change and Design for Resilience

424. Minnesota law requires consideration of design options that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of the transmission system in the area.⁴⁸⁹

425. The HVTL will be designed in accordance with current NESC standards, which account for conductor sag, wind, ice loading, and temperature increases.⁴⁹⁰

H. Use or Paralleling of Existing Rights-of-Way

426. Minnesota's high voltage transmission line routing factors require consideration of use of or paralleling of existing transmission routes, transmission or highway rights-of-way, survey lines, natural division lines, and agricultural field boundaries.⁴⁹¹

427. The proposed HVTL is routed parallel to existing electrical line and road ROWs.⁴⁹²

428. Although the Applicant indicated the transmission line would not encroach on MnDOT's highway right-of-way (ROW), MnDOT noted that any future shifts in alignment toward the ROW would require permits and additional consultation. MnDOT also requested that project boundary maps clearly exclude highway ROW areas where the applicant does not have land rights, showing accurate lease and ownership details. If the project permit is approved, MnDOT expects ongoing coordination regarding permits, traffic control, and construction, with MnDOT staff involved in pre-construction meetings affecting state property.⁴⁹³

⁴⁸⁷ DNR Comment Letter at 1-2.

⁴⁸⁸ Ex. EIP-34 at 102 (EA).

⁴⁸⁹ Minn. Stat. § 216E.03, subd. 7(a)-(b); Minn. R. 7850.4100, subp. 2(G).

⁴⁹⁰ Ex. EIP-34 at 103 (EA).

⁴⁹¹ Minn. Stat. § 216E.03, subd. 7(b) (8-9), subd. 7(e); Minn. R. 7850.4100, (H, J).

⁴⁹² Exs. EIP-34 at 2-3; App.-3 at 3.

⁴⁹³

I. Electrical System Reliability

429. Minnesota's high voltage transmission line routing factors require consideration of the Transmission Line's impact on electrical system reliability.⁴⁹⁴

430. The proposed HVTL, independent of the proposed BESS facility, does not have an impact on electrical system reliability.

J. Costs of Constructing, Operating, and Maintaining the Facility

431. Minnesota's high voltage transmission line routing factors require consideration of the Project's cost of construction, operation, and maintenance.⁴⁹⁵

432. Midwater estimates that design, procurement and construction of the HVTL Facility will cost approximately \$625,000, while operation and decommissioning of the same will cost \$60,000 and \$127,184, respectively.⁴⁹⁶

433. Midwater estimates that Planning and State Permitting, Acquisition and "Downstream" Permits for the BESS and HVTL Facility combined will cost approximately \$8,200,000.⁴⁹⁷

434. The anticipated annual operating and maintenance costs for the Transmission Line is approximately \$9,000 per year.⁴⁹⁸

K. Adverse Human and Natural Environmental Effects That Cannot be Avoided

435. Minnesota's power plant siting and high voltage transmission line routing factors require consideration of the adverse human and natural environmental effects that cannot be avoided.⁴⁹⁹ Transmission lines are infrastructure projects that have unavoidable adverse human and environmental impacts. Even with mitigation strategies, certain impacts cannot be avoided.⁵⁰⁰

L. Irreversible and Irretrievable Commitments of Resources

436. Minnesota's power plant siting and high voltage transmission line routing factors require consideration of the irreversible and irretrievable commitments of resources that are necessary for the Project.⁵⁰¹

⁴⁹⁴ Minn. Stat. § 216E.03, subd. 7(b) (10); Minn. R. 7850.4100(K).

⁴⁹⁵ Minn. R. 7850.4100, (L).

⁴⁹⁶ Ex. EIP-34, Appendix D at 1 (EA, Appendix D).

⁴⁹⁷ Ex. EIP-34, Appendix D at 1 (EA, Appendix D).

⁴⁹⁸ Ex. 108 at 15-16 (Joint SP/RP Application).

⁴⁹⁹ Minn. Stat. § 216E.03, subd. 7(b)(6); Minn. R. 7850.4100(M).

⁵⁰⁰ Ex. 212 at 102 (EA).

⁵⁰¹ Minn. Stat. § 216E.03, subd. 7(b)(11); Minn. R. 7850.4100(N).

437. Irreversible and irretrievable resource commitments are primarily related to construction, including the use of water, steel, concrete, and other consumable resources.⁵⁰²

XV. PERMIT CONDITIONS

438. The Judge has recommended denying this permit application. The Judge has analyzed the proposed permit conditions to provide guidance to the Commission if that recommendation is not taken. However, analysis of the permit conditions should not be viewed as altering the recommendation for denial.

439. The EA and Draft Route Permit prepared by PUC-EIP included various recommendations and potential route permit conditions related to the Project.⁵⁰³ Many of the conditions contained in the Draft Route Permit were established as part of the Route Permit proceedings of other transmission lines permitted by the Commission.

440. The DNR requested that Draft Site Permit Section 5.11 be incorporated into the Draft Route Permit.⁵⁰⁴ Midwater supports the DNR's request.⁵⁰⁵

441. The Judge finds Section 5.11 should be added to the Draft Route Permit and is reasonable.

442. The DNR requested the revision to Draft Site Permit Section 5.17 be added to the Draft Route Permit.⁵⁰⁶ DNR's proposed language is:

5.17 Dust Control

The Permittee shall minimize and avoid, if possible, the use or chloride-based dust control chemicals (i.e., calcium chloride, magnesium chloride).
The Permittee shall utilize non-chloride products for onsite dust control during construction.

443. Midwater agreed with the addition to Draft Site Permit Section 5.17 to the Draft Route Permit.⁵⁰⁷ PUC-EIP staff also supported the change.⁵⁰⁸

444. The Judge finds the revised language to Draft Site Permit Section 5.11 should be added to the Draft Route Permit and is reasonable.

445. The DNR also proposed the addition of a special condition to both the Draft Site Permit and Draft Route Permit requiring compliance with Minnesota's Endangered

⁵⁰² Ex. EIP-34 at 105 (EA).

⁵⁰³ Ex. EIP-34, App. C (EA) (Draft Route Permit).

⁵⁰⁴ DNR Comment Letter (Mar. 16, 2026) (eDockets No. [20263-229344-01](#)).

⁵⁰⁵ Response to Public Comments at 12 (Mar. 25, 2026) (eDockets No. 20263-229642-01).

⁵⁰⁶ DNR Comment Letter (Mar. 16, 2026) (eDockets No. [20263-229344-01](#)).

⁵⁰⁷ Response to Public Comments at 12.

⁵⁰⁸ PUC-EIP Comments on FOF at 7.

Species Statute and associated rules, with recordkeeping requirements. DNR proposed the following permit condition, which is supported by Midwater and PUC-EIP:⁵⁰⁹

5.x Endangered Species

The Permittee will comply with applicable Minnesota Department of Natural Resources requirements related to state-listed endangered and threatened species in accordance with Minnesota's Endangered Species Statute (Minnesota Statutes, section 84.0895) and associated Rules (Minnesota Rules, part 6212.1800 to 6212.2300 and 6134). The Permittee shall keep records of compliance with this section and provide them upon the request of EIP staff.

446. The Judge finds DNR's proposed addition of a special condition to the Draft Route Permit for a special condition on endangered species is reasonable.

XVI. NOTICE

447. Minnesota statutes and rules require an applicant to provide certain notice to the public and local governments before and during the site permit and route permit application processes.⁵¹⁰ Midwater provided notices to the public and local governments in satisfaction of Minnesota statutory and rule requirements.

448. Minnesota statutes and rules also require the PUC-EIP and the Commission to provide certain notice to the public throughout the site and route permit application processes.⁵¹¹ The PUC-EIP and the Commission provided the notices in satisfaction of Minnesota statutes and rules.

XVII. ENVIRONMENTAL ASSESSMENT

449. When more than one application is pending before the Commission related to a facility, the environmental assessments required for each application may be combined.⁵¹² For the Solar Project and Gen-Tie Line, PUC-EIP elected to prepare a combined EA.

450. The EA process is the alternative environmental review approved by the Environmental Quality Board for HVTL. The Commission is required to determine the completeness of the EA. An EA is complete if it and the record address the issues and alternatives identified in the Scoping Decision.⁵¹³

⁵⁰⁹ DNR Comment Letter at 2.

⁵¹⁰ Minn. Stat. § 216E.03, subps. 3a, 4; Minn. R. 7850.3300; Minn. R. 7850.2100, subps. 2, 4.

⁵¹¹ Minn. Stat. § 216E.03, subd. 6; Minn. R. 7850.2300, subp. 2; Minn. R. 7850.3500; Minn. R. 7850.3700, subps. 2, 3, and 6.

⁵¹² Minn. R. 7849.1900, subp. 1 (2025); Minn. R. 7850.3700.

⁵¹³ Minn. R. 4410.4400, subp. 6 (2025); Minn. R. 7850.3900, subp. 2.

451. The evidence in the record demonstrates that the EA is inadequate. The EA and the record created at the public hearing and during the subsequent comment period do not appropriately address the issues raised in the Scoping Decision.

452. Based on the foregoing Findings of Fact and the record in this proceeding, the Judge recommends that the Commission make the following:

CONCLUSIONS OF LAW

1. Any of the foregoing Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.

2. The Commission has jurisdiction over the Applications pursuant to Minn. Stat. § 216B.243 (2024).

3. Midwater, PUC-EIP, and the Commission provided all required notices for the Site Permits proceedings.

4. The record in this proceeding does not demonstrate that Midwater has satisfied the criteria for the issuance of a Site Permit for a BESS Facility and a Route Permit for the HVTL, as set forth in Minn. Stat. § 216E.03 and Minn. R. 7850.4000 and all other applicable legal requirements.

5. The Project presents the potential for significant adverse environmental effects pursuant to the Minnesota Environmental Rights Act and the Minnesota Environmental Policy Act.

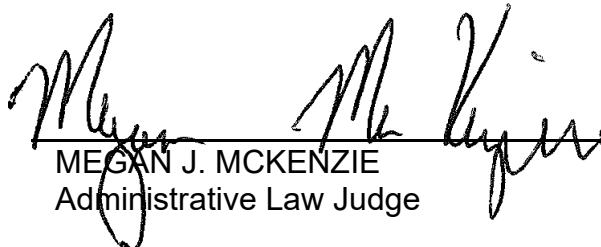
6. Any of the foregoing Conclusions of Law which are more properly designated Findings of Fact are hereby adopted as such.

Based on the Findings of Fact and Conclusions of Law contained herein and the entire record of this proceeding, the Judge hereby makes the following:

RECOMMENDATION

The Commission should **DENY** a Site Permit for the BESS Facility and **DENY** a Route Permit for the HVTL as discussed below.

Dated: May 13, 2026


MEGAN J. MCKENZIE
Administrative Law Judge

NOTICE

Notice is hereby given that exceptions to this Report, if any, by any party adversely affected must be filed under the time frames established in the Commission's rules of

practice and procedure, Minn. R. 7829.1275, .2700 (2025), unless otherwise directed by the Commission. Exceptions should be specific and stated and numbered separately. Oral argument before a majority of the Commission will be permitted pursuant to Minn. R. 7829.2700, subp. 3. The Commission will make the final determination of the matter after the expiration of the period for filing exceptions, or after oral argument, if an oral argument is held.

The Commission may, at its own discretion, accept, modify, or reject the Judge's recommendations. The recommendations of the Judge have no legal effect unless expressly adopted by the Commission as its final order.

MEMORANDUM

The essential question of this matter is whether this particular project should be allowed at this particular location. BESS is a relatively new technology without a long history in this state. The first stand-alone BESS project in Minnesota, the Snowshoe Energy Storage Project, was only approved by the PUC on September 22, 2025.⁵¹⁴ Whether BESS is generally useful or necessary to meet the State's carbon free goals is not the question presented by this case. This matter requires the Commission to decide only whether this Project should be sited on the Shell Rock River near the City of Glenville. It should not be.

Despite the proposed site being 26 feet from "a major watershed in the Mississippi River Basin,"⁵¹⁵ that has been the target of significant environmental remediation efforts, the Environmental Assessment prepared in this matter dedicates only three and one-half pages to surface water impacts.⁵¹⁶ Those scant pages are largely conclusory and devoid of evidence supporting the assertion that even in a fire or thermal runaway event, impacts to surface waters will be localized and minimal. Local governments from two states as well as local residents raised significant and well-grounded concerns that this site, near both the river and the City of Glenville, is particularly vulnerable in the event of an accident or thermal runaway event and that contamination would spread into the watershed. The EA and the record as a whole are not sufficient to dismiss those concerns or to properly consider them. The impact of a thermal runaway event on the watershed as a whole must be considered for the EA to be adequate.⁵¹⁷ No modeling on the dispersion of pollutants through the watershed was submitted into the record. There is also no evidence on the feasibility of remediating the watershed, the timeline required to do so, or the costs of remediation.

⁵¹⁴ *In the Matter of the Application of Snowshoe BESS, LLC for a Site Permit for the up to 150 MW Snowshoe Energy Storage Project in Olmsted County*, Order Adopting Administrative Law Judge Report, Determining Environmental Assessment Adequate, and Issuing Site Permit, PUC ESS-24-279 (Sept. 22, 2025, eDockets No. 20259-223194-01); *See also Minnesota Public Utilities Commission approves Minnesota's first stand-alone battery storage project*, PUC News Release, August 14, 2025, available online at https://content.govdelivery.com/bulletins/gd/MNPUBUC-3ede711?wgt_ref=MNPUBUC_WIDGET_2.

⁵¹⁵ Ex. App.-2 at 65 (Application); Ex. EIP-34 at 84 (EA).

⁵¹⁶ Ex. EIP-34 at 82-86 (EA).

⁵¹⁷ *See In re Enbridge Energy, Ltd. P'ship*, 930 N.W.2d 12, 17 (Minn. Ct. App. 2019) (finding EIS inadequate because it does not address the potential impact of an oil spill into the Lake Superior watershed).

The EA and the Applicant also notably do not address the Advisory Task Force's concern regarding who would pay for remediation of the watershed or the recommendation for a bond. Local governments are rightly concerned about the cost to mitigate and remedy the environmental damage from any fire or accident. The Applicant is not a large utility with significant resources, but rather a subsidiary formed for the purposes of this project.⁵¹⁸ Nothing in the record mitigates the legitimate concerns of local governments that the Applicant would not have the resources necessary to complete cleanup and the parent company would be shielded from responsibility through the existing corporate structure. The Commission should seriously consider the burden a fire or thermal runaway event would place on ratepayers, taxpayers, and local governments and take steps to place the costs on the appropriate parties.

The community is understandably frustrated by the apparent lack of consideration given to alternative sites in this matter. The ATF was not given adequate time, resources, or expertise to locate an alternative site within the unnecessarily confining parameters set by the Applicant. The record suggests that alternative sites away from the Shell Rock River may have been located given appropriate resources and attention by the Applicant. While alternative sites were not required to be identified, given the level of community opposition and legitimate concern regarding placing this project so close to the river, it would have been prudent to do so. However, having not identified an alternative site, the Applicant must meet their burden to obtain a site permit at the only proposed location.

BESS as a general technology is not at issue here, nor is Minnesota's commitment to renewable energy. BESS is useful and appropriate for certain sites. However, not all projects are appropriate for all places. The State's water resources are critical and irreplaceable. The record does not demonstrate that the Applicant has met their burden to obtain a site permit for the Project.

The Commission should deny the Application.

M. J. M.

⁵¹⁸ Ex. App.-2 at 13, 18 (Application).

May 13, 2026

See Attached Service List

Re: *In the Matter of the Joint Application of Midwater BESS, LLC for a Site Permit and Route Permit for the Up to 150 MW Midwater Energy Storage Project and Associated 161 kV Transmission Line in Freeborn County, Minnesota*

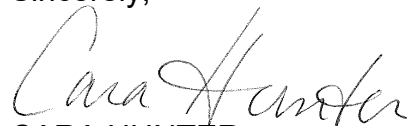
**CAH 25-2500-40799
MPUC IP-7138/ESS-24-294
IP-7138/TL-24-295**

To All Persons on the Attached Service List:

Enclosed and served upon you is the Administrative Law Judge's **FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATIONS** in the above-entitled matter.

If you have any questions, please contact me at (651) 361-7970, cara.hunter@state.mn.us, or via facsimile at (651) 539-0310.

Sincerely,



CARA HUNTER
Legal Assistant

Enclosure

cc: Docket Coordinator

STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS
PO BOX 64620
600 NORTH ROBERT STREET
ST. PAUL, MINNESOTA 55164

CERTIFICATE OF SERVICE

In the Matter of the Joint Application of Midwater BESS, LLC for a Site Permit and Route Permit for the Up to 150 MW Midwater Energy Storage Project and Associated 161 kV Transmission Line in Freeborn County, Minnesota	CAH Docket No.: 25-2500-40799 MPUC IP-7138/ESS-24-294 IP-7138/TL-24-295
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On May 13, 2026, a true and correct copy of the **FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATIONS** was served by eService, and United States mail, (in the manner indicated on the attached service list) to the following individuals:

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Sasha	Bergman	sasha.bergman@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 St. Paul MN, 55101 United States	Electronic Service		Yes	24-294Official CC Service List
2	Thomas	Brett	tbrett@fredlaw.com		Fredrikson & Byron, P.A.	60 South Sixth Street, Suite 1500 Minneapolis MN, 55402 United States	Electronic Service		No	24-294Official CC Service List
3	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	24-294Official CC Service List
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	24-294Official CC Service List
5	Jeremy	Duehr	jduehr@fredlaw.com		Fredrikson & Byron, P.A.	60 S Sixth St Ste 1500 Minneapolis MN, 55402-4400 United States	Electronic Service		No	24-294Official CC Service List
6	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	24-294Official CC Service List
7	Eric	Hansen	eric.hansen@westwoodps.com		Westwood Professional Services	7699 Anagram Drive Eden Prairie MN, 55344 United States	Electronic Service		No	24-294Official CC Service List
8	Jacques	Harvieux	jacques.harvieux@state.mn.us		Public Utilities Commission	121 7th Place East Suite 350 Saint Paul MN, 55101-2147 United States	Electronic Service		No	24-294Official CC Service List
9	Breann	Jurek	bjurek@fredlaw.com		Fredrikson & Byron PA	60 S Sixth St Ste 1500 Minneapolis MN, 55402 United States	Electronic Service		No	24-294Official CC Service List
10	Richard	Kolodziejcki	rkolodziejcki@ncsrcc.org		North Central States Regional Council of Carpenters	700 Olive St St. Paul MN, 55130 United States	Electronic Service		No	24-294Official CC Service List
11	Stacy	Kotch Egstad	stacy.kotch@state.mn.us		MINNESOTA DEPARTMENT OF TRANSPORTATION	395 John Ireland Blvd. St. Paul MN, 55155	Electronic Service		No	24-294Official CC Service List

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						United States				
12	Molly	Leisen	mleisen@fredlaw.com	Fredrikson & Byron P.A.		60 South Sixth Street Suite 1500 Minneapolis MN, 55402 United States	Electronic Service		No	24-294Official CC Service List
13	Mary	Matze	mmatze@spearmintenergy.com	Spearmint Energy		2916 N. Miami Ave., Suite 830 Miami FL, 33127 United States	Electronic Service		No	24-294Official CC Service List
14	Megan	McKenzie	megan.mckenzie@state.mn.us		Office of Administrative Hearings	PO Box 64620 St Paul MN, 55164 United States	Electronic Service		Yes	24-294Official CC Service List
15	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	24-294Official CC Service List
16	Peter	Rood	prood@spearmintenergy.com	Spearmint Energy		2916 N. Miami Ave., Suite 830 Miami FL, 33127 United States	Electronic Service		No	24-294Official CC Service List
17	Nathaniel	Runke	nrunke@local49.org			611 28th St. NW Rochester MN, 55901 United States	Electronic Service		No	24-294Official CC Service List
18	Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN, 55423 United States	Electronic Service		Yes	24-294Official CC Service List
19	Jim	Sullivan	jim.sullivan@state.mn.us		Public Utilities Commission	Minnesota Public Utilities Commission 121 7th Place E, Suite 350 Saint Paul MN, 55101 United States	Electronic Service		No	24-294Official CC Service List

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
12	Discovery	Manager	discoverymanager@mnpower.com	Minnesota Power		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	24-295Official CC Service List
13	Mary	Matze	mmatze@spearmintenergy.com	Spearmint Energy		2916 N. Miami Ave., Suite 830 Miami FL, 33127 United States	Electronic Service		No	24-295Official CC Service List
14	Megan	McKenzie	megan.mckenzie@state.mn.us		Office of Administrative Hearings	PO Box 64620 St Paul MN, 55164 United States	Electronic Service		Yes	24-295Official CC Service List
15	Marcus	Raines	mraines@ncsrcc.org	Millwrights Local 548		730 Olive St St. Paul MN, 55130 United States	Electronic Service		No	24-295Official CC Service List
16	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	24-295Official CC Service List
17	Nathaniel	Runke	nrunke@local49.org			611 28th St. NW Rochester MN, 55901 United States	Electronic Service		No	24-295Official CC Service List
18	Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN, 55423 United States	Electronic Service		Yes	24-295Official CC Service List
19	Jim	Sullivan	jim.sullivan@state.mn.us		Public Utilities Commission	Minnesota Public Utilities Commission 121 7th Place E, Suite 350 Saint Paul MN, 55101 United States	Electronic Service		No	24-295Official CC Service List
20	Claire	Vatalaro	cvatalaro@allete.com	Allete		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	24-295Official CC Service List