

March 25, 2025

Will Seuffert, Executive Secretary  
Minnesota Public Utilities Commission  
127 7th Place East, Suite 350  
St. Paul, MN 55101-2147

Re: EERA Comments on Recommendations on Application Completeness  
Crane and Sandhill Energy Storage Systems  
Docket Numbers: IP-7149/ESS-24-406 and ESS-24-407

Dear Mr. Seuffert,

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

In the Matter of the Joint Application of Crane Energy Storage LLC and Sandhill Energy Storage LLC for their respective Site Permits for an up to 200 MW Battery Energy Storage System each in Olmsted County, Minnesota.

The authorized representatives for the Project are:

Onur Usmen  
Crane Energy Storage LLC  
c/o Copenhagen Infrastructure Service  
200 S. Wacker Drive, Suite 1600  
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EERA staff recommends that the Commission accept the application as substantially complete.

EERA is available to answer any questions the Commission may have.

Sincerely,

/s/ Tessa Kothlow

Tessa Kothlow  
Environmental Review Manager  
Energy Environmental Review and Analysis

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**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION****ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS  
COMMENTS AND RECOMMENDATIONS****CRANE AND SANDHILL ENERGY STORAGE PROJECTS**

Docket Numbers: IP-7149/ESS-24-406 and IP-7149/ESS-24-407

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**Date:** March 25, 2025

**Staff:** Tessa Kothlow | tessa.kothlow@state.mn.us | 651-539-2732

**In the Matter of the Joint Application of Crane Energy Storage LLC and Sandhill Energy Storage LLC for their respective Site Permits for an up to 200 MW Battery Energy Storage System each in Olmsted County, Minnesota.**

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

**Documents Attached:**

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

Additional documents and information can be found on eDockets: <https://www.edockets.state.mn.us/documents> (24-406 and 24-407), and on the Department of Commerce's website: <https://eera.web.commerce.state.mn.us/web/project/16148>.

This document can be made available in alternative formats (i.e., large print or audio) by calling 651-296-1530. Persons with a hearing or speech impairment may call using their preferred telecommunications relay service.

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## **Introduction and Background**

On March 5, 2025, Crane Energy Storage, LLC (Crane Storage) and Sandhill Energy Storage, LLC (Sandhill Storage) filed a joint site permit application to construct and operate the Crane Energy Storage Project (Crane Project) and the Sandhill Energy Storage Project (Sandhill Project), two adjacent independent up to 200 megawatt (MW) battery energy storage systems and associated facilities in Olmsted County, Minnesota.<sup>1</sup> On March 11, 2025, the Commission issued a notice soliciting comments on the completeness of the joint site permits application, the presence of contested issues of fact, the need for

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<sup>1</sup> Crane Energy Storage, LLC and Sandhill Energy Storage, LLC, *Joint Site Permits Application to the Minnesota Public Utilities Commission*, March 5, 2025, eDocket ID: 20253-216062-01 (through -10), [herein after [Site Permit Application](#) or SPA]

an advisory task force, consideration of procedural requirements, and whether the Executive Secretary should authorize the applicant to initiate consultation with the Minnesota State Historic Preservation Office (SHPO).<sup>2</sup>

## Project Purpose

Crane Energy Storage, LLC and Sandhill Energy Storage, LLC (the applicants) indicate that the Crane project and the Sandhill project will assist Minnesota in reaching its Renewable Energy Objectives such as the “100 Percent by 2040” legislation, by helping bring emission-free firm energy to the electric grid, and allowing wind and solar resources to continue producing energy during unserviceable weather conditions.

According to the American Clean Power Association, general key benefits associated with battery energy storage systems (BESS) include enhancing grid stability and reliability, decreasing grid interruptions during influx power demands, reducing costs for consumers, and supporting the shift to renewable energy generation.<sup>3</sup> Locally, the applicants indicate that the projects will aid the region’s ongoing transition to renewables, ensure reliable electric service in the area, and provide significant economic benefits to residents.<sup>4</sup>

## Project Description

The applicants propose to construct and operate the Crane and Sandhill projects, two independent BESS’s, each with a maximum capacity of up to 200 MW alternating current (AC) and a storage capacity of approximately 800 megawatt-hours (MWh) of electricity. The two projects will be located on adjacent parcels in Kalmart Township, Olmsted County, Minnesota. The Crane project will be on a site of approximately 36.3 acres and the Sandhill project will be on a site of approximately 42.7 acres.<sup>5</sup> Because the two projects will share the primary access road, collector substation, and gen-tie line, there is about 19.2 acres of overlap between the two sites and this area is accounted for in each project description.<sup>6</sup>

In addition to the battery energy storage enclosures, the facilities will also include their respective inverters, transformers, stormwater drainage basins, storage and parking areas, perimeter fencing, emergency management system, battery management system, a collector substation, underground electrical collection and communication lines, and a gen-tie line.<sup>7</sup> These facilities will be connected to the electric grid through a 161 kilovolt (kV) gen-tie line of approximately 700 feet between the shared project substation and the Bryon Substation owned and operated by the Southern Minnesota Municipal Power Agency (SMMPA).

The applicants filed a generator interconnection agreement (GIA) application for the project with the Midcontinent Independent System Operator (MISO) in 2022 and anticipate signing a GIA in the first quarter of 2026.<sup>8</sup> The applicants anticipate that construction for the Crane project will begin first quarter 2027 and construction for the Sandhill project will begin third quarter 2027.<sup>9</sup> The Crane project and the Sandhill Project are being marketed separately to potential off-takers and may/or may not be

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<sup>2</sup> Commission, Notice of Comment Period on Application Completeness, March 11, 2025, eDocket ID: [20253-216260-01](#)

<sup>3</sup> SPA p. 5

<sup>4</sup> SPA, p. 1

<sup>5</sup> SPA, p. 13 & p. 17

<sup>6</sup> SPA p. 17 & p. 66

<sup>7</sup> SPA, p.23

<sup>8</sup> SPA, p. 16

<sup>9</sup> SPA, p. 6

constructed within the same twelve-month period.<sup>10</sup> Estimated cost for development and construction of the Crane project is \$340-440 million with estimated annual operating costs of \$2-3 million.<sup>11</sup> Estimated cost for development and construction of the Sandhill project is \$340-440 million with estimated annual operating costs \$2-3 million.<sup>12</sup>

## Regulatory Process and Procedures

In Minnesota, no person may construct an energy storage system (ESS), defined as a facility capable of operating at a capacity of 10 MW or more,<sup>13</sup> without a site permit from the Commission.<sup>14</sup> The Crane and Sandhill projects will each have a nominal power rating of up to 200 MW AC and therefore require site permits from the Commission. As ESS facilities, the site permit application qualifies for Commission review under the alternative permitting process described in Minnesota Statute 216E.04.<sup>15</sup>

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

## Site Permit Application Acceptance

Site permit applications for large electric power facilities must provide information about the applicant, a description of the project, and discussion of potential environmental impacts and mitigation measures.<sup>16</sup> Review under the alternative permitting process does not require an applicant to propose alternative sites in their permit application. However, if the applicant has evaluated and rejected alternative sites, they must describe these rejected alternatives and the reasons for rejecting them in their application.<sup>17</sup>

The Commission may accept an application as complete, reject an application and require additional information to be submitted, or accept an application as complete upon filing of supplemental information.<sup>18</sup> The environmental review and permitting process begins when the Commission determines that a permit application is complete; the Commission has six months (or nine months, with just cause) from the date of this determination to reach a permit decision.<sup>19</sup>

## Environmental Review

Site permit applications are subject to environmental review conducted by EERA staff. Projects proceeding under the alternative permitting process require the preparation of an environmental assessment (EA).<sup>20</sup> An EA is a document which describes the potential human and environmental impacts of a proposed project and possible mitigation measures. The EA will evaluate any site proposed by the applicant and any other site identified by the Commission.<sup>21</sup> A public information and scoping

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<sup>10</sup> SPA, p. 1

<sup>11</sup> SPA, p.16

<sup>12</sup> SPA, pp.20-21

<sup>13</sup> Minnesota Statute 216E.01, subd. 3a

<sup>14</sup> Minnesota Statute 216E.03, subd. 1

<sup>15</sup> Minnesota Statute 216E.04, subd. 2 (noting those projects that are eligible to proceed under an alternative permitting process)

<sup>16</sup> Minnesota Rule 7850.1900 & 7850.3100

<sup>17</sup> Minnesota Rule 7850.3100

<sup>18</sup> Minnesota Rule 7850.3200

<sup>19</sup> Minnesota Statute 216E.04, subd. 7

<sup>20</sup> Minnesota Rule 7850.3700

<sup>21</sup> Minnesota Statute 216E.04, subd. 5

meeting is held to solicit comments on the scope of the EA. An EA is the only state environmental review document required for ESS site permit applications.

### Advisory Task Force

The Commission may appoint an advisory task force to aid the environmental review process. An advisory task force must include representatives of local governmental units in the project area. A task force assists EERA staff with identifying impacts and mitigation measures to be evaluated in the EA and expires upon issuance of the EA scoping decision.<sup>22</sup>

The Commission is not required to appoint an advisory task force for every project. If the Commission does not appoint a task force, citizens may request that one be appointed. If such a request is made, the Commission must determine at a subsequent meeting if a task force should be appointed or not. The decision whether to appoint an advisory task force does not need to be made at the time of application acceptance; however, it should be made as soon as practicable to ensure its charge can be completed prior to issuance of the EA scoping decision.

### Public Hearing

Site permit applications under the alternative permitting process require that a public hearing be held in the project area after the EA for the project has been completed and released.<sup>23</sup> The hearing is typically presided over by an administrative law judge (ALJ) from the Office of Administrative Hearings. The Commission may request that the ALJ provide solely a summary of public testimony. Alternately, the Commission may request that the ALJ provide a full report with findings of fact, conclusions of law, and recommendations regarding the project

## EERA Staff Analysis and Comments Application Completeness

EERA staff provides the following analysis and comments in response to the Commission's notice requesting comments on completeness and other issues related to the Crane and Sandhill joint site permit application.

### Application Completeness

EERA staff previously reviewed a draft of the application and believes that its comments on the draft application and supporting materials were substantially addressed in the application filed on March 5, 2025. EERA staff evaluated the application against the completeness requirements of Minnesota Rule 7850.3100 ([Table 1.](#)). The application contains information with respect to these requirements. Accordingly, staff recommends the Commission accept the application as substantially complete and require Crane Storage and Sandhill Storage to continue to work with EERA staff and provide supplemental information as necessary throughout the environmental review and permitting process.

The application indicates that the applicants will develop a vegetation management plan (VMP) for the Crane and Sandhill projects.<sup>24</sup> To facilitate agency review of the VMP during the permitting process, EERA staff recommends that the applicants file a draft VMP into the record by the end of the EA scoping comment period.

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<sup>22</sup> Minnesota Rule 7850.3600

<sup>23</sup> Minnesota Rule 7850.3600

<sup>24</sup> SPA, p. 84-85

## Advisory Task Force

EERA staff has analyzed the merits of establishing an advisory task force for the Crane and Sandhill projects. Based on the information known at this time, staff believes that an advisory task force is not warranted for the project.

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

- **Project Size.** The Crane project will utilize approximately 36.3 acres, and the Sandhill project will utilize approximately 42.7 acres. When considered collectively and subtracting shared land it is a total of approximately 59.8 acres, which is a relatively small area of land for two BESSs and associated facilities. Land for both projects has been assembled by voluntary purchase or easement agreements between landowners and the applicants.<sup>25</sup> This project-size factor weighs against a task force.
- **Project Complexity.** With respect to the storage technology, land use, and gen-tie line, the projects are not complex. Land use in the project area is agricultural and the topography consists of gently rolling areas. Drain tile is present in the project area. Crane Storage and Sandhill Storage are working with landowners to mitigate any impacts to drain tile; the applicants have agreed to repair any damages to these systems to ensure pre-construction drainage network functions during construction and operation of projects.<sup>26</sup> There are no special construction techniques or operational features that make the project complex. This project-complexity factor weighs neither for nor against a task force.
- **Known or Anticipated Controversy.** To date, EERA staff has received no specific comments concerning the project, and there are currently no public comments in the record. Although stand-alone energy storage facilities are relatively novel in Minnesota, EERA staff is not aware of any controversy associate with the Project at this time. Therefore, this project-known or anticipated controversy factor weighs against a task force.
- **Sensitive Natural Resources.** The Crane project and Sandhill project sites are approximately 99 percent agricultural land.<sup>27</sup> The site is within the potential range of three federally listed species (Whooping crane, monarch butterfly, and prairie bush-clover) as well as one state listed species (loggerhead shrike).<sup>28</sup> There are no native plant communities within or adjacent to the site.<sup>29</sup> While there is potential for impacts to sensitive natural resources to occur within or near the projects, the record on the location of these resources and potential mitigation measures can be developed in consultation with natural resource agencies. Overall, potential impacts to sensitive natural resources weighs neither for nor against a task force.

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

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<sup>25</sup> SPA, pp. 64-65

<sup>26</sup> SPA, p. 33

<sup>27</sup> SPA, p. 88

<sup>28</sup> SPA, p. 89

<sup>29</sup> SPA, p. 90

### Contested Issue of Fact

Based on its review of Crane Storage and Sandhill Storage's joint permit application and the record to date, EERA staff has not identified any contested issues of fact. Staff is unaware of any issues or concerns associated with the application or project that require a contested case hearing.

### Procedural Requirements

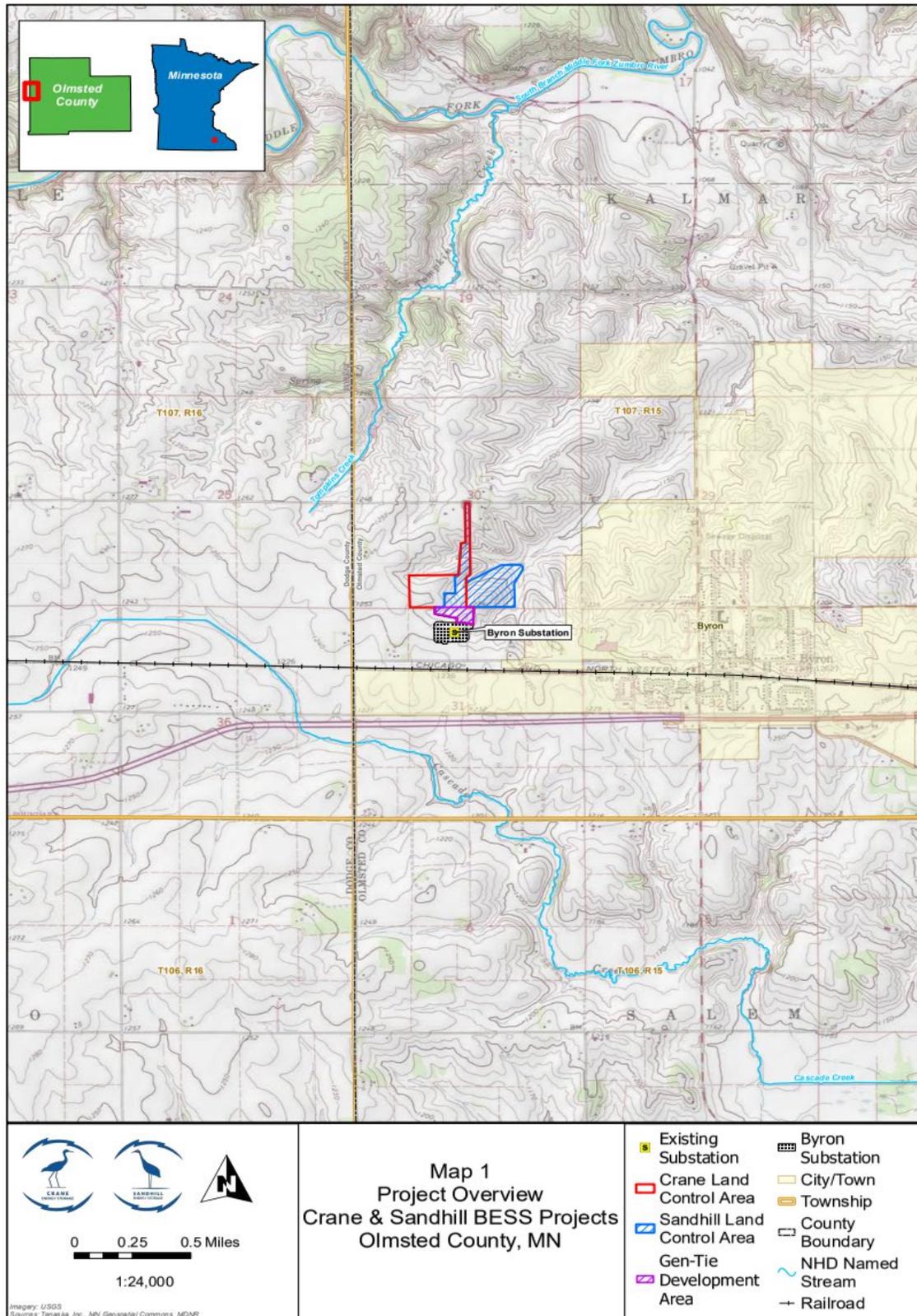
EERA staff recommends that the Commission request a full ALJ report for the project's public hearing. Although EERA staff does not believe that the novel nature of the two projects as stand-alone energy storage systems requires a contested case hearing, EERA staff believes that a full ALJ report with recommendations provides an unbiased, efficient, and transparent method to air and resolve any issues that may emerge as the record is developed. Requiring a full ALJ report reduces the burden on Commission staff and helps to ensure that the Commission has a robust record on which to base its decision. EERA staff has provided a draft schedule concept for the permitting process, which includes a full ALJ report with findings, conclusions, and recommendations ([Table 2.](#)).

### EERA Staff Recommendations

EERA staff recommends that:

- The Commission accept Crane Storage and Sandhill Storage's joint site permit application as substantially complete.
- The Commission require the applicants to file a draft VMP into the record by the end of the EA scoping comment period.
- The Commission not appoint an advisory task force for the site permit application at this time.
- The Commission request a full ALJ report with findings, conclusions, and recommendations for the project's public hearing.

Figure 1. Project Overview-Crane & Sandhill BESS Projects



**Table 1. Site Permit Application Completeness Requirements**

Authority	Required Information	Application Location		EERA Staff Comments	
<b>Minnesota Rule 7850.1900, Subpart 1 – Site Permit Application for Large Electric Generating Plant</b>					
A.	A statement of proposed ownership of the facility at the time of filing the application and after commercial operation;	Crane	Sandhill	Crane Energy Storage, LLC and Sandhill Energy Storage LLC, are wholly owned subsidiaries of Copenhagen Infrastructure Partners (CIP)	
		1.1.1.1, 1.1.1.2	1.1.2.1, 1.1.2.2		
B.	The precise name of any person or organization to be initially named as permittee or permittees and the name of any other person to whom the permit may be transferred if transfer of the permit is contemplated;	1.1.1	1.1.2	Crane Energy Storage, LLC will be the permittee for the Crane Project	Sandhill Energy Storage, LLC will be the permittee for the Sandhill Project
C.	At least two proposed sites for the proposed large electric power generating plant and identification of the applicant’s preferred site and the reasons for the preference;	Section 5		As an energy storage system seeking permitting under the alternative permitting process of Minnesota Statue 216E.04, alternative sites are not required under this process	
D.	A description of the proposed large electric power generating plant and all associated facilities, including the size and the type of the facility;	2.1, Figure 2.1-1	2.2, Figure 2.2-1	Information is provided to satisfy this requirement	
E.	The environmental information required under subpart 3;	See Minnesota Rule 7850.1900, Subpart 3 below			
F.	The names of the owners of the property for each proposed site;	1.1.1.1	1.1.2.1	Information is provided to satisfy this requirement	
G.	The engineering and operational design for the large electric generating plant at each of the proposed sites;	Section 3		Information is provided to satisfy this requirement	
H.	A cost analysis of the large electric power generating plant at each proposed sites, including the costs of constructing and operating the facility that are dependent on design and site;	2.1.3, Table 2.1.3-1	2.2.3, Table 2.2.3-1	Information is provided to satisfy this requirement	
I.	An engineering analysis of each of the proposed sites, including how each site could accommodate	2.1.4 and 3.0	2.2.4 and 3.0	Information is provided to satisfy this requirement	

Authority	Required Information	Application Location	EERA Staff Comments
	expansion of generating capacity in the future;		
J.	Identification of transportation, pipeline, and electrical transmission systems that will be required to construct, maintain, and operate the facility;	3.2, 3.3, 3.4, 3.5, 3.6.1, 3.6.3	Information is provided to satisfy this requirement
K.	A listing and brief description of federal, state, and local permits that may be required for the project at each proposed site;	1.4, Table 1.4.4-1	Information is provided to satisfy this requirement
L.	A copy of the certificate of need for the project from the Commission or documentation that an application for a certificate of need has been submitted or is not required;	1.4.1	The project is exempt from the certification of need requirement
<b>Minnesota Rule 7850.1900, Subpart 3 – Environmental Information</b>			
A.	A description of the environmental setting for each site;	6.1	Information is provided to satisfy this requirement
B.	A description of the effects of construction and operation of the facility on human settlement, including, but not limited to, public health and safety, displacement, noise, aesthetics, socioeconomic impacts, cultural values, recreation, and public services;	6.2, Table 6.2.4-1, Tables 6.2.7-1 – 6.2.7-5, Table 6.2.8-1, Tables 6.2.9-1 – 6.2.9-3, Tables 6.2.11-1 & 6.2.11-2, Appendix E	Information is provided to satisfy this requirement
C.	A description of the effects of the facility on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining;	6.3	Information is provided to satisfy this requirement
D.	A description of the effects of the facility on archaeological and historic resources;	6.4	Information is provided to satisfy this requirement
E.	A description of the effects of the facility on the natural environment, including effects on air and water quality resources and flora and fauna;	6.5, Tables 6.5.1-1 & 6.5.1-2, Table 6.5.2-1, Tables 6.5.4-1 – 6.5.4-3, Table 6.5.7-1,	Information is provided to satisfy this requirement

Authority	Required Information	Application Location	EERA Staff Comments
		Appendix F	
F.	A description of the effects of the facility on rare and unique natural resources;	6.5.8, Tables 6.5.8-1 & 6.5.8-2	Information is provided to satisfy this requirement
G.	Identification of human and natural environmental effects that cannot be avoided if the facility is approved at a specific site or route; and	6.6 – 6.8	Information is provided to satisfy this requirement
H.	A description of measures that might be implemented to mitigate the potential human and environmental impacts identified in items A to G and the estimated costs of such mitigative measures.	6.2-6.5	Information is provided to satisfy this requirement

Table 2. Draft Permitting Process Concept Schedule

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

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