

February 26, 2026

*Via eDockets*

The Honorable James R. Mortenson  
Court of Administrative Hearings  
600 North Robert Street  
Saint Paul, MN 55164-0620

RE: EIP Comments on Proposed Findings of Fact  
Lyon County Generating Station Project  
PUC Docket Nos. E-002/CN-25-145, TL-25-161; G002/GS-25-154, GP-25-163  
CAH Docket No. 5-2500-41123

Dear Judge Mortenson,

Minnesota Public Utilities Commission (Commission), Energy Infrastructure Permitting (EIP) staff offers the following comments on the Lyon County Generating Station Project (project) proposed by Xcel Energy (applicant).

In these comments EIP staff:

- Responds to hearing comments, and
- Responds to Xcel Energy's Proposed Findings of Fact, Conclusions of Law, and Recommendations (Lyon County Generating Station Project FOF).<sup>1</sup>

## **1. Response to Oral Hearing Comment**

A landowner adjacent to the project spoke at the in-person public hearing and provided comments concerning noise during the operation of the project and traffic impacts during project construction.<sup>2</sup> The EA addressed these issues through a noise modeling study and a review of existing and proposed traffic changes, including the construction phase.<sup>3</sup>

Potential noise impacts from the project are addressed in Draft Route Permit Section 5.3.6, Draft Site Permit Section 4.2.7, and Draft Pipeline Route Permit Section 7.7. Similarly, traffic is addressed in Draft Route Permit Section 5.3.4 (Public Services, Public Utilities, and Existing Easements), Draft Site Permit Section 4.2.5 (Public Services, Public Utilities, and Existing Easements) and Section 4.2.25 (Public Safety).

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<sup>1</sup> Xcel Energy, *Proposed Findings of Fact, Conclusions of Law, and Recommendations*, February 20, 2026, eDocket No. [20262-228410-02](#).

<sup>2</sup> *Lyon County Generating Station Project Public Hearing Testimony*, Public Hearing, Marshall, January 26, 2026. eDocket 20262-228600-01 [Filed February 25, 2026].

<sup>3</sup> See Section 4.3.3 (Noise) and Section 4.4.1 (Transportation) of the Lyon County Generating Station EA.

EIP staff believe that the noise and traffic analyses provided in the EA and the corresponding draft permit conditions adequately address potential noise and traffic issues.

## 2. Response to Written Hearing Comments

### A. Minnesota Department of Natural Resources (DNR)

In its February 11, 2026, comments the Minnesota Department of Natural Resources (DNR) provided feedback on the Environmental Assessment (EA) and draft site and route permits prepared for the Lyon County Generating Station Project. Comments addressed groundwater appropriation and vegetation management.<sup>4</sup>

The DNR recommends that the applicant may need a General Permit for Temporary Appropriation if groundwater pumping exceeds 10,000 gallons per day to fill a 500,000-gallon water storage tank. The applicant must clarify the project's water appropriation needs in its DNR Water Appropriation Permit application through the MNDNR Permitting and Reporting System (MPARS).<sup>5</sup>

The DNR also supports special condition 5.3.10 of the draft route permit, requiring a Vegetation Management Plan (VMP) for the transmission lines. The DNR recommends adding language to this provision, requiring the permittee to develop a VMP for all project areas without permanent facilities. EIP staff support DNR's recommendation and propose the following language be included as a special condition in the route permit:

#### 5.3.10 Vegetation Management

The Permittee shall minimize the number of trees to be removed in selecting the right-of-way specifically preserving to the maximum extent practicable windbreaks, shelterbelts, living snow fences, and vegetation in areas such as trail and stream crossings where vegetative screening may minimize aesthetic impacts, to the extent that such actions do not violate sound engineering principles or system reliability criteria.

The Permittee shall remove tall growing species located within the transmission line right-of-way that endanger the safe and reliable operation of the transmission line. The Permittee shall leave undisturbed, to the extent possible, existing low growing species in the right-of-way or replant such species in the right-of-way to blend the difference between the right-of-way and adjacent areas, to the extent that the low growing vegetation will not pose a threat to the transmission line or impede construction.

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<sup>4</sup> Minnesota Department of Natural Resources (DNR), Comments on the Xcel Energy Lyon County Generating Station Project, February 11, 2026. eDocket No. [20262-228065-01](#)

<sup>5</sup> Minnesota Department of Natural Resources Permitting and Reporting System (MPARS), accessed on February 25, 2026, <https://webapps11.dnr.state.mn.us/mpars/public/authentication/login>

The Permittees shall develop a vegetation management plan (VMP), in coordination with the Vegetation Management Plan Working Group (VMPWG), using best management practices established by the DNR and BWSR. [The VMP shall apply to all non-permanent facility areas within the project footprint, including generation facilities, transmission lines, and the natural gas pipeline.](#) The Permittee shall file the VMP and documentation of the coordination efforts between the Permittee and the DNR with the Commission as part of the plan and profile required in Section 9.2 of the Permit.

## B. Minnesota Pollution Control Agency (MPCA)

The MPCA noted that a Total Maximum Daily Load (TMDL) approved on January 9, 2023, for E. coli and total suspended solids (TSS) which applies to the Cottonwood River (07020008-502), is located north of the project area.<sup>6</sup> Additionally, Unnamed Creek (County Ditch 29) (07020008-636) is situated approximately 0.25 miles west of the project site and flows directly into the Cottonwood River. EIP staff note that the Cottonwood River was identified as an impaired water in the EA. The MPCA provided additional detail which identified tributaries to the Cottonwood that are also impaired and close in proximity to the project area. The proposed draft permits provide sufficient conditions and best management practices, along with applicable construction stormwater permit provisions to protect water resources near the project area.<sup>7</sup>

## C. Environmental Protection Agency (EPA)

EPA Region 5 air quality staff reviewed the air quality dispersion modeling and air quality permit limits presented in the EA<sup>8</sup> The EPA did not have any further comment on these portions of the EA.

## D. Laborers' International Union of North America (LIUNA)

LIUNA Minnesota and North Dakota supports Xcel Energy's applications for the Lyon County Generating Station and related permits, stating the project is critical for electric reliability as coal plants retire and

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<sup>6</sup> Chris Green, Minnesota Pollution Control Agency email comment to Craig Janezich and James E. Sullivan, Minnesota Public Utilities Commission, February 9, 2026. eDocket no. [20262-228104-01](#) [Filed February 12, 2026].

<sup>7</sup> See Draft Route Permit Section 5.3.8 Soil Erosion and Sediment Control and Draft Site Permit Section 4.2.11 Soil Erosion and Sediment Control. Additionally, Finding 247 describes the requirement to obtain a National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS) permit for construction stormwater runoff, including development of a Storm Water Pollution Prevention Plan that will identify BMP's to be implemented during construction to minimize erosion, and sedimentation impacts to surface waters. In addition, erosion and sedimentation abatement measures will be employed to mitigate impacts on surface waters

<sup>8</sup> Melissa Sheffer, Environmental Protection Agency, Region 5, email comment to James E. Sullivan, Minnesota Public Utilities Commission, February 5, 2026. eDocket no. [20262-228103-01](#) [Filed February 12, 2026].

demand grows.<sup>9</sup> LIUNA argued the plant will provide needed dispatchable capacity and voltage support to complement wind, solar, batteries, and nuclear energy, particularly during extreme winter conditions.

LIUNA suggests that the project aligns with Minnesota’s Carbon-Free Standard, which allows fossil fuel use when necessary for reliability if emissions are offset. LIUNA also highlighted the project’s economic benefits, including job creation, and supports reasonable budget adjustments to secure skilled labor while encouraging maximum use of the local workforce through collaboration on workforce development.

EIP staff notes that socioeconomic impacts of the project are discussed in Section 4.3.6 of the EA and that specific labor reporting conditions are included in the Draft Route Permit (9.4) and Draft Site Permit (8.5).

## E. Minnesota Interagency Vegetation Management Plan Working Group

The Vegetation Management Plan Working Group (VMPWG) reviewed the EA and draft permits for Xcel Energy’s Lyon County Generating Station Project.<sup>10</sup> The VMPWG supports the existing draft route permit (DRP) requirement (5.3.10) for a vegetation management plan (VMP) and recommends expanding it into a broader special permit condition that applies to the entire project footprint. The VMPWG recommends the Commission adopt a special permit condition requiring the permittee to apply the VMP to all non-permanent facility areas within the project footprint, including generation facilities, transmission lines, and the natural gas pipeline. EIP staff agrees and recommends that the proposed special permit condition language provided in Part 2. A of this letter be amended to include the detail suggested by the VMPWG.

### 3. Response to Proposed Findings of Fact, Conclusions of Law, and Recommendation (Lyon County Generating Station Project FOF).

EIP staff has reviewed Xcel Energy’s proposed Findings of Fact, Conclusions of Law, and Recommendations (Lyon County Generating Station Project FOF) and believes that they generally offer an accurate reflection of the project environmental review and permitting process; however, we note the following findings for consideration:

**Finding 276:** Xcel proposes a special condition that allows for early clearing and grading. EIP staff is supportive of this special condition. The special condition requires a compliance filing, which would be reviewed by EIP staff. If EIP review identifies issues or concerns, they could be addressed in a timely manner.

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<sup>9</sup> Comments by Kevin Pranis, Laborers’ International Union of North America (LIUNA), on the Xcel Energy Lyon County Generating Station EA, February 12, 2026. eDocket no. [20262-228094-01](#)

<sup>10</sup> Vegetation Management Plan Working Group (VMPWG) comment on the Lyon County Generating Station Vegetative Management Plan, February 11, 2026. eDocket no. [20262-228103-01](#) [Filed February 12, 2026].

**Finding 332:** Xcel would like to file a diagram instead of a VMP under Section 5.3.10 of the Draft Route Permit. EIP staff are not supportive of this proposed finding. The VMPWG and DNR requested that the VMP address the entire site, which Xcel supports, to manage the site through a single permit condition. A landscaping diagram would be inconsistent with this proposed approach, as it would lack important details and information that are better managed through a VMP. EIP staff does not believe that the information contained in a VMP could be appropriately contained in a diagram.

**Finding 363:** Xcel proposes removal of several permit conditions in the Draft Pipeline Routing Permit. Specifically:

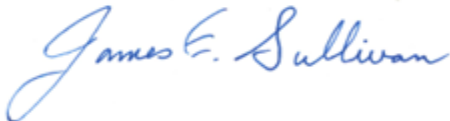
Sections 6.4, 6.5, and 7.10 of the sample pipeline routing permit are inapplicable to this Project because of its limited geographic scope and location entirely on property that will be owned by Xcel Energy. Likewise, the record supports modifying Section 6.3 of the sample pipeline routing permit to require monthly, rather than weekly, status reporting, consistent with the reporting requirements in the Site and Route Permits.

EIP staff is supportive of this finding and associated edits to the pipeline routing permit.

EIP staff recommends that the special conditions proposed by DNR and the VMPWG regarding a VMP (discussed above) be included in the final Xcel Energy route permit and reflected in the final Lyon County Generating Station Project FOF. EIP staff believe the inclusion of these conditions reflects the record and supports public and agency interest in the proposed Lyon County Generating Station project.

EIP staff appreciate the opportunity to comment on the proposed project.

Sincerely,



James E. Sullivan  
Environmental Review Manager