

**Minnesota Department of Natural Resources
Division of Ecological & Water Resources
500 Lafayette Road
St. Paul, MN 55155-4040**

March 30, 2026

Sasha Bergman
Minnesota Public Utilities Commission
121 7th Place East
St. Paul, MN 55101

RE: In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Site Permit for the up to 600 MW Sherco South & West Battery Energy Storage Project in Sherburne County, Minnesota. Docket Number: E002/ESS-25-319

Ms. Bergman,

The Department of Natural Resources (DNR) has reviewed the draft site permit (DSP) for Xcel Energy (Applicant) to construct an up to 600 MW battery energy storage system (Project). Based on the review, the DNR offers the following comments.

Tree Removal

The Applicant's March 11, 2026, direct testimony expressed opposition to the DNR's proposed tree clearing restrictions from June 1 to August 15. The Applicant maintained the DNR's recommended tree clearing restriction would be burdensome and achieve minimal conservation benefits. Specifically, the Applicant stated that there are no documented northern long eared bat (NLEB) roosting trees or hibernacula in Sherburne County and limited suitable forested areas within the Project site. The DNR respectfully disagrees with the Applicant's assertion regarding the effectiveness of our agency's tree clearing restriction recommendation. According to the Project's Natural Heritage Review letter ([MCE-2025-00584](#)), all of Minnesota's bat species can be found throughout the state even if there are no bat records nearby. The seasonal tree clearing restriction is also not limited to NLEB or other bat species, as the restriction can also protect nesting birds. Given the Project's proximity to the Mississippi River, an important migration corridor, nesting birds can be expected to be present in the Project vicinity. Due to the potential presence of bats and birds, the DNR supports special condition 5.4 as written in the DSP. Special condition 5.4 is consistent with other battery energy storage system site permits like the permitted Benton Solar Project (ESS-24-283).

Tree Replacement Plan

The DNR supports special condition 5.7 of the DSP. In addition to the text provided in the DSP, the DNR encourages the special condition be further defined to establish a de minimis threshold of tree removal and definition of a tree. Our agency advises the tree replacement plan prioritizes replacing habitat lost, which means the tree replacement plan should expand beyond the trees planted as part of the visual screening plan. Trees planted for visual screening have limited wildlife benefits compared to replacing trees as part of a larger habitat complex. Specifically, there are bur oaks present within the Project site. Bur oaks are generally not included in visual screening plans, but they provide valuable habitat, so they should be replaced if removed. Conversely, eastern red cedar should not be replaced if removed because although it is a native species, eastern red cedar tends to aggressively reseed inhibiting other native species from establishing. The DNR looks forward to collaborating with the Commission and Permittees to further develop tree replacement plans to establish clear guidelines and a consistent permit condition.

Vegetation Management Plan

The DNR recommends the Applicant's Vegetation Management Plan (VMP) includes a more detailed explanation of the vegetation reestablishment phases in areas where vegetation removal is anticipated to occur in the surrounding Project boundary. The DNR also advises the VMP includes a description of the types of species the Applicant intends to plant as part of the vegetation reestablishment process. The description should include a list of the plant species the Applicant intends to use and an approximate percentage each seed type accounts for in the total seed mix. The DNR recommends the Applicant plants a diverse mix of native grasses and forbs that suit site conditions to minimize erosion, storm runoff and create habitat in the surrounding Project boundary that does not contain permanent facilities.

The DNR supports special condition 5.1 of the DSP as written, which details constructive criteria to help the Applicant achieve successful vegetation re-establishment. The DNR looks forward to future coordination on the VMP and is available to discuss vegetation management practices and seed mixes that can meet vegetation establishment goals.

State-listed Species

The DNR supports a special condition to require the Applicant to complete coordination with the DNR regarding rare species, including following the stated avoidance measures and the Takings Permit process if needed, before Project activities begin. Our agency proposes the following special condition to ensure compliance with state endangered species laws which was included in the permitted Benton Solar Project (Docket No. IP-7155/ESS-24-283): *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.

Security Fencing

The DNR supports special condition 5.9 of the DSP as written.

The DNR appreciates the opportunity to comment on the Sherco South & West Energy Storage Project. Please contact me if you have questions.

Sincerely,

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CC: Melissa Collins, Minnesota DNR

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