

In the Matter of the Route Permit Application of Dairyland Power Cooperative for the Wabasha 161 kV Line Relocation Project in Wabasha County, Minnesota

ENVIRONMENTAL ASSESSMENT SCOPING DECISION

DOCKET NO. ET-3/TL-23-388

The above matter has come before the Commissioner of the Department of Commerce (Department) for a decision on the scope of the environmental assessment (EA) that will be prepared for the Wabasha 161 kV transmission line relocation project, proposed by Dairyland Power Cooperative (Dairyland or applicant) in eastern Minnesota.

Project Description

Dairyland Power Cooperative submitted a joint certificate of need and route permit application to the Commission to relocate approximately 13.3 miles of 161 kV transmission line and construct a new Kellogg substation (See Map 1).

The project involves relocating approximately 10.4 miles of the existing Dairyland LQ34 161 kV transmission line near the town of Plainview, Minnesota. The project will start at Structure X-Q3-75, which will be removed and replaced with a new structure. The new 161 kV line will extend 13.3 miles northeast and east, ending at a new 161/69kV substation within a 10.8 acre site off County Road 84, southeast of Kellogg and west of the Mississippi River (Kellogg substation). The project route passes through Plainview, Highland, Watopa, and Greenfield Townships, concluding east of Kellogg in Wabasha County, Minnesota.

Project Purpose

In July 2022, the Midcontinent Independent System Operator (MISO) approved a long-range transmission plan that included a new Wilmarth-North Rochester-Tremval transmission line. The new 345 kV line, referred to as the Mankato to Mississippi River 345 kV Transmission Project in Minnesota, will utilize the existing CAPX2020 system double circuit capability between North Rochester and Alma, Wisconsin. Xcel Energy, Dairyland, Rochester Public Utilities, and Southern Minnesota Municipal Power Agency have jointly filed certificate of need and route permit applications for the Mankato to Mississippi River 345 kV Transmission Project.

To accommodate the new second 345 kV circuit that is part of the Mankato to Mississippi River Transmission Project, the Dairyland 161 kV circuit must be relocated from the existing CapX2020 structures. This relocation is necessary to ensure continued power supply to the Wabaco Substation, which is crucial for maintaining reliability in the town of Plainview and surrounding areas. The new Kellogg Substation is required because the Mankato to Mississippi River 345 kV Transmission Project's circuit across the Mississippi River will eliminate Dairyland's existing LN340 69 kV transmission line Mississippi River crossing and connection into the Alma Substation in Wisconsin. The new Kellogg Substation will supply the LN340 69 kV transmission line. Finally, constructing a 161 kV transmission path between Wabaco and Alma will maintain existing transmission capacity and generation outlet provided by the transmission line.

Regulatory Background

The proposed project requires a route permit from the Commission. In its May 7, 2024, order, the Commission initially authorized joint hearings and combined environmental review for two approvals, a certificate of need and a route permit; however, the applicant subsequently requested to withdraw its certificate of need application. The Commission approved this request on June 25, 2024. Accordingly, EERA staff is preparing an environmental assessment (EA) that will inform Commission decisions solely on the applicant's route permit application. The first step in preparing the EA is scoping. The purpose of scoping is to provide citizens, local governments, tribal governments, and agencies an opportunity to focus the EA on those issues and alternatives that are relevant to the proposed project.

Scoping Process

The EA scoping process has two primary purposes: (1) to gather public input on the impacts, mitigation measures, and alternatives to study in the EA, and (2) to focus the EA on those impacts, mitigation measures, and alternatives that will aid in the Commission's decision on the route permit.

EERA staff gathered input on the EA scope through two public meetings and an associated comment period. This scoping decision identifies potential impacts and mitigation measures that will be analyzed in the EA, including project routing alternatives.

Public Scoping Meetings

Commission and EERA staff held two public information and EA scoping meetings. One meeting was inperson, and one meeting was virtual. The in-person meeting was held on June 12, 2024, at Saint Agnes Hall, Kellogg, Minnesota. The virtual meeting was held on June 11, 2024. No members of the public attended the virtual meeting. Approximately 25 members of the public attended the meeting in Kellogg, Minnesota.

Comments were received from three persons at these meetings, who expressed concern on a variety of potential impacts associated with the project, including impacts to land use and agricultural production, in particular, dairy farming, and potential impacts to human health.

Public Comments

A 30-day comment period, which closed on June 26, 2024, provided the public an opportunity to submit comments to EERA staff on potential impacts and mitigation measures for consideration during the EA scope development process. Comments were received from one state agency, one labor union, the applicant, and from 22 citizens.¹ Several of these comments proposed specific route alternatives for consideration in the EA.

¹ June 16, 2024, scoping comment letter from the Minnesota Department of Transportation (MnDOT). [eDocket No. 20246-207970-01]. June 26, 2024, scoping comment letter from Operating Engineers Local 49 and North Central States Regional Council of Carpenters. [eDocket No. 20246-207972-01]. June 26, 2024, Dairyland Power Cooperative scoping comment letter. [eDocket No. 20246-207981-01]. Comments on the EA from the Public included: Mr. Eric and Ms. Nicole Bartsch [eDockets Nos. 20247-208288-02] and 20247-208289-01]; Mr. Jason Klassen [eDocket No. 20247-208291-01]; Mr. Leo and Ms. Jane Kottschade [eDocket No. 20247-208292-01]; Mr. Gary Lehnertz [eDocket No. 20247-208293-02]; Mr. Bart McDonough [eDocket No. 20247-208306-01]; Mr. Tom Miller [eDocket No. 20247-208307-01]; Ms. Elizabeth and Mr. Ron Sanders [eDocket No. 20247-208308-02]; Ms. Cindy Stamschror [eDocket No. 20247-208309-01] and Mr. Jack Stamschror [eDocket No. 20247-208310-02]; Mr. Darrin Young [eDocket No. 20247-208311-02], Mr. Gary Young [eDocket No. 20247-208312-02], Mr. Maurice Young [eDocket No. 20247-208314-01] and, Ms. Rita Young [eDocket No. 20247-208313-01]; Mr. Gene Zarling [eDocket No. 20247-208316-02], Mr. James Zarling [eDocket No. 20247-208317-02], Mr. Joseph Zarling [eDocket No. 20247-208318-01], and, Mr. Kent Zarling [eDocket No. 20247-208319-01]. A group comment was submitted in-person on June 25,

Agency Comments

The Minnesota Department of Transportation (MnDOT) provided feedback on the application, highlighting potential impacts on various state and US highways. MnDOT emphasized the need for coordination regarding highway construction activities and oversize load transportation, suggesting regular communication with MnDOT's District 6. Additionally, MnDOT's Office of Environmental Stewardship (OES) reviewed the application and outlined potential environmental concerns applicable permits and guidance, as well as permit requirements.

The applicant and its contractors were advised to adhere to MnDOT's utility accommodation policies and obtain necessary permits for pole placement and aerial encroachments. MnDOT noted specific expectations on pole structure placement and reserved the right for post-construction inspections on MnDOT right-of-way to determine compliance Commission and MnDOT permit conditions.³ MnDOT underscored the importance of continued coordination throughout the project's lifespan and provided contact information for district specialists. MnDOT expressed its commitment to collaborating with relevant stakeholders to address potential impacts on the state highway system, public safety, and environmental areas of concern.

Applicant Comments

In its route permit application, the applicant reviewed route alternatives for their 161 kV transmission line, relying in part on route alternatives evaluated as part of the CAPX2020 project for comparison to their proposed route.⁴ Through its scoping comment letter, the applicant provided an additional route segment alternative for inclusion in the EA.⁵

In a separate response to comments, the applicant requested that EERA remove route segment alternatives G and H from further consideration in the EA.⁶ EERA staff recommended that route segment alternative G remain in the EA scope, as it involves land use issues and natural habitat concerns that would benefit from further evaluation. EERA agreed with the applicant that route segment alternative H should be removed from further analysis in the EA as the proposed route alternative is not materially different from the applicant's proposed route.

Commission Review

On August 30, 2024, EERA staff provided the Commission with a summary of the EA scoping process.⁷ The summary discussed the routing alternatives that were proposed during the scoping process and those alternatives that the Department recommended for inclusion in the scope of the EA. On

^{2024,} by Mr. Maurice Young, Messrs. Kent, James, Joseph, and Gene Zarling, Ms. Jane and Mr. Leo Kottschade, and Mr. Eric Bartsch [eDocket No. 20247-208290-01] herein referred to as "Community Comment."

² June 16, 2024, scoping comment letter from the Minnesota Department of Transportation (MnDOT). [eDocket No. <u>20246-207970-01</u>].

³ Ibid, page 2.

⁴ March 27, 2024, Dairyland Power Cooperative route permit application. [eDocket No. 20243-204688-06].

⁵ June 26, 2024, Dairyland Power Cooperative scoping comment letter. [eDocket No. <u>20246-207981-01</u>]

⁶ July 10, 2024, Dairyland Power Cooperative reply to scoping comments. [eDocket No. 20247-208470-01].

⁷ August 30, 2024, Minnesota Department of Commerce, EERA Comments and Recommendations on the Scoping Process and Routing Alternatives for the Dairyland Power Cooperative 161 kV Wabasha Transmission Line Relocation Project. [eDocket Nos.20248-209903-01] and 20248-209903-02].

Dairyland Power Cooperative 161 kV Wabasha Transmission Line Relocation Project

September 17, 2024, the Commission accepted EERA's recommendations. The Commission adopted EERA staff's route and alignment recommendations, also accepting three alternatives received from the public after the close of the public comment period, for further analysis in the EA. 9

HAVING REVIEWED THE MATTER, consulted with Department staff, and in accordance with Minnesota Rule 7850.3700, I hereby make the following scoping decision:

MATTERS TO BE ADDRESSED

The issues outlined below will be analyzed in the EA for the proposed Dairyland Power Cooperative 161 kV Wabasha transmission line relocation project. The EA will describe the project and the human and environmental resources of the project area and will provide information on the potential project impacts as they relate to the topics outlined in this scoping decision, as well as possible mitigation measures. It will identify impacts that cannot be avoided, irretrievable commitments of resources, as well as permits from other government entities that may be required for the project. The EA will discuss the relative merits of the route alternatives studied in the EA using the routing factors found in Minnesota Rule 7850.4100.

I. GENERAL DESCRIPTION OF THE PROJECT

- A. Project Description
- B. Project Purpose
- C. Route Description
 - 1. Route Width
 - 2. Right-of-Way
- D. Project Costs

II. REGULATORY FRAMEWORK

- A. High Voltage Transmission Line Route Permit
- B. Environmental Review Process
- C. Other Permits and Approvals

III. ENGINEERING AND DESIGN

- A. Transmission Line Structures
- B. Transmission Line Conductors
- C. Substations

IV. CONSTRUCTION

- A. Right-of-Way Acquisition
- B. Construction

⁸ September 17, 2024, Minnesota Public Utilities Commission Accepted Dairyland Power Cooperative's proposed route and the routing alternative noted in Table 1 of the Department of Commerce – Energy Environmental Review and Analysis' August 30, 2024, comments. [eDocket Nos. 20249-210260-01] and 20249-210260-02].

⁹ In their March 6, 2024, order [eDocket No. <u>20243-204135-01</u>], the Minnesota Public Utilities Commission (PUC) accepted route and alignment alternatives submitted after the close of the November 21, 2023, public comment deadline. Specifically, the PUC accepted Option 8, items A-C (Route K; Alternative Alignment 14; Karen Burthwick 1), identified in the PUC Staff Briefing Papers [eDocket No. <u>20242-203684-02</u>].

- C. Restoration
- D. Damage Compensation
- E. Operation and Maintenance

V. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES

The EA will include a discussion of the human and environmental resources potentially impacted by the proposed project and the routing alternatives described herein (Section VI). Potential impacts, both positive and negative, of both the project and each alternative will be described. The EA will describe mitigation measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EA will also describe any unavoidable impacts resulting from proposed project implementation.

The EA data and analyses will be commensurate with the importance of potential impacts and the relevance of the information for consideration of mitigation measures. ¹⁰ Additionally, EERA staff will consider the relationship between the cost of data and analyses and the relevance and importance of the information in determining the level of detail of information to be prepared for the EA. Less important material may be summarized, consolidated, or simply referenced.

If relevant information cannot be obtained within timelines prescribed by statute and rule, or if the costs of obtaining such information is excessive, or the means to obtain it is not known, EERA staff will include a statement in the EA that such information is incomplete or unavailable and the relevance of that information in evaluating potential impacts.¹¹

- A. Environmental Setting
- B. Socioeconomics
 - 1. Environmental Justice
- C. Human Settlements
 - 1. Noise
 - 2. Aesthetics
 - 3. Displacement
 - 4. Property Values
 - 5. Zoning and Land Use Compatibility
 - 6. Public Services
 - 7. Electronic Interference
- D. Public Health and Safety
 - 1. Electric and Magnetic Fields
 - 2. Implantable Medical Devices
 - 3. Stray Voltage
 - 4. Induced Voltage
- E. Land Based Economies
 - 1. Agriculture
 - 2. Forestry
 - 3. Mining
 - 4. Recreation and Tourism
- F. Archaeological and Historic Resources

¹⁰ The Minnesota 7850 rules are silent on this point. The EERA relies on Minnesota Rule 4410.2300 to inform EA practice.

¹¹ Ibid, see Minnesota Rule 4410.2500.

G. Natural Environment

- 1. Air Quality
- 2. Greenhouse Gas Emissions
- 3. Climate Change and Project Resilience
- 4. Water Resources
 - a) Surface Waters
 - b) Groundwater
 - c) Wetlands
- 5. Soils
- 6. Vegetation
- 7. Wildlife
- H. Threatened / Endangered / Rare and Unique Natural Resources
- I. Electric System Reliability
- J. Operation and Maintenance Costs that are Design Dependent
- K. Adverse Impacts that Cannot be Avoided
- L. Irreversible and Irretrievable Commitments of Resources
- M. Cumulative Potential Effects

VI. ROUTES AND ROUTE ALTERNATIVES TO BE EVALUATED IN THE ENVIRONMENTAL ASSESSMENT

The EA will evaluate the route proposed in the applicant's route permit application and as modified by the applicant's comments (See Map 1). Additionally, the EA will evaluate the route and alignment alternatives accepted by the Commission in its order of September 17, 2024, as summarized below:

Route Segment Alternative A

Several community members proposed Route Segment Alternative – A (RSA – A) with two alignment variations (AAA-1 and AAA-2). RSA – A involves adjusting the applicant's proposed departure from the Dairyland 161 kV line about one mile south from its current location in Plainview Township (See Map 2). From this new starting point, the route extends north for about three-quarters of a mile, crossing the CAPX2020 high voltage line, then continues northwest for a quarter mile before following property lines for approximately seven-eighths of a mile, ultimately connecting with State Highway 42 in Highland Township.

Route Segment Alternative B

A member of the public provided Route Segment Alternative – B (RSA – B), which departs from Highway 42, for approximately two-thirds of a mile, crossing north on County Road 14 (Section 26, Highland Township), for approximately one-quarter mile, then turns east in Section 23, where it rejoins the Applicants' proposed route in the southwest quarter of Section 24, Highland Township (See Map 3).¹³

¹² June 25, 2024, scoping comment and proposed route alternative provided by Mr. Maurice Young, Messrs. Kent, James, Joseph, and Gene Zarling, Ms. Jane and Mr. Leo Kottschade, and Mr. Eric Bartsch [eDocket No. <u>20247-208290-01</u>] herein referred to as "Community Comment." See also June 18, 2024, comment and route alternative proposal from Mr. Joseph Zarling [eDocket No. <u>20247-208318-01</u>].

¹³ June 24, 2024, scoping comment and proposed route alternative provided by Mr. Gary Lehnertz [eDocket No. <u>20247-208293-02</u>] and the June 25, 2024, comment and proposed route alternative provided by Ms. Cindy Stamschror [eDocket No. <u>20247-208309-01</u>].

Route Segment Alternative C

The applicant provided Route Segment Alternative - C (RSA – C) which is approximately 1.67 miles in length, departing from the proposed route near State Highway 42, at the northwest quarter of the southeast quarter of Section 26, Highland Township, where it follows County Road 14 north for approximately 1-mile, then turns east at the northwest quarter of the southeast quarter of Section 23 for approximately 0.64 miles, then rejoining the proposed route along State Highway 42 in the northwest quarter of the southwest quarter of Section 24, Highland Township (See Map 4).¹⁴

Route Segment Alternative D

A member of the pubic provided Route Segment Alternative D (RSA – D) which departs from State Highway 42 for approximately two-thirds of a mile (Section 26, Highland Township), then crossing north on County Road 14 into Section 23, Highland Township, for approximately two-thirds of a mile, then east, rejoining the applicant's proposed route in the southwest quarter of Section 24, Highland Township, along State Highway 42 (See Map 5).¹⁵

Route Segment Alternative E

Members of the public provided Route Segment Alternative – E (RSA – E) which begins from the applicant's proposed route, at the northwest quarter of the southeast quarter of Section 26, Highland Township along State Highway 42, then north for approximately two-thirds of a mile, crossing County Highway 14, where it turns to the northeast, from the center of Section 23, Highland Township, extending to the southern edge of the southwest quarter of Section 13, Highland Township, until it rejoins the applicant's proposed route at State Highway 42 (See Map 6). RSA – E features two alignment alternatives, designated EAA-1 and EAA-2.

Route Segment Alternative F

The proposed Route Segment Alternative – F (RSA – F) was submitted by a member of the public and begins at the northwest quarter of the southeast quarter of Section 26, Highland Township, extending north on County Highway 14 for approximately one and two third miles (See Map 7).¹⁷ It then extends due east for approximately three quarters of a mile along the northern Section boundary of the northeast quarter of Section 23, to the southwest quarter of Section 13, then extending to the northeast for approximately two thirds of a mile until it rejoins the applicant's proposed route at State Highway 42.

Route Segment Alternative G

Route Segment Alternative – G (RSA – G), submitted by a member of the public, features two alignment alternatives, GAA-1 and GAA-2 (See Map 8). GAA-1 and GAA-2 depart and rejoin the applicant's proposed route at common points along the southern side of Highway 42, (Section 8, Watopa Township). They are distinguished through the way they rejoin the applicant's proposed route.

 $^{^{14}}$ June 26, 2024, Dairyland Power Cooperative scoping comment letter. [eDocket No. $\underline{20246-207981-01}$]

¹⁵ June 25, 2024, scoping comments and route proposal alternative provided by Ms. Cindy Stamschror [eDocket No. <u>20247-</u>208309-01] and Mr. Jack Stamschror [eDocket No. <u>20247-208310-02</u>].

¹⁶ June 26, 2024, scoping comment and proposed route alternative from Mr. Jason Klassen [eDocket No. <u>20247-208291-01</u>] and a June 25, 2024, scoping comment and proposed route alternative from Ms. Cindy Stamschror [eDocket No. <u>20247-208309-</u>01] were combined to create this alternative route segment.

¹⁷ June 25, 2024, scoping comments and proposed route alternative provided by Mr. Jason Klassen [eDocket No. <u>20247-</u>208291-01].

¹⁸ June 12, 2024, scoping comment and proposed route alternative provided by Mr. Tom Miller [eDocket No. <u>20247-208307-01</u>].

VII. IDENTIFICATION OF PERMITS

The EA will include a list and description of permits from other government entities that may be required for the proposed project.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The EA will not consider the following:

- A. Any route, route segment, or alignment alternative not specifically identified for study in this scoping decision.
- B. The manner in which land owners are paid for transmission line right-of-way easements.
- C. The following alternatives, proposed to mitigate potential impacts of the project during the scoping process, will not be included for further study in the EA:

Route Segment Alternative H

A landowner requested that the applicant shift the proposed route to the south of his property line. ¹⁹ The proposed route shift was designated as Route Segment Alternative – H (RSA – H) and follows the approximately one-half mile east-west orientation of the applicant's proposed route in Section 27, Greenfield Township (See Map 9). RSA – H is an approximate 100-meter shift of this portion of the applicant's proposed route to the south, following the landowners' property boundary, rather than crossing in the field. Given the relatively small adjustment in the project alignment, and the lack of an alleged impact that could be mitigated through this alternative, RSA – H will not be carried forward for further study in the EA.

SCHEDULE

The EA is anticipated to be completed and available January 30, 2025. Public hearings are anticipated to be held in February 2025 and will be held in the project area.

Signed this 24th day of September, 2024

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

Pete Wyckoff, Deputy Commissioner

¹⁹ June 12, 2024, scoping comment and proposed route alternative provided by Mr. Bart McDonough [eDocket No. <u>20247-208306-01</u>].

















