

July 28, 2026

VIA EFILING ONLY

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of the Application of LSP CG Storage, LLC for a Site Permit for the up to 80 MW Cottage Grove BESS Project in Cottage Grove, Minnesota.
MPUC Docket No. IP7180/ESS-26-184

Dear Ms. Bergman:

LSP CG Storage, LLC (the Applicant), respectfully submits these reply comments in response to comments submitted during the environmental assessment (EA) scoping comment period for the application of a Site Permit (Application) for the up to 80 megawatt (MW) battery energy storage system (BESS) project in Cottage Grove, Washington County, Minnesota (Project).

Public meetings were held on July 7 and 8. One commenter, Bonnie Matter, presented comments at the public meetings. Written comments were submitted by the City of Cottage Grove (City),¹ the Minnesota Department of Natural Resources (DNR),² Metropolitan Council,³ and Bonnie Matter.⁴ These comments are addressed, in turn, in these reply comments.

1. City of Cottage Grove

The City comments noted that the City requires minimum landscape for projects within Industrial Zoning Districts, but that a landscape plan meeting the City's minimum landscape requirements had not been provided. The City required the Applicant provide appropriate landscape screening to protect future development scenarios on the North Side of the Project site. The City also noted that its landscape standards require no less than 15% of the site be preserved as green/open space.⁵

The Project will introduce new manufactured structures into the existing industrial landscape, on the same site as the existing Cottage Grove Cogeneration Facility.⁶ In addition, the BESS

¹ City of Cottage Grove Comments (July 9, 2026) (eDocket No. [20267-233969-01](#)).

² DNR Comments (July 16, 2026) (eDocket No. [20267-234271-01](#)).

³ Metropolitan Council Comments (July 17, 2026) (eDocket No. [20267-234320-01](#)).

⁴ B. Matter Comments (July 20, 2026) (eDocket No. [20267-234382-01](#)).

⁵ City of Cottage Grove Comments (July 9, 2026) (eDocket No. [20267-233969-01](#)).

⁶ Application (June 10, 2026) (eDocket No. [20266-232726-02](#)) at 50.

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enclosures are neutral in color, relatively low in height (approximately 10 feet), and visually would not be out of character with the existing LSP Cottage Grove Cogeneration Facility.⁷ As discussed in the Application, the Project includes a perimeter security fence, and the Applicant is considering slats to minimize views of the BESS enclosures.⁸

The Applicant is committed to continued coordination with the City on screening and visual impacts. The Applicant met with the City in early July on site to discuss visual screening for the project, and based on existing site conditions, the Applicant and the City concluded that minimal additional visual screening is likely required. Existing conditions include a substation and vegetation west of the Project, and a berm to the north. New visual screening would likely include trees along the driveway access to mitigate against road impacts. The Applicant is committed to continued discussion about visual impact mitigation with the City.

Based on the current engineering design and preliminary calculations, the Project would comply with the City's open space landscape standards. The Applicant commits to providing the City additional information regarding plans to meet this ordinance.

The City requested that the Applicant respond to the March 26, 2026 comments on stormwater management standards. The stormwater management system will be sized appropriately and will meet state and City requirements for reducing runoff rates and providing the required treatment.

As the design progresses, the stormwater modeling will be updated to incorporate the comments from the City and coordination with the City will be completed to ensure all City requirements are met. Current stormwater system design includes vegetated swales and filter strips, which are intended to provide pretreatment for a majority of flows entering the infiltration facilities. Before construction, soil borings will be conducted to identify soil conditions and any potential presence of groundwater. After construction is completed, the Applicant will conduct testing of the infiltration facilities to verify that the facilities are functioning as designed.

2. DNR

DNR requests that the Applicant clarify in Section 6.7.7.3 of the Application regarding Blanding's turtle, that DNR maintains that the mitigative measures are necessary to comply with Minnesota's Endangered Species Statute (Minnesota Statutes, section 84.0895) and associated Rules (Minnesota Rules, part 6212.1800 to 6212.2300 and 6134) which prohibit the take of a threatened or endangered species without a permit, not that the mitigative measures in the letter are DNR recommendations.

⁷ Application at 23, 50-51.

⁸ Application at 53.

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The Applicant appreciates DNR's comments, and understands that the mitigative measures to protect the Blanding's Turtle from the DNR Natural Heritage Review are necessary to comply with state law on threatened and endangered species. The Applicant will implement the conservation measures from the DNR Natural Heritage Review Letter.

3. Metropolitan Council

Metropolitan Council finds that the EA is complete and accurate with respect to regional concerns and does not raise major issues of consistency with Council policies. Metropolitan Council has no additional comments. The Applicant appreciates the Metropolitan Council's comments, and agrees that the EA is complete and accurate.

4. Bonnie Matter

Ms. Matter presented questions and asked comments at the public meeting and through written comments. Ms. Matters oral and written comments were similar, so this response to comments focuses primarily on Ms. Matters written comments.

Ms. Matter requested that Cottage Grove Fire and Public Safety personnel be provided with ongoing up-to-date training, tools and the hazard equipment needed in the event of a thermal runaway, long-term protection and safety of the Cottage Grove community, including that the Applicant adopt a site permit condition for permittee to provide financial assurances for a decommissioning and environmental remediation fund as well as any other "insurance language" granted to Midwater BESS at the 7.16.26 Midwater BESS PUC Agenda Meeting, eDocket 24-295, for the battery energy storage system, protections for the community's drinking water / ground water, and that the Applicant include a link to the NSP/Xcel Power Purchase Agreement (PPA) with LSP CG Storage, LLC, (eDocket E002/CN-23-212; E002/RP-24-67) to this Cottage Grove BESS eDocket 26-184.

Emergency Response. The Applicant appreciates Ms. Matter's concerns about emergency response and ensuring the safety of the Cottage Grove community and of first responders. The Applicant is committed to providing training resources for local responders, as well as the collaborative development of an emergency response plan (ERP) specific to the Project. The Project's ERP will require quarterly safety drills for the Project team and will make annual safety training available to local first responders. The ERP will be completed in consultation with the local emergency responders, and the Applicant has already met with the City of Cottage Grove Fire Marshal to discuss the Project and will continue to provide opportunity for meetings and training of local emergency response teams throughout the permitting process. The ERP for this Project will cover a wide breadth of possible incidents at the site and include emergency procedures to be followed in case of fire, medical emergencies, and other potential situations.⁹

⁹ Application at 28, 65-66.

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Decommissioning. Ms. Matter requested for the Applicant provide financial assurances for decommissioning and environmental remediation. As stated in the Application, Applicant will be responsible for removing all BESS components and associated facilities, and the Applicant will be responsible for all costs of decommissioning the Project and associated facilities. Decommissioning of the Project is expected to cost approximately \$2,143,416 with an estimated scrap/salvage value of \$272,919. The Applicant anticipates establishing a financial assurance in the form of an escrow account, surety bond, or other form suitable to the Minnesota Public Utilities Commission (Commission or MPUC) equal to the costs to ensure proper decommissioning, less the estimated scrap/salvage value. Consistent with MPUC recommendations, the Applicant anticipates starting to fund the financial assurance not later than year 10 of operation, with payments increasing so that the financial assurance is fully funded by the end of Project Life.¹⁰

The Applicant will submit a revised Decommissioning Plan every five years, or any time there is a change in ownership or permit amendment. Each revised plan will reflect advancements in construction techniques, reclamation equipment, and decommissioning standards. The amount of the financial assurance will be adjusted accordingly to offset any increases or decreases in decommissioning costs and salvage values determined during each plan reassessment.¹¹

In regards to the proposed insurance requirement, the Applicant's general insurance policies for construction and operation are consistent with this recommendation. The MPUC has not yet issued a written order in the Midwater BESS docket and the Applicant may provide some clarification edits that are applicable to this Project and also whether any different insurance standards should be utilized for this Project.

Groundwater and Drinking Water. Ms. Matter also requested that the Applicant provide protections for the community's drinking water and ground water. The Application addresses groundwater protection in Sections 6.4.5, 6.7.2, and 6.7.3. The Project will not require new water or wastewater services because Operations & Maintenance will be performed at the existing Cottage Grove Cogeneration Facility. To avoid potential impacts to water and soil resources, all hazardous materials stored outdoors will be stored within secondary containment. A Spill Prevention, Control, and Countermeasure (SPCC) Plan will be required for the main power transformer and any oil-filled operational equipment, which will detail the appropriate storage, cleanup, and disposal of oil products. The Project Site is not within a Drinking Water Supply Management Area or Wellhead Protection Area.¹² Accordingly, impacts to groundwater and drinking water resources are not anticipated.

¹⁰ Application at 38-39.

¹¹ Application at 39.

¹² Application at 62-63, 77-78, 99-100.

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Ms. Matter requested that the Applicant include a link to the PPA in this docket. The Applicant appreciates the comment and has no objection to referencing the Power Purchase Agreement (PPA) in this docket.¹³ The PPA and related filings are publicly available through the Commission's eDockets system, and as discussed in the Application, the PPA was approved by the Commission by written order issued March 12, 2026, in Docket Nos. E002/CN-23-212 and E002/RP-24-67.¹⁴ Under the PPA, Xcel Energy will control and dispatch the BESS to meet Xcel Energy customer resource needs. Xcel Energy's payments to the Applicant are based on a number on terms and conditions set in the PPA including availability, performance, and charging capabilities.¹⁵

The documents referenced above have also been electronically filed today through www.edockets.state.mn.us. A copy of this filing is also being served upon the persons on the Official Service List of record.

Please let me know if you have any questions regarding this filing.

Sincerely,

/s/ David R. Moeller

David R. Moeller

Direct Dial: 612.492.7422

Email: drmoeller@fredlaw.com

¹³ See Application at 5, 32.

¹⁴ *Id.* (eDocket No. [20263-22919-01](#)).

¹⁵ *In the Matter of Northern States Power Company, doing business as Xcel Energy, Petition for Approval of a Purchased Power Agreement with Panamint for the Cottage Grove Battery Energy Storage System Project*, Docket Nos. E002/CN-23-212, E002/RP-24-67, Petition Supplement (December 5, 2025) (eDocket No. [202512-225594-02](#)).

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Storage, LLC for a Site Permit for the up to
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CERTIFICATE OF SERVICE

Maia Martinez certifies that on the 28th day of July 2026, she e-filed a true and correct copy of the Response to Comments on behalf of LSP CG Storage, LLC via eDockets (www.edockets.state.mn.us):

Said documents were also served on the Official Service List of record on file with the Minnesota Public Utilities Commission and as attached hereto.

Executed on: July 28, 2026

Signed: /s/ Maia Martinez

Fredrikson & Byron, P.A.

60 South Sixth Street, Suite 1500

Minneapolis, MN 55402

#	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	ESS-26-184
2	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	ESS-26-184
3	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 600 St. Paul MN, 55101 United States	Electronic Service		Yes	ESS-26-184
4	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	ESS-26-184
5	Breann	Jurek	bjurek@fredlaw.com	Fredrikson & Byron PA		60 S Sixth St Ste 1500 Minneapolis MN, 55402 United States	Electronic Service		No	ESS-26-184
6	Konnar	Klinksiek	kklinksiek@panamintcapital.com	LSP CG Storage, LLC		917 Tahoe Blvd., Suite 202 Incline Village NV, 89451 United States	Electronic Service		No	ESS-26-184
7	David R.	Moeller	drmoeller@fredlaw.com	Fredrikson & Byron, P.A.		60 S 6th St Ste 1500 Minneapolis MN, 55402-4400 United States	Electronic Service		Yes	ESS-26-184
8	Aidan	Oldenburg	aidan.oldenburg@westwoodps.com				Electronic Service		No	ESS-26-184
9	Shantal	Pai	spai@fredlaw.com	Fredrikson & Byron, PA		60 S 6th Street, Minneapolis, MN 55407 Minneapolis MN, 55417-1208 United States	Electronic Service		No	ESS-26-184
10	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	ESS-26-184