

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: January 12, 2017Agenda Item *1

Company: Trishe Wind Minnesota, LLC

Docket No. IP-6846/WS-10-798

In the Matter of the Site Permit for the up to 41 Megawatt Trishe Wind
Minnesota Large Wind Energy Conversion System in Kandiyohi and Meeker
Counties

Issue(s): Should the Commission revoke the site permit for the up to 41 megawatt
Trishe Wind Minnesota Large Wind Energy Conversion System in Kandiyohi
and Meeker counties, Minnesota?

Staff: Scott Ek | 651-201-2255 | scott.ek@state.mn.us

Relevant Documents

Order Issuing a Site Permit February 8, 2011
Order Amending Site Permit June 3, 2013
Order Approving Site Permit Transfer December 3, 2014
Trishe Wind Letter Requesting Expiration of Site Permit..... December 1, 2016
Commission Staff Information Request to Trishe Wind December 23, 2016
Trishe Wind Response to Information Request December 30, 2016

The attached materials are work papers of the Commission staff. They are intended for use by the Minnesota Public Utilities Commission and are based upon information already in the record unless noted otherwise.

I. STATEMENT OF THE ISSUES

Should the Commission revoke the site permit for the up to 41 megawatt Trishe Wind Minnesota Large Wind Energy Conversion System in Kandiyohi and Meeker counties, Minnesota?

II. PROCEDURAL HISTORY

On February 8, 2011, the Minnesota Public Utilities Commission (Commission) issued a site permit to Lake Country Wind Energy, LLC to construct and operate an up to 41 megawatt (MW) Large Wind Energy Conversion System (LWECS) in Kandiyohi and Meeker counties, Minnesota.

On June 3, 2013, the Commission issued an order that extended by two years the power purchase agreement deadline, the construction deadline, and the permit expiration date. The order also amended the site permit to change the turbine type and layout, include updated wind farm site permit conditions, and include additional surveys and monitoring.

On December 3, 2014, the Commission issued an order that approved the requested transfer of the 41 MW LWECS site permit from Lake Country Wind Energy, LLC to Trishe Wind Minnesota, LLC (Trishe Wind). An amended site permit was issued that identified this change.

On December 1, 2016, Trishe Wind filed a letter with the Commission indicating that it intends to allow the site permit for the 41 MW LWECS project to expire. Trishe Wind cited a number of economic factors that led to its decision, such as interconnection costs, wholesale energy pricing, and uncertainty surrounding production tax credits.

On December 23, 2016, Commission staff issued an information request to Trishe Wind concerning the extent of construction or physical changes that have occurred at the project site, as well as any outstanding agreements with participating landowners since permit issuance.

On December 30, 2016, Trishe Wind filed a response to Commission staff's December 23 Information Request. Trishe Wind indicated the following:

- Between December 17 and 20, 2013, Trishe Wind prepared an approximately 1.5 acre gravel pad for future construction of a project substation. The gravel pad was constructed entirely on land owned by Trishe Wind. The land was originally acquired by Trishe Wind from Mr. Ralph Behm. Trishe Wind explained that it intends on incorporating the substation pad into its future plans for a larger LWECS project within the site permit area. Trishe Wind stated that this was the only construction performed at the site.

- Two temporary meteorological towers were erected at the site under private agreements in 2008 and 2010, prior to filing the application for a site permit with the Commission. As with the substation pad, Trishe Wind intends on using the temporary towers to collect meteorological data for its future project to be proposed within the site permit area. Trishe Wind stated that it will continue to maintain valid leases for the two towers as long as they are in place and will decommission them if or when they are no longer needed.

Staff notes that it is typical for wind developers to install temporary meteorological towers to assess the wind characteristics of certain areas before applying for an LWECS site permit.

III. STATUTES AND RULES

Under Minn. Stat. § 216E.14 and Minn. R. 7854.1300, the Commission may revoke or suspend a site permit for a LWECS at any time after adequate notice and hearing if it finds that: 1) the permittee has knowingly made a false statement in the application or required accompanying study; 2) the permittee failed to comply with the material conditions of the permit; 3) the permitted LWECS endangers human health or the environment and the danger cannot be resolved by modifications to the project or permit; or 4) the permittee has violated other laws that reflect an inability to comply with the permit. The rule concerning revocation or suspension is also incorporated as a condition in the site permit at Section 11.3.

IV. STAFF DISCUSSION

Commission staff has reviewed the relevant documents in this matter and believes that under the circumstances there is sufficient reason to revoke the site permit for the 41 MW Trishe Wind Minnesota LWECS in Kandiyohi and Meeker counties. The Permittee stated in its December 1, 2016 letter that it intends on allowing the site permit to expire and will not be requesting a permit extension. Consequently, the permittee is acknowledging that it does not intend to comply with sections 10.2 and 10.3 of the site permit which require the permittee within two years of permit issuance to: 1) obtain a power purchase agreement or other enforceable mechanism for sale of electricity, and 2) commence construction of the project. Therefore, under Minn. R. 7854.1300, subp. 3B, the Commission has the authority to revoke the site permit because the permittee has failed to comply with a material condition of the permit.

Staff does not believe the previously graded gravel substation pad or the two temporary meteorological towers are impacted by a decision to revoke the site permit. The substation pad is a graded gravel area contained entirely upon land owned by Trishe Wind. The two temporary meteorological towers were constructed prior to site permit issuance under private agreements. Trish Wind has also indicated that it intends to utilize both the gravel pad and the temporary meteorological towers for a future LWECS project to be proposed within the site area.

COMMISSION DECISION ALTERNATIVES

1. Revoke the site permit issued on February 8, 2011, to Lake Country Wind Energy, LLC, and amended June 3, 2013, and transferred to Trishe Wind Minnesota, LLC on December 3, 2014, for the up to 41 megawatt Large Wind Energy Conversion System in Kandiyohi and Meeker counties, Minnesota.
2. Take some other action deemed appropriate.

Staff Recommendation: 1