

February 17, 2026

Via eDockets

The Honorable Megan J. McKenzie
Court of Administrative Hearings
600 North Robert Street
PO Box 64620
Saint Paul, MN 55164-0620

RE: EIP Staff Reply to Applicant Comments and Response to Proposed Findings of Fact
Blue Lake Energy Storage Project
PUC Docket No. E002/ESS-25-214
OAH Docket No. 25-2500-41199

Dear Judge McKenzie:

Minnesota Public Utilities Commission, Energy Infrastructure Permitting (EIP) staff offers the following comments on the Blue Lake Energy Storage Project (Project) proposed by Northern States Power Company d/b/a Xcel Energy (Xcel Energy or applicant).

Xcel Energy filed hearing comments on January 20, 2026,¹ and filed reply comments on February 2, 2026². Xcel Energy's comments summarized the hearing record and responded to hearing comments (including EIP staff's January 20, 2026, comments),³ proposed Findings of Fact, Conclusions of Law, and Recommendations (Xcel Energy proposed FOF), and provided a Master Exhibit List. In its comments, Xcel Energy responded to comments from EIP staff, Minnesota Department of Natural Resources (DNR); the Interagency Vegetation Management Planning Working Group, and the Metropolitan Council.

The Commission filed three public comments on February 3, 2026.⁴ Although the comments were sent January 19, 2026, prior to the close of the public comment period on January 20, 2026, the filing was inadvertently delayed. Because of the delay in filing, Xcel Energy did not have an opportunity to address these comments in its reply comments. As these comments generally express support for the Blue Lake Energy Storage Project and do not raise substantive issues, they are not further addressed in these comments but EIP staff has proposed amendments to Xcel Energy's proposed FOF to incorporate these comments.

¹ Xcel Energy, Comments, January 20, 2026, eDocket ID: [20261-227140-01](#) (Xcel Energy Comments)

² Xcel Energy, *Reply Comments and Proposed Findings of Fact and Conclusions of Law*, February 2, 2025, eDocket ID: [20262-227759-01](#) (Xcel Energy Reply comments)

³ EIP Staff Comments, January 20, 2026, eDocket ID: [20261-227118-01](#) (EIP Staff Comments)

⁴ Commission, Public Comments, February 3, 2026, eDocket ID: [20262-227779-01](#), [20262-227780-01](#), [20262-227781-01](#)

In these reply comments, EIP staff respond to hearing comments provided by the DNR and Xcel Energy. EIP staff also provide its proposed modifications to Xcel Energy's proposed FOF in Attachment A. As none of the comments received addressed the adequacy of the environmental assessment (EA), EIP staff does not recommend any modifications or corrections to the EA.

Response to Hearing Comments

Xcel Energy accepted most of EIP staff's proposed draft site permit (DSP) conditions modifying three conditions (visual screening plan, pre-construction noise modeling, and post-construction noise monitoring), adding one condition (security fencing), and eliminating one condition (community benefits agreement). EIP staff provides responses to comments organized by permit conditions.

Visual Screening Plan

Section 5.1 of the DSP is a special condition requiring Xcel Energy to develop a visual screening plan to mitigate visual impacts to adjacent properties and public viewpoints. In its January 20, 2026, comments, Xcel Energy notes the predominantly industrial nature of the site and surrounding land uses and the limited visibility of the project from many public viewpoints including existing roads. Xcel Energy recommends modifying the condition to focus the screening on the western boundary of the site to mitigate visual impacts to Quarry Lake Park and to limit coordination in development of the screening plan to the City of Shakopee rather than all adjacent landowners.⁵

The Permittee shall develop a site-specific Visual Screening Plan. The Visual Screening Plan shall be designed and managed to mitigate visual impacts to ~~adjacent properties~~ and public viewpoints within Quarry Lake Park. The Visual Screening Plan shall at a minimum include: (a) objectives for screening of adjacent properties and public viewpoints within Quarry Lake Park; and (b) a description of the types of trees and shrub species to be used, the location of plantings, and plans for installation, establishment, and maintenance. The location of trees and shrubs included in the Visual Screening Plan that are located within the Permittee's site control shall be included in the Site Plan filed under Section 8.3. The Permittee is required to maintain and ensure the successful growth, health, and maintenance of the vegetation for 3 years.

At least 14 days prior to the pre-construction meeting, the Permittee shall file:

- 1. the Visual Screening Plan;*
- 2. documentation of coordination with ~~landowners adjacent to the project site and with entities having public viewpoints~~ the City of Shakopee; and*
- 3. an affidavit of its distribution of the Visual Screening Plan to ~~landowners adjacent to the project site and entities having public viewpoints~~ the City of Shakopee.*

EIP staff agrees that the primary goal of this mitigation measure is minimizing visual impacts to Quarry Lake Park and does not object to Xcel Energy's proposed modification.

⁵ Xcel Energy Comments, pp. 2-4

Pre-Construction Noise Modeling and Impact Assessment

Section 5.3 of the DSP is a special condition requiring Xcel Energy to file a noise impact assessment prior to construction and to file an updated noise impact assessment prior to any facility modifications over its operating life.

In its January 20, 2026, comments, Xcel Energy supported the requirement for pre-construction noise modeling prior to construction but proposed removing the portion of the condition requiring updated noise assessment prior to facility modifications.⁶

The Permittee shall file a noise impact assessment at least 14 days prior to the pre-construction meeting. The noise impact assessment shall summarize the results from noise propagation modeling that incorporates noise inputs from the selected equipment and the facility layout shown in the site plans required in Section 8.3 of this permit. ~~The permittee shall file an updated noise impact assessment including any revisions to selected equipment or facility layout prior to any modifications to the facility over its operating life.~~

Xcel Energy characterized the requirement for updated noise assessments prior to facility modifications as overbroad and potentially requiring burdensome filing requirements given the (unspecified) ongoing operational activities occurring onsite. Xcel Energy also noted that Minn. Stat. § 216I.09 required a permit amendment prior to significant changes to the project.

Although not specifically discussed in the comments, one feature of battery energy storage systems (BESS) is ongoing augmentation to address the degradation of batteries over the course of the facility's operating life. Battery augmentation may involve either the addition of battery modules within the existing enclosures or the installation of new enclosures and new batteries.

Minn. Stat. § 216I.09 provides a process for permit amendments to repower or refurbish existing energy infrastructure facilities to increase the efficiency of a system provided that the project does not increase the developed area within the site and does not increase the nameplate capacity of the facility's most recent interconnection agreement. While the statute defines an increase in efficiency for large electric power generating plants, it does not define an increase in efficiency for an energy storage system. This uncertainty was explored in the Snowshoe BESS docket (Docket IP-7138/ESS-24-279), the first stand-alone BESS site permit.⁷ The Commission incorporated a special condition for battery augmentation as part of the site permit issued for the Snowshoe BESS project.⁸

The augmentation condition in the Snowshoe BESS permit was included as Section 5.2 of the DSP for the project. This condition requires the permittee notify the Commission of battery augmentation activities and to demonstrate compliance with the noise assessment required under pre-construction modeling.

⁶ Xcel Energy Comments, pp. 5-7

⁷ Department of Commerce Energy Environmental Review and Analysis (DOC-EERA), *EERA Hearing Comments Snowshoe BESS Project*, May 8, 2025, eDocket No. [20255-218706-01](#), at p. 8. DOC-EERA staff were transferred to the Commission in July 2025.

⁸ Commission, *In the Matter of the Application of Snowshoe BESS, LLC for a Site Permit for the up to 150 MW Snowshoe Energy Storage Project in Olmsted County Order Adopting Administrative Law Judge Report, Determining Environmental Assessment Adequate and Issuing Site Permit*, September 22, 2025, eDocket ID: [20259-223194-01](#). See Order at p. 7, Section 5.10 of Site Permit

Xcel Energy does not object to Section 5.2 of the draft site permit.⁹ With the understating that Section 5.2 of the DSP (the augmentation condition) will remain in the permit as proposed, EIP staff does not object to Xcel Energy's proposed modification to Section 5.3 of the permit.

Post-construction Noise Monitoring

Section 5.4 of the DSP requires the permittee to submit a proposed methodology for conducting a post-construction noise monitoring study prior to construction and to conduct a post construction study within 18 months of commencing commercial

In its January 20, 2026, comments, Xcel Energy proposed modifying this condition to require noise monitoring in response to unresolved complaints.¹⁰

~~The Permittee shall file a proposed methodology for the conduct of a post-construction noise study at least 14 days prior to the pre-construction meeting. The Permittee shall develop the post-construction noise study methodology in consultation with Commission staff. The Permittee must conduct the postconstruction noise study and file with the Commission the completed post-construction noise study within 18 months of commencing commercial operation. The BESS facilities and associated facilities shall be placed and operated such that the Permittee shall, at all times, comply with noise standards established by the MPCA. Operation of the facility shall be modified, or project components shall be removed from service if necessary to comply with these noise standards. The Permittee shall complete noise monitoring to address any unresolved complaints with respect to project noise. Any additional noise monitoring shall be coordinated with Commission staff, and the monitoring protocol shall be approved by Commission staff before implementation. Noise monitoring results shall be provided to Commission staff. If any violations of the state noise standard are identified, the Permittee will be responsible for the implementation of any mitigation measures necessary to meet the state noise standard.~~

The EA included a discussion of noise standards in Minnesota and noise-related impacts anticipated from the project. For NAC 1 receptors, including residential areas, state noise standards are lower during nighttime hours than daytime hours. Because BESS facilities can be expected to operate throughout the day, noise levels are expected to vary throughout the day and may potentially exceed state noise standards. While site permits for wind facilities typically require post-construction noise monitoring, in part because they operate throughout the day, permits for solar generating facilities do not typically require post-construction modeling because they do not operate at night, when noise limits are lower.

Xcel Energy cited a recently issued site permit for the Solway solar facility as an example of a permit condition that required noise monitoring in response to complaints. EIP staff notes that the special condition cited by Xcel Energy responds to project-specific public concerns that the combined noise levels from the proposed solar facility and the existing combustion turbine generating facility may potentially exceed noise limits even though each facility on their own may be within noise standards.¹¹

⁹ Xcel Energy Comments, p. 2

¹⁰ Xcel Energy Comments, pp.6-7.

¹¹ DOC EERA, *EERA Reply Comments and Response to Otter Tail's Proposed Findings of Fact Solway Solar Project*, June 13,, 2025, eDocket ID: [20256-219893-01](#)

In the case of the proposed Blue Lake BESS project, modeling included with the site permit application estimated facility-only nighttime noise of 50 dBA at residences closest to the project, at the upper limit for nighttime noise in residential areas.¹² Because of the project's location in an industrial area and near US Highway 169 and its associated traffic noise, the site permit application concluded that "the modeled results are less than the ambient noise of 64 and 70 dBA at the modeled residences, primarily from highway traffic, the noise is not anticipated to be a significant contributor to total sound levels in the area and is not expected to have a perceptible impact at residences and other sensitive receptors."¹³

Because BESS facilities operate and generate noise during both daytime and nighttime hours and the lack of real world operating noise data from utility-scale BESS facilities in Minnesota, EIP staff generally supports a condition requiring noise monitoring during operation for BESS facilities to confirm pre-construction modeling results.

In this case, however, EIP staff agrees with Xcel Energy that, given the existing ambient noise from the highway and nearby industrial activities, proactive noise monitoring to confirm noise modeling estimates is likely not necessary, and a complaint-based approach may better suit this location. That said, EIP staff do not support Xcel Energy's removal of the condition's requirement to be placed and operated to comply with state noise standards at all times. EIP staff proposes the following modifications to Xcel Energy's proposed condition (EIP changes shown in ~~strikeout~~ and underline).

The Permittee shall complete noise monitoring to address any unresolved complaints with respect to project noise. Any additional noise monitoring shall be coordinated with Commission staff, and the monitoring protocol shall be approved by Commission staff before implementation. Noise monitoring results shall be provided to Commission staff. ~~If any violations of the state noise standard are identified, the Permittee will be responsible for the implementation of any mitigation measures necessary to meet the state noise standard. The BESS facilities and associated facilities shall be placed and operated such that the Permittee shall, at all times, comply with noise standards established by the MPCA. Operation of the facility shall be modified, or project components shall be removed from service if necessary to comply with these noise standards.~~

Community Benefit Agreement

Section 5.6 of the DSP is a special condition that requires the permittee to establish a community benefit agreement with the city of Shakopee to mitigate potential environmental justice (EJ) impacts from the project.

In its January 20, 2026, comments, Xcel Energy objected to the proposed special condition, noting that its SPA "includes a robust suite of EJ-focused mitigation and engagement measures that directly address potential construction and operational externalities without the need for a separate agreement. These include traffic management to avoid peak school commute times and routing heavy equipment away from residential areas and schools, reducing localized burdens on EJ neighborhoods." Xcel Energy also

¹² Ex. EIP-205 at 37 (EA), at pp. 40-41; Ex. App.-101 at 46 and Appendix F (Application)

¹³ Ex. EIP-205, p. 40 (EA)

notes that the City of Shakopee has not indicated opposition to the project and the record does not contain support for such an agreement.¹⁴

EIP staff acknowledges Xcel Energy's outreach to local governments and to Tribal Nations, specifically the Shakopee Mdewakanton Sioux Community and appreciates Xcel Energy's thoughtful discussion of potential measures to mitigate potential EJ issues and engage the community. EIP staff notes that there is no mechanism to enforce Xcel Energy's stated intent. EIP staff believes that a community benefit agreement between Xcel Energy and the City of Shakopee would formalize Xcel Energy's proposed mitigation measures.

EIP staff acknowledges Xcel Energy's discomfort with the lack of specificity as to what a community benefit agreement might cover, but believes that the city of Shakopee, not Commission staff, is best equipped to determine the content of such an agreement. As summarized in EIP staff comments of January 20, 2026, community benefits agreements formed between a project owner and host community can be tailored to support priorities unique to the host community. These agreements may include outreach to local schools, city officials, and local tribes, such as the applicant proposed in the SPA. Community investment funds, grants to the host community, funding for community projects, scholarships, and training programs are other examples of collective benefits that can be included in benefits agreements as means to mitigate the impacts of energy infrastructure projects.

Given the location in an EJ area, staff believes that the record supports some sort of mitigation measure in the permit to formalize Xcel Energy's proposed mitigation measures and believe that the local government is in the best position to determine appropriate mitigation measures through a community benefit agreement with Xcel Energy. With respect to Xcel Energy's concerns related to how compliance or non-compliance would be determined, EIP staff would find any signed agreement between the parties or a filing that says Xcel conferred with Shakopee and the city indicated that such an agreement was not necessary to be compliant with the permit condition and proposes modifying the condition to clarify compliance (EIP changes shown in ~~strikeout~~ and underline):

The Permittee shall enter into a Community Benefit Agreement with the city of Shakopee that mitigates environmental justice impacts to the community. The Permittee shall ~~keep records of its agreement and provide them upon the request of Commission staff~~ file confirmation into the record that it has reached an agreement with the city or that the Permittee has conferred with the city and the city has indicated that such an agreement is not necessary at least 14 days prior to the pre-construction meeting.

Security Fencing

In comments filed January 20, 2026, the DNR recommended a special permit condition, modeled on a special condition in the site permit for the Snowshoe BESS project, requiring coordination between Xcel Energy and DNR on the final fencing plan. Xcel Energy did not object to a special condition.¹⁵

EIP staff proposes the following special condition:

¹⁴ Xcel Energy Comments, pp. 7-10

¹⁵ Xcel Energy Reply Comments, pp. 3-4

Security Fencing

The Permittee shall design the security fence surrounding the energy storage system to minimize the visual impact of the Project while maintaining compliance with the National Electric Safety Code. The Permittee shall develop a final fence plan for the specific site in coordination with the DNR. The final fence plan shall be submitted to the Commission as part of the Site Plan pursuant to Section 8.3

Proposed Modifications to Xcel Energy's Proposed Findings

EIP staff proposes several modifications and technical corrections to Xcel Energy's proposed FOF. EIP staff's proposed modifications amend Xcel Energy's proposed FOF to include EIP staff comments and to make limited technical corrections, including public comments that were inadvertently filed after the close of the comment period. EIP staff's proposed modifications are shown in red in EIP staff's markup to Xcel Energy's proposed FOF provided in Attachment A. For clarity and length, footnotes included in Xcel Energy's FOF are not included in EIP staff's comments, but are included in EIP staff's markup of the FOF included as Attachment A.

Procedural History

EIP staff modifies Finding 29 to include the date when the Commission filed presentation slides.

EIP staff modifies Finding 32 to include comments filed February 3, 2026.

Summary of Public Comments

EIP staff modifies Finding 47 to include comments filed February 3, 2026.

Human Settlement – Aesthetics

EIP staff modifies Finding 47 to clarify that EIP staff does not object to Xcel Energy's proposed modification of Special Condition 5.1 (Vegetation Screening Plan).

Human Settlement – Noise

EIP staff modifies Finding 87 to clarify EIP staff's position that it does not object to Xcel Energy's modification of this condition, provided there are no changes to DSP Special Condition 5.2 requiring the permittee to notify the Commission of battery augmentation activities and demonstrate compliance with the noise assessment required under pre-construction modeling.

EIP staff modifies Finding 89 to remove the incorrect statement that the Commission only requires noise monitoring when there are unresolved noise complaints for other energy projects and clarify EIP staff's general position that, although post construction noise monitoring for BESS projects is generally warranted, but it is not necessary for this project given the location and the existing ambient noise.

EIP staff modifies Finding 90 to remove the incorrect statement about the Commission's practice to require noise monitoring only when there are unresolved noise complaints and to include EIP staff's recommendation to restore previous language requiring project facilities be located and operated to

comply with noise standards and that operation of the facility shall be modified or project components removed if necessary to comply with noise standards

Human Settlement – Environmental Justice

EIP staff modifies Finding 120 to clarify the project is located within a census tract that meets the definition of an environmental justice area based on the percentage of nonwhite population and to include the potential impact to the local community discussed in the EA.

EIP staff modifies Finding 121 to clarify the intent of the community benefit agreement proposed as Section 5.6 of the DSP as formalizing Xcel Energy’s proposed mitigation measures and providing a general description of community benefit agreements.

EIP staff modifies Finding 124 to clarify EIP staff’s support for inclusion of a community benefit condition and remove the recommendation that a community benefit is not warranted for the project.

Archeological, Cultural and Historic Resources

EIP staff modifies Finding 144 to clarify that Section 4.3.20 of the DSP also requires the permittee to permittee to develop an Unanticipated Discoveries Plan outlining steps to be taken if previously unrecorded cultural resource or human remains are encountered during construction.

Wetlands

EIP staff modifies Finding 170 to clarify that there are no wetlands within the preliminary development area of the site. There are wetlands within the land control area.

Vegetation

EIP staff modifies Finding 176 to summarize the comments of the Vegetation Management Plan Working Group, while leaving the details of the recommendations to the comment letter.

Wildlife

EIP staff modifies Finding 185 to clarify that EIP staff support DNR’s proposed condition requiring that Xcel Energy coordinate with DNR on the final fencing plan.

Site Permit Conditions

EIP staff modifies Finding 224 to incorporate EIP staff’s recommendation clarifying the rationale for modifying special condition 5.3 of the DSP.

EIP staff modifies Finding 225 to clarify the rationale for requiring post-construction noise monitoring for the project only in response to unresolved noise complaints.

EIP staff modifies Finding 226 to clarify the rationale for a community benefit agreement incorporating EIP staff’s modifications.

EIP staff modifies Finding 227 to incorporate EIP staff’s recommended language for a special condition requiring the permittee to coordinate with DNR on a final fencing plan.

Conclusions

EIP staff modifies Conclusion 11 to incorporate changes to the DSP language proposed by EIP staff as well as Xcel Energy.

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

Sincerely,

A handwritten signature in black ink that reads "Suzanne Steinhauer". The signature is written in a cursive style with a large initial 'S'.

Suzanne Lamb Steinhauer
EIP Environmental Review Manager

Attachment A

Proposed Findings of Fact, Conclusions of Law, and Recommendations

EIP Staff Markup

**STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION**

**In the Matter of the Application of
Northern States Power Company D/B/A
Xcel Energy for an up to 135.5 MW
Battery Energy Storage System Site Permit
for the Blue Lake Battery Energy Storage
Project in Scott County, Minnesota**

MPUC Docket No. E002/ESS-25-214
CAH Docket No. 25-2500-41199

**NORTHERN STATES POWER
COMPANY'S
PROPOSED FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND
RECOMMENDATIONS**

**STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION**

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Project in Scott County, Minnesota**

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**STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS
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**In the Matter of the Application of
Northern States Power Company D/B/A
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for the Blue Lake Battery Energy Storage
Project in Scott County, Minnesota**

MPUC Docket No. E002/ESS-25-214
CAH Docket No. 25-2500-41199

**NORTHERN STATES POWER
COMPANY’S PROPOSED FINDINGS OF
FACT,
CONCLUSIONS OF LAW, AND
RECOMMENDATIONS**

This matter was assigned to Administrative Law Judge Megan J. McKenzie to conduct a public hearing on the Site Permit Application (MPUC Docket No. E002/ESS-25-214) (Application) of Northern States Power Company D/B/A Xcel Energy (Xcel Energy or Applicant) to construct and operate an up to 135.5 megawatt (MW) Battery Energy Storage System (ESS) located in the City of Shakopee in Scott County, Minnesota (Project). The Minnesota Public Utilities Commission (Commission or PUC) also requested that the Administrative Law Judge prepare findings of fact and conclusions of law and provide recommendations, if any, on conditions and provisions of the proposed site permit.

Public hearings on the Application were held on January 6, 2026 (in-person) and January 7, 2026 (remote-access). The factual record remained open until January 20, 2026, for the receipt of written public comments.

Christina K. Brusven, Fredrikson & Byron, 60 South Sixth Street, Suite 1500, Minneapolis, Minnesota 55402, and Tyler Beemer, the Blue Lake BESS Project Manager, appeared on behalf of Xcel Energy.

Jacques Harvieux appeared on behalf of the Commission Staff at the in-person and remote-access hearing.

Suzanne Steinhauer appeared on behalf of the Commission Energy Infrastructure Permitting (EIP) staff.

STATEMENT OF ISSUES

Has Xcel Energy satisfied the criteria established in Minn. Stat. § 216E.03, subd. 7(b) (2023) and Minn. R. 7850.4100 for a site permit for the Project?

SUMMARY OF RECOMMENDATIONS

The Administrative Law Judge concludes that Xcel Energy has satisfied the applicable legal requirements and, accordingly, recommends that the Commission GRANT a site permit for the Project, subject to the conditions discussed below.

Based on the evidence in the hearing record, the Administrative Law Judge makes the following findings of fact:

FINDINGS OF FACT

I. APPLICANT

1. Xcel Energy is a public utility that provides electricity and energy services in parts of Minnesota, Wisconsin, South Dakota, North Dakota, and the upper peninsula of Michigan.¹

II. PROCEDURAL HISTORY

2. On May 22, 2025, Xcel Energy filed a Notice of its Intent to Submit a Site Permit Application for the Project under the alternative permitting procedures of Minn. R. 7850.2800 - .3900 in June of 2025.²
3. On June 20, 2025, Xcel Energy submitted the Application for the Project.³
4. On June 23, 2025, Xcel Energy submitted the Notice of Filing of Application to persons interested in the Project, the Commission's Energy Facilities General List, Local Officials, Tribes, and Property Owners in accordance with Minn. R. 7850.2100.⁴
5. On June 27, 2025, the Commission filed a Notice of Comment Period regarding the completeness of the Application, requesting initial comments by July 11, 2025, reply comments by July 18, 2025, and supplemental comments by July 25, 2025. The notice requested comments on whether the Application was complete within the meaning of the Commission's rules; whether the Commission should appoint an advisory task force; whether there are any contested issues of fact with respect to the representations made in the Application; whether the Commission should direct the Executive Secretary to issue an authorization to initiate a State Historic Preservation Office (SHPO) Consultation to the Applicant; and whether there were any other issues or concerns that should be considered.⁵
6. On July 11, 2025, EIP filed its Comments and Recommendations on Application Completeness. EIP recommended that the Commission accept the Application as complete only after Xcel Energy provides a public filing with a high-level breakout of anticipated

¹ Ex. App.-101 at 8 (Application).

² Ex. App.-100 (Notice of Intent for Alternative Review Process).

³ Ex. App.-101 at 8 (Application).

⁴ Ex. App.-102 (Project Notice Under 7850.2100).

⁵ Ex. PUC-300 (Notice of Comment Period on Application Completeness).

construction costs and financing as well as anticipated annual operations and maintenance costs. EIP also recommended that the Commission not appoint an advisory task for at that time and that it request a full Administrative Law Judge report with findings, conclusions, and recommendations for the Project's public hearing.⁶ International Union of Operating Engineers Local 49 (Local 49) and North Central States Regional Council of Carpenters (NCSRC) also filed reply comments concerning Application completeness.⁷

7. On July 16, 2025, Xcel Energy submitted Confirmation of Notice Compliance Filing for the Application.⁸
8. On July 18, 2025, Xcel Energy submitted reply comments concerning Application completeness.⁹
9. On July 24, 2025, EIP filed supplemental comments concerning Application completeness.¹⁰ EIP recommended that the Commission find the Application substantially complete and allow the environmental review and permitting process to begin.
10. On August 22, 2025, the Commission and EIP published Notice of Public Information and Environmental Assessment (EA) Scoping Meetings, scheduling the meetings for September 10, 2025 (remote-access) and September 11, 2025 (in-person), opening a public comment period until September 25, 2025, and requesting responses to two questions regarding the Project: (1) What potential human and environmental impacts of the proposed Project should be considered in the EA?; (2) Are there any methods to minimize, mitigate, or avoid these potential impacts that should be studied in the EA?¹¹
11. On August 28, 2025, Xcel Energy submitted a modified version of its Exhibit G to the Application.¹²
12. On September 5, 2025, the Commission filed a sample site permit.¹³
13. On September 10-11, 2025, the Commission and EIP conducted Public Information and EA Scoping meetings.¹⁴ No members of the public provided oral comments at these meetings.
14. On September 25, 2025, the Minnesota Department of Natural Resources (DNR) filed scoping comments.¹⁵

⁶ Ex. App.-104 (Completeness Reply Comments).

⁷ Local 49 and NCSRC Completeness Comments (July 11, 2025) (eDocket No. [20257-220856-01](#)).

⁸ Ex. App.-103 (Confirmation Notice).

⁹ Ex. App.-104 (Completeness Reply Comments).

¹⁰ Ex. EIP-201 (Supplemental Comments).

¹¹ Ex. PUC-303 (Notice of Public Information and EA Scoping Meetings).

¹² Ex. App.-105 (Appendix G Phase I Archaeological Survey).

¹³ Ex. PUC-306 (Sample Energy Storage System Site Permit).

¹⁴ Ex. EIP-203 (Oral Comments on Environmental Assessment Scope).

¹⁵ DNR Scoping Comments (September 25, 2025) (eDocket No. [20259-223282-01](#)).

15. On October 1, 2025, EIP filed the transcripts from the in-person and remote-access Public Information and EA Scoping meetings.¹⁶
16. On October 2, 2025, EIP staff filed recommendations on scoping alternatives, recommending the Commission authorize EIP staff to include only the site identified by Xcel Energy in its site permit application in the EA scoping decision.¹⁷
17. On October 21, 2025, the Commission filed an Order authorizing solely the site for the Project identified by Xcel Energy in its site permit application in the scoping decision for the environmental assessment.¹⁸
18. A prehearing conference was held on October 23, 2025.¹⁹
19. On October 24, 2025, EIP filed the EA Scoping Decision for the Project.²⁰
20. On October 30, 2025, the EIP filed the Notice of the EA Scoping Decision.²¹
21. On November 13, 2025, the Administrative Law Judge issued the First Prehearing Order establishing a schedule for the proceeding.²²
22. On December 10, 2025, Xcel Energy filed an Updated Appendix G.²³
23. On December 17, 2025, the EIP filed the EA for the Project.²⁴
24. On December 19, 2025, Xcel Energy submitted the Direct Testimony of Tyler Beemer with Schedules 1-2.²⁵
25. On December 23, 2025, the EIP filed the Notice of EA Availability to Agencies, Tribal Historic Preservation Offices, Tribal Governments, and Shakopee Public Library.²⁶ Additionally, the Commission filed its Notice of Public Hearings and Availability of EA.²⁷
26. The Commission filed the Public Hearing and Availability of EA Notice – EQB Monitor²⁸ and the Scoping Meeting Notice-EQB Monitor on December 26, 2025.²⁹

¹⁶ Ex. EIP-203 (Oral Comments on Environmental Assessment Scope).

¹⁷ Ex. EIP-204 (PUC EIP Staff Recommendations on Scoping Alternatives).

¹⁸ Ex. PUC-309 (Order Limiting Scope for EA).

¹⁹ Prehearing Transcript (October 27, 2025) (eDocket No. 202510-224276-01).

²⁰ Ex. PUC-310 (Scoping Decision for Blue Lake BESS Environmental Assessment).

²¹ Ex. PUC-311 (Notice of EA Scoping Decision).

²² First Prehearing Order (November 13, 2025) (eDocket No. [202511-224903-01](#)).

²³ Ex. App.-106 (Updated Appendix G).

²⁴ Ex. EIP-205 (EA).

²⁵ Ex. App.-107 (Direct Testimony of Tyler Beemer with Schedules 1-2).

²⁶ Ex. EIP-206 (Notice of EA Availability).

²⁷ Ex. PUC-312 (Notice of Public Hearings and Availability of Environmental Assessment).

²⁸ Ex. PUC-313 (Public Hearing and Availability of EA Notice – EQB Monitor).

²⁹ Ex. PUC-314 (Scoping Meeting Notice-EQB Monitor).

27. On January 2, 2026, the Commission filed the Affidavit of Publication – Notice of Public Hearing and Availability or EA.³⁰
28. On January 5, 2026, Xcel Energy submitted the Proposed Exhibit List.³¹
29. On February 12, 2026, the Commission filed the presentation slides from the January 6 and 7, 2026 public hearing presentation.³²
30. On January 13, 2026, the in-person and virtual public hearing transcripts were filed.³³
31. On January 20, 2026, Xcel Energy submitted its EA comments.³⁴ EA and public comments were also submitted by Minnesota Interagency Vegetation Management Planning Working Group (VMPWG),³⁵ Minnesota Department of Natural Resources (DNR),³⁶ and EIP.³⁷
32. On January 22, 2026, the Metropolitan Counsel submitted its EA Comments.³⁸ On February 3, 2026, the Commission filed comments from Karla Swesen,³⁹ Craig Eggen,⁴⁰ and Anthony Webster.⁴¹

III. DESCRIPTION OF THE PROJECT

33. The Project consists of an up to 135.5 MW alternating current battery energy storage system (ESS) with approximately 542 megawatt hours (MWh) of energy capacity on a site located in the City of Shakopee, Scott County, Minnesota.⁴² The Project will include ESS units, medium voltage transformers, a main power transformer, inverters and electrical feeder lines, a 115 kilovolt (kV) transmission line generation interconnect (gen-tie) of less than 500 feet, Project substation, storage, access roads, fencing, and other minor equipment and appurtenant components typical of an ESS project.⁴³
34. The proposed Project will interconnect to the Project substation, and then to the adjacent existing Blue Lake Substation via the Midcontinent Independent System Operator (MISO) surplus interconnection process, which will have an interconnection limitation of up to 135.5

³⁰ Ex. PUC-315 (Affidavit of Publication).

³¹ Proposed Exhibit List - NSP (January 5, 2026) (eDocket No. [20261-226502-01](#)).

³² Public Hearing Presentation (~~DATE~~[February 12, 2026](#)) (eDocket No. [20262-228095-01](#)).

³³ Virtual Public Hearing Transcript (January 13, 2026) (eDocket No. 20261-226795-02); In-Person Public Hearing Transcript (January 13, 2026) (eDocket No. 20261-226795-01).

³⁴ Environmental Assessment Comments (January 20, 2026) (eDocket No. [20261-227140-01](#)). (EA Comments).

³⁵ VMPWG Hearing Comments (January 20, 2026) (eDocket No. [20261-227143-01](#)).

³⁶ DNR EA Comments (January 20, 2026) (eDocket No. [20261-227135-01](#)).

³⁷ EIP Staff EA Comments (January 20, 2026) (eDocket No. [20261-227118-01](#)).

³⁸ Metropolitan Council EA Comments (January 22, 2026) (eDocket No. [20261-227218-01](#)).

³⁹ [Kara Swesen Comment \(February 3, 2026\) \(eDocket No. 20262-227779-01\)](#)

⁴⁰ [Craig Eggen Comment \(February 3, 2026\) \(eDocket No. 20262-227780-01\)](#)

⁴¹ [Anthony Webster Comment \(February 3, 2026\) \(eDocket No. 20262-227781-0\)](#)

⁴² Ex. App.-101 at 1 (Application).

⁴³ Ex. App.-101 at 1, 15 (Application).

MW.⁴⁴ Connecting the Project to the Point of Interconnection (POI) will require less than 500 feet of overhead 115 kV transmission line.⁴⁵

IV. SITE LOCATION AND CHARACTERISTICS

35. The Project is located in the eastern portion of the City of Shakopee, Scott County, Minnesota, immediately north of U.S. Highway 169 and south of County Road 101 (Highway 101). The Project is in Sections 1 and 11 of Township 11N, Range 22W.⁴⁶ The Project is located within the Eastern Broadleaf Forest Province (222), Minnesota, and NE Iowa Morainal (222M), and the Big Woods Subsection (222Mb).⁴⁷
36. Xcel Energy has 100 percent land control of the Project's location and Blue Lake Substation,⁴⁸ approximately 70 acres⁴⁹ of which 11.9 acres are currently designed to host Project components and for storing spare parts for the Project.⁵⁰
37. Land use in the Project area is predominately industrial business parks and commercial areas with residential areas located south of US 169.⁵¹ Developed land use includes public roads and a railway owned by Chicago, Milwaukee, St. Paul, and Pacific Railroad Company.⁵²
38. The Project is not subject to Minn. R. 7850.4400, subp. 4 (prime farmland exclusion).⁵³ Additionally, the approximately 70-acre site proposed for the 135.5 MW Project does not exceed the 0.5 acre per MW use of prime farmland identified in the Rule, and no prime farmland is present in the Project site or Project Development Area.⁵⁴

V. PROJECT SCHEDULE

39. Xcel Energy plans to begin construction in the second quarter of 2026, with a commercial operation date currently anticipated by the second quarter of 2027.⁵⁵

VI. SUMMARY OF PUBLIC COMMENTS

40. The Public Information and EA Scoping meetings were held on September 10 and 11, 2025. No members of the public provided oral comments during the Public Information and EA Scoping Meeting either in-person or remote access.⁵⁶

⁴⁴ Ex. App.-101 at 2, 18 (Application).

⁴⁵ Ex. App.-101 at 16 (Application).

⁴⁶ Ex. App.-101 at 14 (Application).

⁴⁷ Ex. App.-101 at 43 (Application).

⁴⁸ Ex. App.-101 at 9 (Application).

⁴⁹ Ex. App.-101 at 1 (Application).

⁵⁰ Ex. App.-101 at 1-2 (Application).

⁵¹ Ex. App.-101 at 43 (Application).

⁵² Ex. App.-101 at 43 (Application).

⁵³ Laws of Minnesota 2023, chapter 60, article 12, section 67.

⁵⁴ Ex. App.-101 at 20 (Application).

⁵⁵ Ex. App.-101 at 9 (Application).

⁵⁶ Ex. EIP-203(Oral Comments on Environmental Assessment Scope).

41. During the scoping comment period, DNR filed written comments recommending the Commission include special permit conditions related to state-listed endangered and threatened species, and commented on potential environmental impacts regarding security fencing, the vegetation management plan (VMP), lighting, dust control, and wildlife-friendly erosion control.⁵⁷
42. DNR recommended that Xcel Energy use a VMP consistent with DNR's *Prairie Establishment and Maintenance Technical Guidance for Solar Projects*.⁵⁸
43. DNR recommended the security fence reaches a minimum height of 10 feet around the Project in compliance with the agency's minimum height recommendation.⁵⁹
44. DNR recommended the lighting installed at the Project have a nominal correlated color temperature not to exceed 4,000 kelvin and the selection of lighting products that emit the lowest levels of blue hue, blacklight, and glare to minimize impacts to wildlife and insects. DNR acknowledges the Project is not a solar project, nevertheless it asserts the DNR's *Commercial Solar Siting Guidance* is relevant in advising the lighting-related measures.⁶⁰
45. DNR advised against using products that contain chloride as a dust suppression agent because they do not break down and may accumulate to levels that are toxic to wildlife and plants, and recommended the EA address fugitive dust levels and dust suppression measures that will be taken during construction and once the facility is operational.⁶¹
46. DNR recommended the EA discuss wildlife friendly erosion control measures at the Project site. The DNR also recommended using biodegradable erosion control materials that are flexible and rectangular due to entanglement concerns of small wildlife. Specifically, erosion control blankets should be limited to "bio-netting" or "natural netting" types and should not contain plastic mesh or other plastic components. If the Applicant intends to use hydro-mulches, the DNR advised using hydro-mulches that do not contain synthetic fibers (plastic) and malachite green dyes which can pose toxicity concerns for fish, wildlife, and insects.⁶²
47. At the in-person public hearing on January 6, 2026, there were no attendees nor public comments. Approximately four members of the public attended the virtual public hearing on January 7, 2026. One commenter, Nathan Runke, representing the International Union of Operating Engineers Local 49 and its approximately 15,000 members (including over 5,000 in the Twin Cities metro area), expressed support for the project. He emphasized that it would create valuable job opportunities for construction workers, providing work close to home for

⁵⁷ DNR Scoping Comments (September 25, 2025) (eDocket No. [20259-223282-01](#)).

⁵⁸ DNR Scoping Comments (September 25, 2025) (eDocket No. [20259-223282-01](#)).

⁵⁹ DNR Scoping Comments (September 25, 2025) (eDocket No. [20259-223282-01](#)).

⁶⁰ DNR Scoping Comments (September 25, 2025) (eDocket No. [20259-223282-01](#)).

⁶¹ DNR Scoping Comments (September 25, 2025) (eDocket No. [20259-223282-01](#)).

⁶² DNR Scoping Comments (September 25, 2025) (eDocket No. [20259-223282-01](#)).

many ~~members~~. During the written comment period three commenters filed comments expressing support for the project.⁶³

48. Xcel Energy filed written comments on the EA during the public comment period acknowledging the EA is thorough and offered no substantive EA changes, while providing comments on the DSP. Xcel Energy asked the Commission to issue the Site Permit with the modified conditions described below.⁶⁴
49. During the EA comment period, the Vegetation Management Plan Working Group (VMPWG) filed written comments recommending the Commission do not act at this time; instead, it outlined revisions so the VMP meets pre-construction compliance and anticipated permit conditions, and requests continued coordination with EIP, agencies, and VMPWG through pre-construction review. The plan should clearly cover objectives, activities, responsible parties, tools, monitoring, invasive control, and marked-up site plans with seed mixes.⁶⁵
50. During the EA comment period, the DNR submitted written comments concurring that Xcel Energy's rare plant survey shows a probable absence of state-listed species (including Louisiana broomrape), and no further surveys are required. It appreciates Xcel Energy's prompt response to its prior species-impact concern.⁶⁶
51. DNR supported the security fence design described in the EA but recommended a special condition requiring coordination of the final fencing plan with the DNR, modeled on Snowshoe Energy Storage Project special condition 5.7. This recommendation is based on potential wildlife impacts from fencing.⁶⁷
52. DNR requested a more detailed explanation of vegetation reestablishment phases and the types of species to be planted, recommending diverse native mixes suited to site conditions to minimize erosion and runoff. The DNR supports draft site permit special condition 5.8 and offers to coordinate on practices and seed mixes.⁶⁸
53. DNR supported standard condition 4.3.28 in the DSP to minimize lighting impacts, stating that this condition is considered sufficient as written, standard condition 4.3.30 requiring plastic-free erosion control materials to avoid harm to wildlife. and standard condition 4.3.29 for dust control, noting the EA's discussion of watering exposed surfaces as standard practice for reducing fugitive dust.⁶⁹

⁶³ [Kara Swesen Comment \(February 3, 2026\) \(eDocket No. 20262-227779-01\)](#); ⁶³ [Craig Eggen Comment \(February 3, 2026\) \(eDocket No. 20262-227780-01\)](#); ⁶³ [Anthony Webster Comment \(February 3, 2026\) \(eDocket No. 20262-227781-0\)](#)

⁶⁴ Xcel Energy EA Comments (January 20, 2026) (eDocket No. [20261-227140-01](#)).

⁶⁵ VMPWG EA Comments (January 20, 2026) (eDocket No. [20261-227143-01](#)).

⁶⁶ DNR EA Comments (January 20, 2026) (eDocket No. [20261-227135-01](#)).

⁶⁷ DNR EA Comments (January 20, 2026) (eDocket No. [20261-227135-01](#)).

⁶⁸ DNR EA Comments (January 20, 2026) (eDocket No. [20261-227135-01](#)).

⁶⁹ DNR EA Comments (January 20, 2026) (eDocket No. [20261-227135-01](#)).

54. EIP submitted written comments on the EA during the public comment period indicating it supports technical updates reflecting the Energy Infrastructure Permitting Act and the correction of inadvertent photovoltaic terminology, together with project-specific conditions that enhance oversight and community and environmental protections.⁷⁰
55. EIP's proposed conditions include independent third-party monitoring; cultural resources safeguards, including an unanticipated discoveries plan; visual screening; pre-construction noise modeling; post-construction noise studies with enforceable MPCA compliance; and a Hazard Mitigation Analysis consistent with industry standards.⁷¹
56. Given the project's location in an environmental justice area, EIP also recommended a community benefit agreement with the City of Shakopee, coordination with SHPO, preparation of a VMP, an explicit cross-reference to the decommissioning plan, and annual availability reporting tailored to a stand-alone storage facility.⁷²
57. During the EA comment period, the Metropolitan Council (Met Council) submitted EA comments during the public comment period that stated it found the EA complete and accurate for regional concerns and not inconsistent with Council policies, exclaiming that it will not take formal action on the EA.⁷³
58. Met Council recommended that extra precautions be taken, especially during construction, because the Project site has a very fast infiltration rating, meaning pollutants could reach groundwater within hours to weeks.⁷⁴
59. Met Council recommended replanting areas where non-native vegetation is removed with native species so it can improve climate resilience and stormwater management.⁷⁵
60. Xcel Energy submitted its response to public hearing comments submitted at the public hearing and through the January 20, 2026 comment deadline submitted by the EIP, DNR, VMPWG, and Met Council. Xcel Energy remains committed to working cooperatively with EIP as it prepares and submits its pre-construction filings, including updates to the decommissioning plan, and will continue to address the specific issues raised to support environmental protection, regulatory compliance, and transparent stakeholder communication. Furthermore, Xcel Energy will continue to work DNR, VMPWG, and Met Council to incorporate the recommendations, revise the decommissioning plan, and finalize the VMP prior to the start of construction.⁷⁶

⁷⁰ EIP EA Comments (January 20, 2026) (eDocket No. [20261-227118-01](#)).

⁷¹ EIP EA Comments (January 20, 2026) (eDocket No. [20261-227118-01](#)).

⁷² EIP EA Comments (January 20, 2026) (eDocket No. [20261-227118-01](#)).

⁷³ Metropolitan Council Comments (January 22, 2026) (eDocket No. [20261-227218-01](#)).

⁷⁴ Metropolitan Council Comments (January 22, 2026) (eDocket No. [20261-227218-01](#)).

⁷⁵ Metropolitan Council Comments (January 22, 2026) (eDocket No. [20261-227218-01](#)).

⁷⁶ Xcel Energy Response to Public Comments (February ~~17~~, 2026) (eDocket No. [20262-227759-01](#) .)

VII. PERMITTEE

61. The permittee for the Project is Xcel Energy.⁷⁷

VIII. CERTIFICATE OF NEED

62. The Project does not require a certificate of need. Under Minn. Stat. § 216B.243, subd. 8(9), a certificate of need is not required for ESS.⁷⁸

IX. SITE PERMIT CRITERIA

63. ESS are governed by Minn. Stat. ch. 216E (2023) and Minn. R. ch. 7850. Minn. Stat. § 216E.01, subd. 3a (2023), defines an ESS as “equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.”

64. A site permit is required prior to construction of the Project.⁷⁹

65. An ESS is eligible for the alternative permitting process under Minn. Stat. § 216E.04 (2023). Xcel Energy filed the Application under the alternative process established by the Commission in Minn. R. parts 7850.2800-7850.3900.⁸⁰

66. Under Minn. Stat. § 216E.04 (2023), for an ESS permitted under the alternative permitting process, EIP prepares an EA for the Commission containing information on the human and environmental impacts of the proposed Project and addresses mitigating measures. The EA is the only state environmental review document required to be prepared on the Project.

67. EIP is responsible for evaluating the Application and administering the environmental review process.⁸¹

X. APPLICATION OF SITING CRITERIA TO THE PROPOSED PROJECT

A. Human Settlement

68. Minnesota law requires consideration of the Project’s effects on human settlement, including displacement of residences and businesses, noise created by construction and operation of the Project, and impacts to aesthetics, cultural values, recreation, and public services.⁸²

1. Aesthetics

⁷⁷ Ex. App.-101 at 8 (Application).

⁷⁸ Ex. App.-101 at 13 (Application).

⁷⁹ Ex. App.-101 at 10 (Application).

⁸⁰ Ex. App.-100 (Notice of Intent to Submit a Site Permit Application Under Alternative Review Process).

⁸¹ Ex. EIP-205 (EA).

⁸² Minn. R. 7850.4100, subp. A.

69. The visible elements of the ESS will consist of battery energy storage units, transformers and inverters, a Project substation, a short transmission line, and security fencing surrounding the Project.⁸³
70. The Project is naturally screened by trees and bodies of water. There are existing rows of trees and shrubs in conjunction with varying elevations that provide screening from U.S. Highway 169 to the south of the site.⁸⁴
71. Exterior security lighting will be installed at the Project substation and within the ESS pad areas for safety and security.⁸⁵
72. Lighting will be downward facing and will minimize blue hues to minimize impacts from facility lighting.⁸⁶
73. Given the Project's siting within an established industrial setting and its proximity to existing electrical facilities of similar scale and character, the Project would blend with the prevailing visual context and avoid introducing new or incompatible features. As a result, changes to viewsheds and overall visual character are anticipated to be minor, and the aesthetic impact intensity would be minimal.⁸⁷ The project will convert approximately eight acres from its current landcover into a BESS facility. Although the change will be noticeable, the facility is similar in appearance to the existing electric infrastructure and other industrial and commercial features in the project area.⁸⁸
74. Aesthetic impacts from the project are anticipated to be minimal. The gen-tie structures will be the most visible element of the facility as the BESS enclosures would be relatively difficult to see due to their relatively low height, the site's topography and distance from roads and residential areas. For motorists along US Highway 169, the view would be fleeting. Residents in the project vicinity, residents traveling local roads, and users of the Quarry Lake Park are likely to be more sensitive to aesthetic impacts, but the topography of the site, but the substation and transmission structures would be indiscernible from those of the adjoining Blue Lake Substation.⁸⁹
75. DSP Special Condition 5.1 would require Xcel Energy to develop a site-specific Visual Screening Plan to mitigate visual impacts to adjacent properties and public viewpoints, with stated objectives and detailed planting specifications (species, locations, installation, establishment, and maintenance), and to show on the Section 8.3 Site Plan any plantings within its site control. Xcel Energy would be required to ensure successful growth, health, and

⁸³ Ex. App.-101 at 1, 15, 16 (Application).

⁸⁴ Ex. App.-101 at 44 (Application).

⁸⁵ Ex. App.-101 at 46 (Application).

⁸⁶ Ex. App.-101 at 46 (Application).

⁸⁷ Ex. EIP-205 at 35 (EA).

⁸⁸ Ex. EIP-205 at 36 (EA).

⁸⁹ Ex. EIP-205 at 36 (EA).

maintenance of the vegetation for three years. At least 14 days before the pre-construction meeting, it would also need to file the plan, documentation of coordination with adjacent landowners and entities with public viewpoints, and an affidavit confirming distribution of the plan to those parties.⁹⁰

76. In its EA Comments, Xcel Energy argues Special Condition 5.1 is overbroad because the EA finds visual impacts will be minimal given the project's siting in an industrial park amid existing electrical infrastructure. The project design already incorporates vegetative screening along the western edge to address views from Quarry Lake Park, while the north is naturally screened by existing trees, the south abuts the Blue Lake Substation, and the east borders an active utility corridor that cannot be vegetated. In light of these existing conditions and constraints, broad screening for "adjacent properties and public viewpoints" is unnecessary. Xcel proposes narrowing the condition to address only public viewpoints within Quarry Lake Park and to coordinate solely with the City of Shakopee.⁹¹ EIP staff did not object to Xcel Energy's proposed modification of this condition.⁹²
77. Accordingly, while existing conditions address many visual impact concerns, the record supports a limited special condition requiring the Permittee to develop and implement a site-specific Visual Screening Plan focused on mitigating visual impacts to public viewpoints within Quarry Lake Park.⁹³
78. The record demonstrates that Xcel Energy has taken steps to avoid and minimize visual impacts.⁹⁴

2. Noise

79. The Minnesota Pollution Control Agency (MPCA) has established standards for the regulation of noise levels. The most restrictive MPCA noise limits are 60–65 A-weighted decibels (dBA) during the daytime and 50–55 dBA during the nighttime.⁹⁵
80. In Minnesota, noise standards are based on noise area classifications (NAC) corresponding to the location of the listener, referred to as a receptor. NACs are assigned to areas based on the type of land use activity occurring at that location. Household units, designated camping and picnicking areas, resorts and group camps are assigned to NAC 1; recreational activities (except designated camping and picnicking areas) and parks are assigned to NAC 2; agricultural and related activities are assigned to NAC 3.⁹⁶

⁹⁰ Ex. EIP-205 at 37 (EA).

⁹¹ Xcel Energy's EA Comments at 2-4 (January 20, 2026) (eDocket No. [20261-227140-01](#)).

⁹² EIP Staff Reply Comments at 2, February 17, 2026 (eDocket No. _____)

⁹³ Xcel Energy EA Comments (January 20, 2026) (eDocket No. [20261-227140-01](#)); Ex. EIP-205 at 35 (EA); Ex. App.-101 at Figure 2 (Application).

⁹⁴ Ex. App.-101 at 46 (Application).

⁹⁵ Minn. R. 7030.0040.

⁹⁶ Ex. EIP-205 at 38 (EA).

81. The Project is in an industrial area. The primary noise receptors are the local residences. Although there are no residences within the site, there are residences in local proximity (within 2,000 feet).⁹⁷ The local residential homes fall under NAC 1. Noise receptors could also include individuals working outside of the Project vicinity. Potential noise impacts from the Project are associated with ambient noise of the existing Blue Lake Peaking Plant, Blue Lake Substation, traffic on U.S. Highway 169 and local roads, railroads, industrial equipment/operations, wind, vehicle traffic, birdsong, and residences.⁹⁸
82. Distinct noise impacts during construction are anticipated to be moderate to significant depending on location. Noise from construction will be temporary and limited to daytime hours.⁹⁹
83. Noise levels during operation of the Project are anticipated to be minimal. The primary noise sources from the ESS facility will be the substation transformer, inverters, and the cooling equipment in the BESS containers.¹⁰⁰ In its noise analysis, Xcel Energy found the facility-only nighttime noise of 50 dBA, below the ambient noise of 64 and 70 dBA at the modeled residences. Because the modeled results are less than the ambient noise of 64 and 70 dBA at the modeled residences, primarily from highway traffic, the noise is not anticipated to be a significant contributor to total sound levels in the area and is not expected to have a perceptible impact at residences and other sensitive receptors.¹⁰¹
84. Sound control devices on vehicles and equipment (e.g., mufflers) conducting construction activities during daylight hours, and running vehicles and equipment only when necessary are common ways to mitigate construction noise impacts.¹⁰²
85. The record demonstrates that Xcel Energy has taken steps to avoid and minimize noise impacts. Further, Section 4.3.7 of the Draft Site Permit (“DSP”) requires the permittee to comply with noise standards established under Minnesota noise standards as defined under Minnesota Rule, part 7030.010 to 7030.0080, and to limit construction and maintenance activities to daytime hours to the extent practicable.¹⁰³
86. DSP Special Condition 5.3 would require Xcel Energy to file a pre-construction noise modeling and impact assessment summarizing results from noise propagation modeling using the selected equipment and final layout prior to construction of the facility. This condition also requires the permittee to file an updated noise impact assessment prior to modifying the permitted facility.¹⁰⁴ As the EA notes, “the noise is not anticipated to be a significant

⁹⁷ Ex. EIP-205 at 39 (EA).

⁹⁸ Ex. EIP-205 at 39 (EA); Ex. App.-101 at 63 (Application).

⁹⁹ Ex. EIP-205 at 39 (EA).

¹⁰⁰ Ex. EIP-205 at 40 (EA).

¹⁰¹ Ex. EIP-205 at 40 (EA).

¹⁰² Ex. EIP-205 at 40 (EA).

¹⁰³ Ex. EIP-205 at 41 (EA); Ex. EIP-205 at Appendix C (Draft Site Permit).

¹⁰⁴ Ex. EIP-205 at 41 (EA).

contributor to total sound levels in the area and is not expected to have a perceptible impact at residences and other sensitive receptors.” The primary source of noise during operation will be the substation transformer, inverters, and the cooling equipment in the BESS containers. The modeling estimates facility-only nighttime noise of 50 dBA, below the ambient noise of 64 and 70 dBA at the modeled residences. Accordingly, transformer and inverter noise is consistent with existing noise in the area.¹⁰⁵

87. In its reply comments, Xcel Energy provided additional information to demonstrate that further modeling is not necessary to demonstrate compliance with the noise standards. Specifically, Xcel Energy agrees to submit a pre-construction noise impact assessment based on final equipment selections and the approved site layout. However, it objects to the condition requiring updated noise assessments before any facility modification over the Project’s life, arguing that this trigger is overbroad and burdensome because it could capture routine operational changes without material noise effects. Xcel Energy contends that the Project’s industrial setting and the existing permit amendment requirement under Minn. Stat. § 216I.09 for significant changes already ensure ongoing compliance with Minnesota Noise Standards. Accordingly, Xcel Energy asks the Commission to delete the final sentence of Special Condition 5.3.¹⁰⁶ In its reply comments, EIP staff indicated that it does not object to Xcel Energy’s modification of this condition, provided there are no changes to DSP Special Condition 5.2 requiring the permittee to notify the Commission of battery augmentation activities and demonstrate compliance with the noise assessment required under pre-construction modeling.¹⁰⁷ The Administrative Law Judge finds that Xcel Energy’s proposed modification to Special Condition 5.3 is reasonable based on the record.
88. Proposed Special Condition 5.4 would require Xcel Energy to submit, at least 14 days before the pre-construction meeting, a proposed methodology—developed in consultation with Commission staff—for a post-construction noise study, to conduct that study, and to file the completed study within 18 months after commencing commercial operation. It would also require that the BESS and associated facilities be sited and operated to comply at all times with MPCA noise standards, and that operations be modified or project components taken out of service as needed to ensure compliance.¹⁰⁸
89. Xcel Energy asserts that mandatory post-construction noise monitoring is unnecessary absent an unresolved complaint because the Project is located in an industrial area and modeling shows compliance with MPCA noise standards. ~~It notes that the Commission has typically required noise monitoring only when there are unresolved noise complaints for other energy projects. Accordingly,~~ Xcel proposes replacing Special Condition 5.4 with language that limits monitoring to situations involving unresolved complaints, requires coordination and protocol

¹⁰⁵ Ex. EIP-205 at 40 (EA).

¹⁰⁶ Xcel Energy’s EA Comments at 4 (January 20, 2026) (eDocket No. [20261-227140-01](#)).

¹⁰⁷ EIP Staff Reply Comments at 3 (February 17, 2026) (eDocket No. _____)

¹⁰⁸ Ex. EIP-205 at 41 (EA).

approval by Commission staff, and commits to provide results and implement mitigation if any violations are identified.¹⁰⁹ In its reply comments EIP staff indicated that, because ESS facilities operate and generate noise during both daytime and nighttime hours, staff generally support a condition requiring noise monitoring during operation for ESS facilities to confirm pre-construction modeling results. In this case, however, EIP staff agree with Xcel Energy that, given the project's location, proactive noise monitoring to confirm pre-construction noise modeling estimates is likely not necessary, and a complaint-based approach may better suit this location. EIP staff do not support Xcel Energy's removal of the DSP condition's requirement to be placed and operated to comply with state noise standards at all times and propose to restore that language.¹¹⁰.

90. The record demonstrates that the Project is sited within an industrial area and that pre-construction noise modeling shows compliance with MPCA noise standards, rendering blanket post-construction noise monitoring unnecessary. ~~Consistent with Commission practice to require monitoring only upon unresolved complaints,~~ The Administrative Law Judge finds Xcel Energy's proposed alternative condition—limiting monitoring to unresolved complaints with coordination and approval by Commission staff and requiring mitigation for any violations— along with EIP staff's proposed language clarifying that project facilities be located and operated to comply with noise standards and that operation of the facility shall be modified or project components removed if necessary to comply with noise standards appropriate and sufficient to ensure compliance.¹¹¹

3. *Cultural Values.*

91. The Project is not anticipated to impact or alter the work life and leisure pursuits of residents or visitors in the Project area or affect land use in such a way as to impact the underlying culture or community unity of the area. Because of the relatively small size of the Project and the Project's location in an industrial area, impacts to cultural resources from the Project are anticipated to be minimal.¹¹²
92. There are no conditions included in the DSP that directly address mitigation for impacts to cultural values. No additional mitigation is proposed.¹¹³

4. *Land Use and Zoning.*

¹⁰⁹ Xcel Energy's EA Comments at 5-7 (January 20, 2026) (eDocket No. [20261-227140-01](#)).

¹¹⁰ EIP Staff Reply Comments at 4-5 (February 17, 2026) (eDocket No. _____).

¹¹¹ Ex. EIP-205 at 39-40 (EA); *See, e.g., Order Granting Site Permit, In the Matter of the application of Otter Tail Power Company for a Site Permit for the up to 66 MW Solway Solar Project in Beltrami County, Minnesota* EIP Staff Reply Comments at 4-5 (February 17, 2026) (eDocket No. _____).

¹¹² Ex. EIP-205 at 42 (EA).

¹¹³ Ex. EIP-205 at 42 (EA).

93. Development of an ESS in this area is consistent with the types of permitted uses in Shakopee’s Light Industrial Zone, and the surrounding land uses. Thus, the Project makes good use of the land.¹¹⁴
94. The Project would convert approximately 7.8 acres of land from its current landcover to impermeable surfaces for the life of the Project for energy storage. Xcel Energy intends to utilize best management practices (BMPs) as feasible to reduce the impact on land use.¹¹⁵
95. Xcel Energy has developed a draft decommissioning plan¹¹⁶ that will be implemented at the conclusion of the Project. The decommissioning plan outlines the plan to remove all Project-related infrastructure and restore and reclaim the site to pre-Project conditions to the extent feasible.¹¹⁷
96. EIP submitted EA comments on January 20, 2026 that largely focuses on the decommissioning plan. For the decommissioning plan, EIP recommends a stand-alone, current document that aligns with Commission guidance, accurately describes the constructed facility, expressly ties the objective to site restoration under the permit, and establishes a transparent five-year update cadence with a revision history and links. EIP further requests a clearer project description, identification of permits and notifications, detailed decommissioning tasks and sequencing, specified disposal and recycling pathways, and a more concrete schedule rather than generic statements. EIP also seeks expanded cost assumptions with periodic updates and a defined financial assurance mechanism to ensure end-of-life funds are available.¹¹⁸
97. Xcel Energy submitted responsive comments on February 2, 2026 stating that it remains committed to working cooperatively with EIP as it prepares and submits its pre-construction filings, including updates to the decommissioning plan, and will continue to address the specific issues raised to support environmental protection, regulatory compliance, and transparent stakeholder communication.¹¹⁹

5. Property Values.

98. Impacts to the value of specific properties within the Project vicinity are difficult to determine but could occur.¹²⁰
99. Because each landowner has a unique relationship and sense of value associated with their property a landowner’s assessment of potential impacts to their property’s value is often a deeply personal comparison of the property “before” and “after” a proposed project is

¹¹⁴ Ex. EIP-205 at 43 (EA); Ex. App.-101 at 14-15 (Application).

¹¹⁵ Ex. EIP-205 at 43-44 (EA).

¹¹⁶ Ex. App.-107 at Appendix E (Application).

¹¹⁷ Ex. EIP-205 at 44 (EA).

¹¹⁸ EIP EA Comments (January 20, 2026) (eDocket No. [20261-227118-01](#)).

¹¹⁹ Xcel Energy Response to Public Comments (February 2, 2026) (eDocket No. [_20262-227759-01_](#)).

¹²⁰ Ex. EIP-205 at 44 (EA).

constructed. The landowner's judgments, however, do not necessarily influence the market value of a property.¹²¹

100. The Commission was unable to locate peer reviewed literature that addressed potential impacts to property values from stand-alone ESS.¹²²
101. Impacts to the value of specific properties within the Project vicinity are difficult to determine. To the extent that negative impacts do occur they are expected to decrease with distance from the Project and with time. Aesthetic and noise impacts that might affect property values would be limited to residences and parcels in the Project vicinity, but there are no homes in the local vicinity—the nearest homes are located approximately 2,000 feet from the developed area.¹²³
102. Impacts to property values can be mitigated by reducing aesthetic impacts and encumbrances to future land use. Impacts can also be mitigated through individual agreements with neighboring landowners.¹²⁴
103. Xcel Energy will mitigate aesthetic impacts to residences by coordinating with the City of Shakopee on a tree screening plan along the 70th Street South corridor to provide visual screening of the Project from Quarry Lake Park and aid requests the City of Shakopee has made with regard to tree restoration.¹²⁵

6. *Tourism and Recreation*

104. Tourism in the Project area is largely related to recreational activities at Quarry Lake Park, adjacent to the Project. The recreational activities may include boat and kayaking use, fishing, water skiing, playground usage, picnics, and paved trails.¹²⁶
105. Impacts to Quarry Lake Park are possible due to proximity to the Project. Negative impacts to water quality may occur during construction due to runoff. Negative impacts to aesthetics may occur to individuals utilizing Quarry Lake during construction as well. These impacts are short-term and can be mitigated. Impacts to other recreation or tourism areas are not anticipated.¹²⁷
106. The Project is located on private and industrial land. Therefore, impacts are anticipated to be minimal and temporary.¹²⁸

¹²¹ Ex. EIP-205 at 44 (EA).

¹²² Ex. EIP-205 at 44 (EA).

¹²³ Ex. EIP-205 at 45 (EA).

¹²⁴ Ex. EIP-205 at 45 (EA).

¹²⁵ Ex. App.-101 at 45 (Application).

¹²⁶ Ex. EIP-205 at 62 (EA).

¹²⁷ Ex. EIP-205 at 63 (EA).

¹²⁸ Ex. EIP-205 at 63 (EA).

107. Impacts can also be mitigated by reducing impacts to natural landscapes and features during construction. The DSP includes several conditions that help minimize and mitigate impacts from the Project to recreational resources (in particular Quarry Lake Park).¹²⁹

7. *Transportation and Public Services*

108. Potential impacts to the electrical grid, roads and railroads, and other utilities are anticipated to be short-term, intermittent, and localized during construction. Impacts to water (wells and septic systems) are not expected to occur. Construction of the Project will require relocation of the access road to the Magellan pipeline valve site, but with proper marking to avoid work near underground utilities direct impacts to existing pipelines are not expected. Impacts to railroads and pipelines are not expected to occur. Overall, construction-related impacts are expected to be minimal, and are associated with possible traffic delays. During operation, negligible traffic increases would occur for maintenance. Impacts are unavoidable but can be minimized.¹³⁰

109. There are no anticipated impacts to geologic or groundwater resources from the Project. Xcel Energy has not identified any existing wells or septic fields on the site in its search of Minnesota Department of Health (MDH) or landowner records that would require additional groundwater permits (e.g., well construction permit).¹³¹ If any previously unmapped wells are discovered, Xcel Energy will coordinate with MDH on how to proceed.¹³²

110. Xcel Energy is the electric provider serving the immediate vicinity and many of the industrial users surrounding the Project.¹³³ No long-term impacts to utilities will occur because of the Project. The Project will impact existing utilities during the interconnection of the Project substation to the Blue Lake Substation.¹³⁴

111. The Land Control Area is accessible from 70th Street South, along the western boundary of the site. No impacts to roads are anticipated during the operation; negligible traffic increases would occur for maintenance.¹³⁵

112. The Project will border the Chicago, Milwaukee, St. Paul, and Pacific Railroad, which is along the Project's northern boundary between the site and Highway 101. The Project will avoid railroad property and railroad right of way (ROW).¹³⁶

8. *Socioeconomics.*

¹²⁹ Ex. EIP-205 at 63-64 (EA).

¹³⁰ Ex. EIP-205 at 45 (EA).

¹³¹ Ex. EIP-205 at 45 (EA).

¹³² Ex. EIP-205 at 71 (EA).

¹³³ Ex. EIP-205 at 45 (EA).

¹³⁴ Ex. EIP-205 at 47 (EA).

¹³⁵ Ex. EIP-205 at 47 (EA).

¹³⁶ Ex. EIP-205 at 46 (EA).

113. The potential impact intensity level is anticipated to be minimal and positive. Effects associated with construction will, overall, be short-term and minimal. Significant positive effects may occur for individuals. Impacts from operation will be long-term and negligible. Adverse impacts are not anticipated.¹³⁷
114. Construction of the Project is likely to result in increased expenditures for lodging, food and fuel, transportation, and general supplies at local businesses during construction. Construction of the Project will create local job opportunities for various trade professionals and will also generate and circulate income throughout the community by investing in local business expenditures as well as state and local taxes.¹³⁸
115. The Project is expected to create approximately an average of 30 workers on site, with peak levels of up to 80, during the construction phase, and three long-term personnel during the operations phase.¹³⁹
116. Once the Project is operational, Xcel Energy will pay property tax payments of approximately \$3 million to the City of Shakopee and Scott County over the anticipated twenty-year life of the Project.¹⁴⁰
117. ~~As s~~Socioeconomic impacts are anticipated to be positive in the short term and insignificant over the long-term operation of the Project.¹⁴¹

9. *Environmental Justice.*

118. Environmental justice (EJ) means the “fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income in the development, implementation, and enforcement of environmental laws, regulations, and policies.”¹⁴²
119. In Minnesota, environmental justice areas are defined as census tracts:
- in which at least 40 percent of the population is nonwhite
 - in which at least 35 percent of households have income at or below 200 percent of the federal poverty level
 - in which at least 40 percent of the population has limited proficiency in English; or
 - which are located within Indian Country, which is defined as federally recognized reservations and other Indigenous lands.¹⁴³

¹³⁷ Ex. EIP-205 at 48 (EA).

¹³⁸ Ex. EIP-205 at 50 (EA).

¹³⁹ Ex. EIP-205 at 50 (EA).

¹⁴⁰ Ex. EIP-205 at 50 (EA).

¹⁴¹ Ex. EIP-205 at 51 (EA).

¹⁴² Ex. EIP-205 at 51 (EA).

¹⁴³ Minn. Stat. § 116.065; Ex. EIP-205 at 51 (EA).

120. ~~Based on a demographic assessment of the affected community~~The Project is located within a census tract that meets the definition of an environmental justice area based on the percentage of the census tract’s population that identifies as nonwhite (42.6 percent compared to the statutory threshold of 40 percent). Potential environmental justice impacts to the community from the Project would be largely associated with construction. The project has the potential to impact the local community through aesthetics, noise and air quality by way of fugitive dust from construction vehicles. Traffic has the potential to also negatively impact the community. These impacts will be minimal to moderate and short-term and can be mitigated. Xcel Energy proposed several mitigation measures in its SPA, including community engagement and implementing construction best practices to limit traffic impacts, noise, and dust.; ~~the~~The Project is not anticipated to have disproportionately high and adverse human health or environmental effects on low-income, minority, or tribal populations.¹⁴⁴
121. Section 5.6 of the DSP requires Xcel Energy to enter into a Community Benefit Agreement with the city of Shakopee ~~that mitigates environmental justice impacts to the community to formalize Xcel Energy’s proposed mitigation measures. Community benefits agreements formed between the project owner and host community can be tailored to support priorities unique to the host community. These agreements may include outreach to local schools, city officials, and local tribes, such as the applicant proposed in the SPA. Community investment funds, grants to the host community, funding for community projects, scholarships, and training programs are other examples of collective benefits that can be included in benefits agreements as means to mitigate the impacts of energy infrastructure projects.~~¹⁴⁵
122. Xcel Energy asserts that requiring a Community Benefits Agreement is inconsistent with the EA’s finding that the Project “is not anticipated to have disproportionately high and adverse human health or environmental effects on low-income, minority, or tribal populations.”¹⁴⁶
123. While the DSP suggests that Xcel Energy enter into an agreement with the City of Shakopee, the City has not raised this as an issue of concern.
124. Xcel Energy opposes Proposed Special Condition 5.6, stating that the record does not contain specific evidence relating to the issues that should be addressed in a Community Benefits Agreement. ~~The and the~~ lack of specificity about what an agreement might cover creates uncertainty about Xcel Energy’s obligations under the proposed permit condition and how non-compliance would be determined, particularly given that the Commission would be essentially requiring an independent local unit of government to enter into this agreement as well. Xcel Energy asserts that Bbased on the record as a whole, the mere presence of the Project within an EJ community, without evidence of significant, specific potential negative impacts to the EJ community, is insufficient to require a Community Benefits Agreement.

¹⁴⁴ Ex. EIP-205 at 51-54 (EA).

¹⁴⁵ Ex. EIP-205 at ~~77-54~~ (EA); Ex. EIP-205 at Appendix C (EA)

¹⁴⁶ Xcel Energy’s EA Comments at 8 (January 20, 2026) (eDocket No. [20261-227140-01](#)).

Xcel Energy requests the Commission decline to include proposed Special Condition 5.6 in the site permit for the Project.¹⁴⁷ The record here shows a mix of both positive and negative potential community impacts, ~~many positive. Where there are potential impacts, Both Xcel Energy and EIP staff agreed that~~ conditions already included in the DSP help mitigate those impacts.¹⁴⁸ EIP staff disagreed with Xcel Energy and supported inclusion of a special condition requiring a community benefit agreement.¹⁴⁹ ~~Because the record does not indicate a disproportionate adverse impact to low income, minority, or tribal populations, the Administrative Law Judge finds that a Community Benefits Agreement is not warranted here.~~

B. Public Health and Safety.

125. Minnesota law requires consideration of the Project's potential effect on health and safety.¹⁵⁰

1. Electric and Magnetic Fields (EMF).

126. Currently, there are no federal regulations regarding allowable extremely low frequency electro and magnetic fields (ELF-EMF) produced by power lines in the United States; however, state governments have developed state-specific regulations.¹⁵¹

127. The Commission limits the maximum electric field under high voltage transmission lines in Minnesota to 8.0 kV/m. It has not adopted a standard for magnetic fields.¹⁵²

128. The primary sources of EMF from the facility will be from the buried electrical collection lines, the medium voltage transformers, and the gen-tie line between the Project substation and the Blue Lake Substation.¹⁵³

129. No health impacts from EMF are anticipated. EMF diminishes with distance from a conductor or inverter. The nearest home is approximately 2,000 feet from the Blue Lake substation and 2,025 from the nearest inverter. At these distances both electric and magnetic fields will dissipate to background levels. No additional mitigation is proposed.¹⁵⁴

2. Public Safety and Emergency Services

130. The Project will be designed and constructed in compliance with applicable electric codes. Electrical inspections will ensure proper installation of all components, and the

¹⁴⁷ Xcel Energy Environmental Assessment Comments at 8-9 (January 20, 2026) (eDocket No. [20261-227140-01](#)).

¹⁴⁸ Ex. EIP-205 at 77 (EA).

¹⁴⁹ [EIP Staff Reply Comments at 2, February 17, 2026 \(eDocket No. _____\)](#)

¹⁵⁰ Minn. Stat. § 216E.03, subd. 7(b)(1); Minn. R. 7850.4100, subp. B.

¹⁵¹ Ex. EIP-205 at 57 (EA).

¹⁵² Ex. App.-101 at 57 (Application).

¹⁵³ Ex. EIP-205 at 58 (EA).

¹⁵⁴ Ex. EIP-205 at 58 (EA).

Project will undergo routine inspection. Electrical work will be completed by trained technicians.¹⁵⁵

131. The inflow of temporary construction personnel could increase demand for emergency and public health services. On the job injuries of construction workers requiring assistance due to slips, trips or falls, equipment use, or electrocution can create a demand for emergency, public health, or safety services that would not exist if the Project were not to be built. Although no road closures are anticipated during construction, any temporary closures could impede police, fire, and other rescue vehicles' access to the site of an emergency.¹⁵⁶
132. The main safety hazard of a BESS is battery failure leading to thermal runaway which has the potential to spread to nearby batteries and containers, quickly presenting an emergency.¹⁵⁷
133. The National Fire Protection Association (NFPA) issued updated NFPA 855 Standard for the Installation of Stationary Energy Storage Systems in 2023 and will update again in 2026. NFPA standards require BESS facilities to prepare a hazard mitigation analysis (HMA) detailing the results of the equipment testing and the risks associated with the technology prior to installation of the BESS.¹⁵⁸
134. DSP Section 5.5 requires Xcel Energy to file a HMA detailing the testing results for the selected equipment and the risks associated with the technology at least 30 days prior to the pre-construction meeting.¹⁵⁹
135. Xcel Energy will use lithium-ion phosphate (LFP) technology and Blue Lake's facility design uses modular containers that are tested by the manufacturer to ensure fire resistance. Modern BESS containers include explosion prevention systems to remove flammable gases during a thermal runaway event and relieve pressure to limit gas levels within the containers from reaching levels that can be flammable or explosive. The containers are spaced to minimize the potential for fire to spread to other containers. The BESS equipment is monitored remotely, tracking cell voltage and temperature to identify and isolate potential issues before they occur. The facility will also install fire detection systems at the containers to recognize incidents and disconnect and isolate failed equipment.¹⁶⁰
136. Construction is bound by federal and state Occupational Safety and Health Administration (OSHA) requirements for worker safety, and must comply with local, state, and federal

¹⁵⁵ Ex. EIP-205 at 60 (EA).

¹⁵⁶ Ex. EIP-205 at 59 (EA).

¹⁵⁷ Ex. EIP-205 at 59 (EA).

¹⁵⁸ Ex. EIP-205 at 61 (EA).

¹⁶⁰ Ex. EIP-205 at 60-61 (EA).

regulations regarding installation of the facilities and qualifications of workers. Established industry safety procedures will be followed during and after construction of the Project. Crews will be trained and briefed on safety issues, reducing the risk of injury. The Project will be fenced to prevent unauthorized access.¹⁶¹

137. The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to public safety and emergency services. Further, public safety is addressed in Sections 4.3.27, 5.5, 8.12, 8.13, and 9.1 of the DSP.¹⁶²

C. Land-Based Economics.

138. Minnesota law requires consideration of the Project's potential effect on land-based economies – specifically, agriculture, forestry, tourism, and mining.¹⁶³

139. The Project is not anticipated to have impacts on agriculture, forestry, and mining.¹⁶⁴ The Project will have minimal impacts on tourism and recreation, as discussed in Section A(6) above.

D. Archaeological, Cultural, and Historic Resources.

140. Minnesota law requires consideration of the Project's potential effects on historic and archaeological resources.¹⁶⁵

141. Xcel Energy conducted a Phase I cultural resource field survey within the preliminary development area to identify previously recorded archaeological and historic architectural resources within the Project on April 14, 2025. This review also examined records from the Minnesota State Historic Preservation Office (SHPO) and Minnesota Office of the State Archeologist for an area within one mile of the site boundary. The literature review did not identify any previously recorded archaeological resources or National Register or Historic Places properties within one mile of the site.¹⁶⁶

142. Section 5.7 of the DSP requires the permittee to file correspondence from SHPO to ensure that SHPO recommendations on mitigation measures, including surveys, are in the record.¹⁶⁷

143. Xcel Energy has been in contact with Minnesota SHPO and provided SHPO with the Project's Phase I cultural resources report on August 26, 2025. On November 16, 2025,

¹⁶¹ Ex. EIP-205 at 60 (EA).

¹⁶² Ex. EIP-205 at 61 (EA).

¹⁶³ Minn. Stat. § 216E.03, subd. 7(b); Minn. R. 7850.4100, subp. C.

¹⁶⁴ Ex. EIP-205 at 62 (EA).

¹⁶⁵ Minn. Stat. § 216E.03, subd. 7(b); Minn. R. 7850.4100, subp. D.

¹⁶⁶ Ex. EIP-205 at 65 (EA).

¹⁶⁷ Ex. EIP-205 at 65 (EA).

SHPO requested additional information to complete its review. Xcel Energy provided that information on December 5, 2025. SHPO's determination is pending.¹⁶⁸

144. Section 4.3.20 of the DSP requires the permittee to avoid impacts to archaeological and historic resources where possible and to mitigate impacts where avoidance is not possible. This permit condition also requires the permittee to develop an Unanticipated Discoveries Plan outlining steps to be taken if previously unrecorded cultural resource or human remains are encountered during construction.¹⁶⁹

E. Natural Resources.

145. Minnesota law requires consideration of the Project's potential effects on the natural environment, including effects on air and water quality resources and flora and fauna.¹⁷⁰

1. Air Quality.

146. Minimal intermittent air emissions are expected during construction of the Project. Air emissions associated with construction are highly dependent upon weather conditions and the specific activity occurring. For example, traveling to a construction site on a dry gravel road will result in more fugitive dust than traveling the same road when wet. Once operational, neither the generating facility nor the transmission line will generate criteria pollutants or carbon dioxide.¹⁷¹
147. Exhaust emissions can be minimized by keeping vehicles and equipment in good working order and not running equipment unless necessary. Watering exposed surfaces, covering disturbed areas, and reducing speed limits on-site are all standard construction practices.¹⁷²
148. Section 4.3.29 of the DSP requires Xcel Energy to use non-chloride dust control products during construction. The DNR advises against the use of dust suppression agents containing chloride, as it does not break down and may accumulate to levels that are toxic to wildlife and plants.¹⁷³
149. As a component of the construction stormwater permit (CSW Permit) that will be obtained for the Project, a National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS) CSW Permit and an associated Stormwater Pollution Prevention Plan (SWPPP) will be developed and implemented prior to construction in order to minimize the potential for fugitive dust emissions.¹⁷⁴

¹⁶⁸ Ex. App.-107 at 6-7 (Direct Testimony of Tyler Beemer with Schedules 1-2).

¹⁶⁹ Ex. EIP-205 at 65 (EA).

¹⁷⁰ Minn. Stat. § 216E.03, subd. 7(b); Minn. R. 7850.4100, subp. E.

¹⁷¹ Ex. EIP-205 at 67 (EA).

¹⁷² Ex. EIP-205 at 68 (EA).

¹⁷³ Ex. EIP-205 at 68 (EA).

¹⁷⁴ Ex. App.-101 at 88 (Application).

150. Xcel Energy will use BMPs during construction and operation of the Project to minimize dust and emissions.¹⁷⁵

2. *Geology and Groundwater.*

151. The Land Control Area was reviewed for wells listed on the Minnesota Well Index (MWI) and MDH Wellhead Protection Areas (WHPAs). The MDH maintains the MWI, which provides basic information (e.g., location, depth, geology, construction, and static water level) for wells and borings drilled in Minnesota. The MWI did not identify any wells within the site and it identified 102 wells (sealed and unsealed) within the Project area, which are predominantly domestic wells and monitoring wells, with the remaining wells used for “other” purposes.¹⁷⁶

152. Potential impacts to geology and groundwater can occur directly or indirectly. Impacts to geological resources are likely to be minimal to moderate, depending on if excavation of bedrock is required. Direct impacts to groundwater are not anticipated.¹⁷⁷

153. Geotechnical soil testing will determine final installation process for the foundation structures. Similarly, the perimeter fence may require concrete foundations in some locations.¹⁷⁸

154. Because the Project will disturb more than one acre, Xcel Energy must obtain a CSW Permit from the PCA. The CSW Permit will identify BMPs for erosion prevention and sediment control. As part of the CSW Permit, Xcel Energy will also develop a SWPPP that describes construction activity, temporary and permanent erosion, and sediment controls, BMPs, and permanent stormwater management that will be implemented during construction and through the life of the Project. Implementation of the protocols outlined in the SWPPP will minimize the potential for soil erosion and detail stormwater management methods during construction and operation of the facility.¹⁷⁹

155. Met Council submitted formal comments on the EA emphasizing the site’s “very fast” infiltration rating and recommended extra precautions to prevent groundwater contamination, particularly during construction when disturbed soils could allow rapid pollutant transport. It further recommended replacing removed non-native vegetation with native species to improve climate resilience and assist stormwater management. Ultimately, the Council found the EA complete and accurate with respect to regional concerns and generally consistent with Council policies.¹⁸⁰

¹⁷⁵ Ex. App.-101 at 88 (Application).

¹⁷⁶ Ex. EIP-205 at 69 (EA).

¹⁷⁷ Ex. EIP-205 at 69 (EA).

¹⁷⁸ Ex. EIP-205 at 70 (EA).

¹⁷⁹ Ex. EIP-205 at 70 (EA).

¹⁸⁰ Metropolitan Council EA Comments (January 22, 2026) (eDocket No. [20261-227218-01](#)).

156. Xcel Energy submitted reply comments on February 2, 2026 stating that it remains committed to working with the VMPWG to finalize a VMP for the Project prior to the start of construction.¹⁸¹
157. Xcel Energy will install secondary containment for the Project substation's main power transformer to contain any potential spills or leaks of transformer oil or other fluids and prevent impacting groundwater. An SPCCP will be required by the United States Environmental Protection Agency for construction and operation of the transformer.¹⁸²
158. Disturbance to groundwater flow from construction activities are not anticipated. Any dewatering required during construction will be managed in accordance with the SWPPP and discharged to the surrounding area, thereby allowing it to infiltrate back into the ground to minimize potential impacts. If dewatering involves more than 10,000 gallons per day or 1,000,000 gallons per year, Xcel Energy will obtain a Water Appropriations Permit from DNR.¹⁸³

3. *Soils.*

159. Primary impacts to soils include compaction from construction equipment, soil profile mixing during grading and pole augering, rutting from tire traffic, and soil erosion. Impacts to soils are likely to be greatest with the belowground electrical collection system. Potential impacts will be positive and negative, and short- and long-term. Isolated moderate to significant negative impacts associated with high rainfall events could occur.¹⁸⁴
160. Construction within the Land Control Area will disturb approximately 12 acres of land used for the ESS facility Project site.¹⁸⁵
161. Xcel Energy is committed to mitigating soil impacts by minimizing soil compaction, preserving topsoil, and establishing and maintaining appropriate vegetation in accordance with BMPs found in the requirements of the SWPPP and outlined in the Applicant's VMP.¹⁸⁶
162. Sections 4.3.9, 4.3.10, 4.3.11, and 5.8 of the DSP address soil-related impacts from the Project.¹⁸⁷

4. *Surface Water and Floodplains.*

¹⁸¹ Xcel Energy Response to Public Comments (February 2, 2026) (eDocket No. [20262-227759-01](#).)

¹⁸² Ex. EIP-205 at 70 (EA); Ex. App.-101 at 100 (Application).

¹⁸³ Ex. EIP-205 at 71 (EA).

¹⁸⁴ Ex. EIP-205 at 72 (EA).

¹⁸⁵ Ex. EIP-205 at 72 (EA).

¹⁸⁶ Ex. App.-101 at 101-02 (Application).

¹⁸⁷ Ex. EIP-205 at 73 (EA).

163. The Project is expected to have a minimal impact on surface waters. Direct impacts to surface waters are not expected, however, indirect impacts to surface waters might occur. These impacts will be short-term, of a small size, and localized.¹⁸⁸
164. The Project is designed to avoid direct impacts to surface waters by siting away from surface waters.¹⁸⁹
165. Standard construction management practices, including, but not limited to containment of excavated soils, protection of exposed soils, stabilization of restored soils, and controlling fugitive dust, would minimize the potential for eroded soils to reach surface waters.¹⁹⁰
166. Best management practices to minimize the impact on surface waters will be utilized as a part of the SWPPP, including but not limited to sediment control, revegetation plans, and management of exposed soils to prevent sediment from entering waterbodies.¹⁹¹
167. The record demonstrates that Xcel Energy has taken steps to avoid and minimize surface water and floodplain impacts. Further, Section 4.3.11 of the DSP requires the permittee to “implement erosion prevention and sediment control practices recommended by the MPCA” and to obtain a CSW Permit. This section also requires the permittee to implement erosion and sediment control measures, grade contours to provide for proper drainage, and restore all disturbed areas to pre-construction conditions. Xcel Energy will also develop a SWPPP that complies with MPCA rules and guidelines.¹⁹²

5. *Wetlands.*

168. Xcel Energy sited the Project to avoid wetlands delineated to date.¹⁹³
169. Xcel Energy’s consultant completed a field delineation at the site in June 2024. The consultant evaluated potential wetland areas for the presence of hydric soils, wetland hydrology, and hydrophytic vegetation. The National Wetland Inventory (NWI) data identified forested and emergent wetlands within the northern portion of the property. The field delineation determined the forested wetlands from the NWI were not wetlands due to the lack of hydrophytic vegetation. One wetland was delineated within the emergent wetland from the NWI. The location of this wetland is within the site but is not within the preliminary development area. The results of this wetland delineation were approved by the City of Shakopee.¹⁹⁴

¹⁸⁸ Ex. EIP-205 at 73 (EA).

¹⁸⁹ Ex. EIP-205 at 74 (EA).

¹⁹⁰ Ex. EIP-205 at 74 (EA).

¹⁹¹ Ex. EIP-205 at 74 (EA).

¹⁹² Ex. EIP-205 at 74 (EA).

¹⁹³ Ex. EIP-205 at 75 (EA).

¹⁹⁴ Ex. EIP-205 at 75 (EA).

170. Although there are wetlands within the site, there are no wetlands within the ~~Land Control~~Preliminary Development Area. As such, construction and operation of the facility will not create direct impacts to wetlands. There may be potential for temporary, short-term impacts to wetlands outside the site if there is erosion resulting from construction.¹⁹⁵
171. If wetland impacts are required for the final layout, coordination with the appropriate agency, such as the United States Army Corps of Engineers (USACE) under Section 404 and 401 of the Federal Clean Water Act (CWA) would occur prior to construction.¹⁹⁶
172. The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to wetlands. Further, Section 4.3.13 of the DSP prohibits placement of the BESS or associated facilities in public waters and public waters wetlands.¹⁹⁷

6. *Vegetation.*

173. The Project is in the Big Woods (222 Mb) subsection of the Eastern Broadleaf Forest Province.¹⁹⁸
174. Construction of the facility will eliminate vegetative cover and create impermeable surfaces at the access road and the developed area of the facility. Xcel Energy estimates that approximately 7.8 acres will be converted to impermeable surfaces the life of the facility.¹⁹⁹
175. Following construction, Xcel Energy plans to reestablish areas where non-native vegetation was removed using Minnesota state seed mix, which is a non-native grassland mix. Xcel Energy indicates it plans to reestablish areas where native vegetation was removed with appropriate native seed mixes.²⁰⁰
176. The VMPWG submitted formal comments to promote a transparent record and guide a pre-construction VMP that satisfies draft site permit Section 5.8 requirements, while not recommending Commission action at this time.²⁰¹ The comments include recommendations for essential components of a complete VMP, such as emphasize inclusion of complete Project and site descriptions; clear short- and long-term objectives by a management unit; explicit delineation identification of Vegetation Management Units versus Non-Vegetated units with impervious accounting; and with detailed activity descriptions for each Vegetation Management Unit, third-party roles, invasive/noxious species controls, monitoring methods, and marked-up site plans with seed mixes. Technical ~~Other comments touch on technical~~ refinements ~~are requested on~~ for site

¹⁹⁵ Ex. EIP-205 at 75 (EA).

¹⁹⁶ Ex. EIP-205 at 75 (EA).

¹⁹⁷ Ex. EIP-205 at 75 (EA).

¹⁹⁸ Ex. EIP-205 at 76 (EA).

¹⁹⁹ Ex. EIP-205 at 76 (EA).

²⁰⁰ Ex. EIP-205 at 77 (EA).

²⁰¹ VMPWG Hearing Comments (January 20, 2026) (eDocket No. [20261-227143-01](#)).

preparation sequencing; vegetation installation and timing; ~~cautious use of~~ cover crops; ~~preference for diverse native perennial~~ seed mixes ~~with and~~ substitutions ~~logic~~; potential vegetative screening ~~using native species; specification of concrete/gravel quantities and characteristics~~; and herbicide protocols and invasive woody control methods. To finalize the plan and ensure long-term compliance and restoration success, ~~T~~the VMPWG calls for qualified independent monitoring using quantitative and qualitative methods, annual growing-season reports to keep the VMP “alive,” and continued coordination with PUC EIP and ~~agencies to finalize the plan and ensure long-term compliance and restoration success.~~

177. Xcel Energy submitted reply comments on February 2, 2026 stating that it will continue to work with the VMPWG to finalize the VMP to align with the Commission’s DSP framework and agency guidance prior to the start of construction.²⁰²
178. DSP Section 5.6 is a special condition that requires the permittee to develop a VMP that defines how the land control area will be revegetated and monitored over the life of the Project.
179. The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to vegetation. Further, Sections 4.3.15, 4.3.17, and 4.3.18 of the DSP address impacts to vegetation.

7. *Wildlife and Habitat.*

180. The Land Control Area is mostly vegetative cover (59 percent) which provides varied habitats for wildlife. Developed areas (41 percent) in the site provides less suitable habitat for wildlife.²⁰³
181. The Project is located within the Mississippi Flyway, which is a major north-south migration route and within Eastern Tallgrass Prairie Bird Conservation Region. Field investigations in March 2026 identified minimal nesting habitat within the site and no stick nests observed. The limited forest habitat within the site represents suitable habitat for migratory birds, however, there is much greater habitat to the north of the site, along the Minnesota River. There are no waterfowl feeding and resting areas within one mile of the site. The northern portion of the site overlaps with the Lower Minnesota River Valley Important Bird Area (IBA), designated by the National Audubon Society. While the land control area overlaps this IBA, no permanent infrastructure will be built within this IBA.²⁰⁴

²⁰² Xcel Energy Response to Public Comments (February 2, 2026) (eDocket No. [_20262-227759-01_](#).)

²⁰³ Ex. EIP-205 at 77 (EA).

²⁰⁴ Ex. EIP-205 at 78 (EA).

182. The impact intensity level is expected to be minimal. Impacts could be positive or negative and depend on species type. Potential impacts will be short- and long-term and can be mitigated.²⁰⁵
183. Overall, the Project does not contribute to significant habitat loss or degradation or create new habitat edge effects.²⁰⁶
184. The DNR submitted formal comments on the EA that focus on confirming no anticipated impacts to state-listed plants based on the Applicant's rare plant survey, concluding no further surveys are needed. DNR supports the EA-described security fence but, given potential wildlife impacts, recommends a special permit condition requiring coordination with the DNR on the final fencing plan, modeled on Snowshoe Energy Storage Project condition 5.7. The DNR seeks a more detailed VMP explaining reestablishment phases and intended species, urging a diverse mix of native plants to minimize erosion and runoff and endorsing DSP special condition 5.8. DNR also supports DSP standard conditions to minimize lighting impacts, require plastic-free, wildlife-safe erosion control, and manage fugitive dust through watering and related measures.²⁰⁷
185. Xcel Energy submitted reply comments on February 2, 2026 stating that it has no objection to DNR's recommended special permit condition requiring coordination with the DNR on the Project's final fencing plan nor to standard conditions 4.3.28 or 4.3.29. Xcel Energy also affirmed that it will continue to work with VMPWG to finalize the VMP prior to the start of construction.²⁰⁸ In reply comments dated February 17, 2026, EIP staff supported DNR's recommendation that Xcel Energy coordinate with DNR on the final fencing plan and provided proposed language for the permit condition.²⁰⁹
186. The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to wildlife and habitat. Further, Sections 4.3.30 and 8.14 of the DSP specify measures that will minimize impacts to wildlife.²¹⁰

8. *Climate Change.*

187. The Project will help shift energy production in Minnesota and the upper Midwest toward carbon-free sources. Construction emissions will have a short-term negligible increase in greenhouse gases that contribute to climate change. The Project's design incorporates design elements that minimize impacts from the increase in extreme weather events such

²⁰⁵ Ex. EIP-205 at 78 (EA).

²⁰⁶ Ex. EIP-205 at 77 (EA).

²⁰⁷ DNR EA Comments (January 20, 2026) (eDocket No. [20261-227135-01](#)).

²⁰⁸ Xcel Energy Response to Public Comments (February 2, 2026) (eDocket No. [20262-227759-01](#).)

²⁰⁹ EIP Staff Reply Comments (February 17, 2026) (eDocket No. _____)

²¹⁰ Ex. EIP-205 at 78 (EA).

as increase flooding, storms, and heat wave events that are expected to accompany a warming climate.²¹¹

188. ESS systems can enable greater integration of renewable energy and maintain grid stability and provide backup power during extreme weather events.²¹²

189. The BESS enclosures selected for the Project are designed to withstand wind, flood, blizzard, and hail events. Final design will include a safety factor for snow and wind loads for components and equipment pads. Unlike wind turbines or solar panels mounted on tracking systems, BESS enclosures are stationary and do not need to be stowed during high winds or hail.²¹³

F. Rare and Unique Resources.

190. Minnesota law requires consideration of the Project's potential effects on rare and unique natural resources.²¹⁴

191. Minnesota Biological Survey (MBS) systematically collects, interprets, and provides baseline data on the distribution and ecology of rare plants, rare animals, and native plant communities. There is an MBS site located within the Project area. The Dean's Lake MBS site covers a little less than half of the Land Control Area and has a rank of "High." Within this MBS, there are three zones of Native Plant Communities (NPC), listed as Dry Barrens Oak Savanna (Southern), Oak Subtype. There are no native prairies identified at the site.²¹⁵

192. Xcel Energy conducted a supplemental species and habitat survey on September 26, 2025.²¹⁶ This survey observed many non-native and problematic species including common buckthorn, bouncing bet, spotted knapweed, and Siberian elm. Furthermore, the area is characterized by moderate to significant disturbed habitats. There were no rare or unique species identified by this survey.²¹⁷

193. Minnesota DNR reviewed the September 25, 2025 survey and concluded that impacts to state-listed species are not anticipated.²¹⁸

194. The Northern Long Eared Bat (NLEB) is a federally listed species and state listed species of concern. The preferred mitigation strategy to avoid impacts to the NLEB is avoidance of tree-clearing to the extent possible. When tree clearing is necessary, it should be done outside the pup rearing season from June 1 to July 31 and outside the active NLEB season from April 1 to October 31. Xcel Energy anticipates further coordination with USFWS for

²¹¹ Ex. EIP-205 at 83 (EA).

²¹² Ex. EIP-205 at 84 (EA).

²¹³ Ex. EIP-205 at 85 (EA).

²¹⁴ Minn. Stat. § 216E.03, subd. 7(b); Minn. R. 7850.4100, subp. F.

²¹⁵ Ex. EIP-205 at 80 (EA).

²¹⁶ Ex. App.-107 at 6 (Direct Testimony Tyler Beemer).

²¹⁷ Ex. EIP-205 at 80 (EA).

²¹⁸ Ex. EIP-205 at 80 (EA).

concurrence that the Project is unlikely to adversely affect the NLEB based on general lack of high-quality or otherwise suitable habitat.²¹⁹

195. The tri-colored bat, also known as the eastern pipistrelle, is proposed for listing under the Endangered Species Act and is a state-listed species of concern. The USFWS proposed listing the species as endangered in September 2022. There are no known tri-colored bat maternity roost trees or hibernaculum in Scott County, but the species may still occur within or near the Project area. Xcel Energy anticipates further coordination with USFWS for concurrence that the Project is unlikely to adversely affect the tricolored bat based on general lack of high-quality or otherwise suitable habitat.²²⁰
196. The rusty patched bumble bee (RPBB) is a federally listed endangered species known to occur in Scott County. Xcel Energy anticipates further coordination with USFWS for concurrence that the Project is unlikely to adversely affect the RPBB based on general lack of high-quality or otherwise suitable habitat.
197. The monarch butterfly is a federal candidate species. The species is common throughout Minnesota during summer months and is most frequently found in habitats where milkweed and native plants are common, including roadside ditches, open areas, wet areas, and urban gardens. Xcel Energy received a no-effect determination for the monarch butterfly on April 4, 2025.²²¹
198. Bald eagles typically nest in mature trees near large lakes or streams. Although there is a forested area within the site, the location and the trees are not suitable nesting habitat for bald eagles. More suitable habitat is located north of the Project along the Minnesota River. Mitigation measures may include setbacks from nests, timing restrictions for construction activities, and possibly seeking a USFWS permit for removal of a nest. For this Project, impacts to the bald eagle are not anticipated.²²²
199. The Louisiana broomrape is a state listed threatened species. It is common in the Great Plains but is very rare in Minnesota and in states further east. In Minnesota, it occurs in prairies and savannas, primarily in sandy soils or shallow stony soils over bedrock. Xcel Energy conducted a survey on September 26, 2025 that resulted in no observation of the Louisiana broomrape, therefore impacts are not anticipated.²²³
200. Minnesota DNR reviewed the September 26, 2025 survey and determined that no impacts to state-listed species are anticipated, and no further surveys are requested.²²⁴

²¹⁹ Ex. EIP-205 at 81 (EA).

²²⁰ Ex. EIP-205 at 81 (EA).

²²¹ Ex. EIP-205 at 82 (EA); Ex. App.-101 at 113 (Application).

²²² Ex. EIP-205 at 82 (EA).

²²³ Ex. EIP-205 at 82 (EA).

²²⁴ Ex. EIP-205 at 82 [and Appendix D](#) (EA); Ex. App.-107 at Schedule 2 (Direct Testimony Tyler Beemer).

201. Techniques for minimizing impacts to wildlife and vegetation also minimize impacts to rare species. Avoiding identified areas of species occurrence or preferred habitat is the preferred mitigation measure.²²⁵

202. The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to rare and unique resources.²²⁶

G. Application of Various Design Considerations.

203. Minnesota law requires consideration of the application of design options that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission or generating capacity.²²⁷

204. Xcel Energy is not required to propose alternative sites pursuant to Minn. Stat. § 216E.04, subd. 2(9), and as specified in Minn. R. 7850.2800 to 7850.3900.²²⁸ Xcel Energy selected the proposed Project site based on a variety of factors, including minimal environmental impacts, proximity to the electrical grid and existing transmission infrastructure, existing land ownership, and available capacity on the grid to which the Project will interconnect.²²⁹ The proposed Project site was identified based on these factors, and no specific alternative sites for the Project were considered.²³⁰

H. Use of Existing Large Electric Power Generating Plant Sites.

205. Minnesota law requires consideration of the use of existing LEPGP.²³¹

206. The Project will be connected to the Project substation and Xcel Energy's existing Blue Lake Substation, located adjacent to the Project site. The Project will connect to the electric grid and transfer electric energy from the grid to store in batteries when demand is low and then transferred back to the grid during outages or when demand is high. It will enhance the flexibility of a power system and can help integrate renewable generation technologies like wind and solar into the grid by storing energy when demand is low and discharging energy when demand is high.²³²

207. The Project will help Xcel Energy meet the need for approximately 600 MW of additional ESS capacity by 2030 and accommodate dispatchable resource needs. The primary value to the overall Xcel Energy system is that short-duration ESS will enable renewable

²²⁵ Ex. EIP-205 at 83 (EA).

²²⁶ Ex. EIP-205 at 83 (EA).

²²⁷ Minn. R. 7850.4100, subp. G.

²²⁸ Ex. App.-101 at 21 (Application).

²²⁹ Ex. App.-101 at 21 (Application).

²³⁰ Ex. App.-101 at 21 (Application).

²³¹ Minn. R. 7850.4100(I).

²³² Ex. EIP-205 at 15 (EA).

integration, providing grid support, deferring some, but not all, traditional grid investments, and improving power quality.²³³

208. The Project makes fair use of existing electric infrastructure.²³⁴

I. Use of Existing Rights-of-Way.

209. Minnesota law requires consideration of the use of existing ROWs.²³⁵

210. To minimize new ROW consistent with Minn. R. 7850.4100(H) and (J), the Project's interconnection will utilize the existing Blue Lake Substation and a short tap line with dead-end structures at the existing and Project substations and, if needed, up to two intermediate structures, thereby confining work largely within or immediately adjacent to existing electrical facilities. Substation site preparation, equipment installation, containment construction, and final grading and surfacing will occur within the established substation footprint, with final fencing and crushed rock extending only slightly beyond the fence line.²³⁶

J. Electrical System Reliability.

211. Minnesota law requires consideration of electrical system reliability.²³⁷

212. The Project will enhance the electrical system reliability by helping Xcel Energy to meet its need for approximately 600 MW of additional ESS capacity by 2030 to enable renewable integration, reduce curtailment of wind and solar during low-demand periods, and provide essential ancillary and reliability services necessary for safe and stable grid operations. In doing so, Xcel Energy supports Minnesota's transition to carbon-free resources while maintaining dependable grid performance.²³⁸

K. Cost of Constructing, Operating, and Maintaining the Facility.

213. Minnesota law requires consideration of the costs of constructing, operating, and maintaining a facility which are dependent on design and route.²³⁹ EIP concluded that this factor does not apply because the design of the proposed Project is the only design under consideration.²⁴⁰

214. Xcel estimates the total installed capital cost to construct the Project to be approximately \$211 million. Actual costs will depend on final material and labor costs. Xcel Energy

²³³ Ex. App.-101 at 6 (Application).

²³⁴ Ex. EIP-205 at 15 (EA).

²³⁵ Minn. R. 7850.4100(H) and (J).

²³⁶ Ex. EIP-205 at 20 (EA).

²³⁷ Minn. R. 7850.4100(K).

²³⁸ Ex. EIP-205 at 2-3 (EA).

²³⁹ Minn. Stat. § 216E.03, subd. 7(b)(6); Minn. R. 7850.4100, subp. M.

²⁴⁰ Ex. EIP-205 at 11 (EA).

estimates annual operations and maintenance costs of approximately \$3–5 million exclusive of augmentation costs.²⁴¹

L. Adverse Human and Natural Environmental Effects that Cannot be Avoided.

215. Minnesota law requires consideration of the adverse human and natural environmental effects that cannot be avoided.²⁴² Resource impacts are unavoidable when an impact cannot be avoided even with mitigation strategies.²⁴³

216. As discussed above, most of the unavoidable impacts are associated with construction and therefore temporary. Unavoidable adverse effects associated with construction of the Project (in some instances a specific phase of construction) would last through construction and include:

- Fugitive dust.
- Noise disturbance to nearby residents and recreationalists.
- Visual disturbance to nearby residents and recreationalists.
- Soil compaction and erosion.
- Vegetative clearing.
- Disturbance and temporary displacement of wildlife, as well as direct impacts to wildlife inadvertently struck or crushed.
- Minor amounts of marginal habitat loss.
- Possible traffic delays.²⁴⁴

217. Unavoidable adverse impacts associated with the operation would last as long as the life of the Project, and include:

- Visual impacts of the Project.
- Noise disturbance to nearby residents.
- Injury or death of birds and mammals from fencing.²⁴⁵

218. As discussed in detail above, the unavoidable impacts can be mitigated, and the DSP conditions will mitigate the unavoidable adverse impacts to the extent possible.

²⁴¹ Ex. EIP-205 at 24 (EA).

²⁴² Minn. Stat. § 216E.03, subd. 7(b)(6); Minn. R. 7850.4100, subp. M.

²⁴³ Ex. EIP-205 at 85 (EA).

²⁴⁴ Ex. EIP-205 at 85 (EA).

²⁴⁵ Ex. EIP-205 at 85 (EA).

M. Irreversible and Irretrievable Commitments of Resources.

219. Minnesota law requires consideration of the irreversible and irretrievable commitments of resources that are necessary for the Project.²⁴⁶ Resource commitments are irreversible when it is impossible or very difficult to redirect that resource to a different future use; an irretrievable commitment of resources means the resource is not recoverable for later use by future generations.²⁴⁷
220. Irreversible and irretrievable resource commitments are primarily related to Project construction, including the use of water, aggregate, hydrocarbons, steel, concrete, wood, and other consumable resources. Some, like fossil fuel use, are irretrievable. Others, like water use, are irreversible. Still others might be recyclable in part, for example, the raw materials used to construct batteries and enclosures would be an irretrievable commitment of resources, excluding those materials that may be recycled at the end of useful life. The commitment of labor and fiscal resources to develop, construct, and operate the Project is considered irretrievable.²⁴⁸
221. As discussed above, the DSP addresses the irreversible and irretrievable commitments of resources with permit conditions, to the extent possible.

XI. SITE PERMIT CONDITIONS

222. The Draft Site Permit includes a number of proposed permit conditions, many of which have been discussed above. The conditions apply to site preparation, construction, cleanup, restoration, operation, maintenance, abandonment, decommissioning, and other aspects of the Project. The Administrative Law Judge recommends the Commission issue a permit reflecting the proposed conditions in the DSP with the exceptions described in this Section XI.
223. Based on the EA, which concludes that the Project's siting within an industrial park amid existing electrical infrastructure will result in minimal visual impact, Special Condition 5.1 should be limited to viewpoints within Quarry Lake Park. The Project design already incorporates targeted vegetative screening along the western boundary to address views from Quarry Lake Park, with additional natural screening to the north, the Blue Lake Substation to the south, and an active utility corridor to the east that precludes vegetation. Requiring a broader, site-wide visual screening plan for adjacent properties and various public viewpoints would be disproportionate to the low impact identified in the record and unnecessary given existing design measures. Accordingly, the record supports tailoring Special Condition 5.1 to Quarry Lake Park.²⁴⁹

²⁴⁶ Minn. Stat. § 216E.03, subd. 7(b)(11); Minn. R. 7850.4100, subp. N.

²⁴⁷ Ex. EIP-205 at 86 (EA).

²⁴⁸ Ex. EIP-205 at 86 (EA).

²⁴⁹ See Ex. EIP-205 at 35 (EA); see Ex. App.-101 at Figure 2 (Application); see Xcel Energy EA Comments (January 20, 2026) (eDocket No. [20261-227140-01](#)).

224. The Administrative Law Judge finds that the record does not support inclusion of the final sentence of proposed Special Condition 5.3 ~~for the project, because it is overbroad and unduly burdensome, requiring updated noise impact assessments for any equipment or layout modification regardless of whether such changes could affect Project sound levels.~~ The Project's industrial setting, ~~the inclusion of Special Condition 5.2 requiring the permittee to notify the Commission of battery augmentation activities and demonstrate compliance with the noise assessment required under pre-construction modeling,~~ and the existing requirement under Minn. Stat. § 216I.09 to seek a permit amendment for significant Project changes provide sufficient safeguards to ensure ongoing compliance with applicable Minnesota Noise Standards. Requiring pre-construction modeling based on final equipment selections is adequate to verify compliance, and the permit amendment process ensures further review if material changes occur.²⁵⁰ ~~Accordingly, the additional ongoing filing requirement is not warranted.~~

225. Based on the record, including the Project's siting within an established industrial area and un rebutted noise modeling demonstrating compliance with applicable MPCA noise standards, the Administrative Law Judge finds that a blanket requirement for post-construction noise monitoring is not warranted ~~for the Project. The Commission's recent practice has been to require targeted noise monitoring where there are unresolved noise complaints, rather than imposing routine monitoring in the absence of evidence suggesting noncompliance. Consistent with that approach, the~~ The Administrative Law Judge concludes that Special Condition 5.4 should be modified as proposed by the Applicant ~~and EIP staff,~~ to require noise monitoring only to address unresolved noise complaints, with any monitoring protocols coordinated with and approved by Commission staff and appropriate mitigation implemented if a violation is identified.²⁵¹

226. The record ~~does not support~~ ~~imposing the inclusion of~~ Special Condition 5.6. ~~Although~~ ~~the Project is located in an EJ community, the EA concludes the Project is not anticipated to have disproportionately high and adverse human health or environmental effects, and existing permit conditions already mitigate potential impacts~~ ~~discusses the potential impacts of the Project on this community and possible mitigation measures. Among these measures is Special Condition 5.6, proposed by EIP staff to codify the mitigation measures suggested by the applicant and to allow for further discussion of mitigation measures between the applicant and~~ ~~The the City of Shakopee, has not identified a specific need for an agreement, and the proposed condition lacks sufficient specificity to define obligations or enforceable standards, while effectively requiring action by an independent local~~

²⁵⁰ EIP Staff Reply Comments at 3 (February 17, 2026) (eDocket No. _____)

²⁵¹ See Ex. EIP-205 at 39-40 (EA); see Ex. App.-101 at 62-66, Appendix F (Application); EIP Staff Reply Comments at 4-5 (February 17, 2026) (eDocket No. _____). See, e.g., Order Granting Site Permit, *In the Matter of the application of Otter Tail Power Company for a Site Permit for the up to 66 MW Solway Solar Project in Beltrami County, Minnesota*, EIP Staff Reply Comments at 4-5 (February 17, 2026) (eDocket No. _____).

~~government.~~ On this record, a Community Benefit Agreement is ~~not~~ justified and the Administrative Law Judge ~~does not~~ recommends including Special Condition 5.6 as modified by EIP staff.²⁵²

227. In its comments on the EA and DSP, the DNR requests inclusion of a new special condition requiring Xcel Energy to coordinate the final Project fencing plan with the DNR, modeled on Special Condition 5.7 from the Snowshoe Energy Storage Project. Xcel Energy states that it does not object to this additional special condition and agrees to such coordination regarding the final fencing plan. The Administrative Law Judge finds Xcel Energy's position reasonable. Accordingly, the Administrative Law Judge recommends including a special condition as proposed by EIP staff requiring coordination with the DNR on the final fencing plan, consistent with the DNR's request and Xcel Energy's stated position.²⁵³

XII. NOTICE

228. Minnesota statutes and rules require an applicant to provide certain notice to the public and local governments before and during the Application process.²⁵⁴ Xcel Energy provided notices to the public and local governments in satisfaction of Minnesota statutory and rule requirements.²⁵⁵

229. Minnesota statutes and rules also require the Commission and EIP to provide certain notice to the public throughout the site permit application process.²⁵⁶ The Commission and EIP provided the notices in satisfaction of Minnesota statutes and rules.²⁵⁷

XIII. COMPLETENESS OF EA

230. The EA process is the alternative environmental review approved by the Environment Quality Board (EQB) for ESSs. The Commission is required to determine the completeness of the EA. An EA is complete if it and the record address the issues and alternatives identified in the Scoping Decision.²⁵⁸

²⁵² See Ex. EIP-205 at 8, 50-51, 53-54 (EA); EIP Staff Reply Comments at 5-6 (February 17, 2026) (eDocket No. _____).

²⁵³ EIP Staff Reply Comments at 5-6 (February 17, 2026) (eDocket No. _____).

²⁵⁴ Minn. Stat. § 216E.03, subs. 3a, 4; Minn. R. 7850.3300; Minn. R. 7850.2122, subs. 2, 4.

²⁵⁵ Ex. App.-100 (Notice of Intent to Submit a Site Permit Application Under Alternative Review Process); Ex. App.-102 (Project Notice Under 7850.2100); Ex. App.-103 (Confirmation Notice).

²⁵⁶ Minn. Stat. § 216E.03, subs. 3a, 4; Minn. R. 7850.3300; Minn. R. 7850.2100, subs. 2, 4.

²⁵⁷ Ex. PUC-300 (Notice of Comment Period on Application Completeness); Ex. PUC-303 (Notice of Public Information and EA Scoping Meetings); Ex. PUC-312 (Notice of Public Hearings and Availability of EA); Ex. PUC-308 (Affidavit of Publication of Notice of Public Information and Scoping Meetings); Ex. PUC-315 (Affidavit of Publication of Notice of Public Hearings and Availability of EA); Ex. PUC-303 (Notice of Public Information and EA Scoping Meetings); Ex. PUC-311 (Notice of EA Scoping Decision); Ex. PUC-312 (Notice of Public Hearings and Availability of EA); Ex. EIP-206 (Notice of EA to Permitting Agencies and THPOs); Ex. PUC-313 (Notification of EA Availability, EQB Monitor).

²⁵⁸ Minn. R. 4410.4400, subp. 3; Minn. R. 7850.3900, subp. 2.

231. Xcel Energy provided limited number of clarifications related to draft site permit conditions discussed in the EA, and those clarifications are supported by the record.²⁵⁹
232. The evidence in the record demonstrates that the EA is complete because the EA and the record created at the public hearing and during the subsequent comment period address the issues and alternatives raised in the Scoping Decision.²⁶⁰

CONCLUSIONS OF LAW

1. Any of the foregoing Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.
2. The Commission and the Administrative Law Judge have jurisdiction over the Application for a site permit for the up to 135.5 MW proposed Project pursuant to Minn. Stat. §§ 216E.02 and 216E.03 (2023).
3. The Commission accepted the Application as complete on August 12, 2025.²⁶¹
4. Xcel Energy has substantially complied with the procedural requirements of Minn. Stat. Ch. 216E (2023) and Minn. R. Ch. 7850.
5. The Commission has substantially complied with the procedural requirements of Minn. Stat. Ch. 216E (2023) and Minn. R. Ch. 7850.
6. EIP has conducted an appropriate environmental analysis of the Project for purposes of the Site Permit proceeding pursuant to Minn. R. 7850.3700.
7. Public hearings were held on January 6, 2026 (in-person) and January 7, 2026 (remote-access). Proper notice of the public hearings was provided, and the public was given an opportunity to speak at the hearings and to submit written comments.
8. The EA prepared for the Project and the record created at the public hearing address the issues identified in the EA scoping decision.
9. The Commission has the authority under Minn. Stat. § 216E.03 (2023) to place conditions in an ESS site permit.
10. The DSP, as revised by EIP staff, DNR, and Xcel Energy, contains a number of important mitigation measures and other reasonable conditions.
11. It is reasonable to amend the DSP to include the changes proposed by EIP staff in the EA and to include the subsequent changes proposed by Xcel Energy and EIP staff as described above.
12. The record in this proceeding demonstrates that Xcel Energy has satisfied the criteria for a Site Permit as set forth in Minn. Stat. § 216E.03 (2023) and Minn. R. Ch. 7850 and all other applicable legal requirements.

²⁵⁹ Ex. App.-107 (Direct Testimony of Tyler Beemer with Schedules 1-2); Xcel Energy's EA Comments (January 20, 2026) (eDocket No. [20261-227140-01](#)).

²⁶⁰ Ex. PUC-310 (EA Scoping Decision).

²⁶¹ Ex. PUC-302 (Order).

13. The Project, with the permit conditions discussed above, satisfies the Site Permit criteria for an ESS in Minn. Stat. § 216E.03 (2023) and meets all other applicable legal requirements.
14. The Project, with the permit conditions discussed above, does not present a potential for significant adverse environmental effects pursuant to the Minnesota Environmental Rights Act and/or the Minnesota Environmental Policy Act.
15. Any of the foregoing conclusions of law which are more properly designated findings of fact are hereby adopted as such.

RECOMMENDATIONS

Based upon these Conclusions, the Administrative Law Judge recommends that the Commission issue a Site Permit to Xcel Energy to construct and operate the Project and associated facilities in Scott County, Minnesota and that the permit includes the draft permit conditions amended as set forth in the Conclusions above.

THIS REPORT IS NOT AN ORDER AND NO AUTHORITY IS GRANTED HEREIN. THE MINNESOTA PUBLIC UTILITIES COMMISSION WILL ISSUE THE ORDER THAT MAY ADOPT OR DIFFER FROM THE PRECEDING RECOMMENDATION.

Dated: _____

Megan J. McKenzie
Administrative Law Judge