

October 25, 2024

Mr. Will Seuffert, Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
Saint Paul, MN 55101-2147

RE: **EERA Comments and Recommendations on Application Completeness**

In the Matter of 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, Minnesota.

Docket No. IP7138/ ESS-24-279

Dear Mr. Seuffert:

Attached are the comments and recommendations of the Minnesota Department of Commerce, Energy Environmental Review and Analysis (EERA) staff, filed in response to the Commission's Notice of Comment Period issued October 11, 2024, in the above matter.

The authorized representatives for the Project are:

Mary Matze
Snowshoe BESS, LLC
7480 Flying Cloud Dr, Suite 425
Eden Prairie, MN 55344
Telephone: 786-321-9379
email: mmatze@spearmintenergy.com

Jeremy Duehr
Fredrikson & Byron, P.A.
60 South Sixth Street, Suite 1500
Minneapolis, MN 55402
Telephone: 612-492-7000
email: jduehr@fredlaw.com

EERA staff recommends that the Commission accept the application as substantially complete.

EERA staff is available to answer any questions the Commission may have.

Sincerely,

/s/ *Suzanne Lamb Steinhauer*

Suzanne Steinhauer
Environmental Review Manager
Energy Environmental Review and Analysis

Page intentionally left blank



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS COMMENTS AND RECOMMENDATIONS

Snowshoe Energy Storage Project

DOCKET NO. IP-7138/ESS-24-279

Date: October 25, 2024

EERA Staff: Suzanne Steinhauer | 651-539-1843 | suzane.steinhauer@state.mn.us

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, Minnesota.

Issues Addressed: These comments and recommendations address the completeness of the site permit application, the presence of contested issues of fact, the need for an advisory task force, and consideration of procedural requirements.

Documents Attached:

- (1) Project Overview Map
- (2) Table 1. Application Completeness Requirements
- (3) Table 2. Draft Permitting and Environmental Review Schedule

Additional documents and information can be found on

eDockets: <https://www.edockets.state.mn.us/EFiling/search.jsp> (ESS-24-279), and on the Department of Commerce's website: <https://eera.web.commerce.state.mn.us/web/project/15868>.

This document can be made available in alternative formats (i.e., large print or audio) by calling 651-296-1504. Persons with a hearing or speech impairment may call using their preferred telecommunications relay service.

Introduction and Background

On October 7, 2024, Snowshoe BESS, LLC (Snowshoe) filed a site permit application to construct and operate an up to 150 megawatt (MW) energy storage facility in Olmsted County, Minnesota.¹

¹ Snowshoe BESS, LLC, *Application to the Minnesota Public Utilities Commission for a Site Permit*, October 7, 2024, eDockets Numbers [202410-210879-01](#), [202410-210785-02](#), [202410-210785-03](#), [202410-210785-04](#), [202410-](#)

On October 11, 2024, the Commission issued a notice soliciting comments on the completeness of the site permit application, the presence of contested issues of fact, the need for an advisory task force, consideration of procedural requirements, and whether the Executive Secretary should authorize the applicant to initiate consultation with Minnesota State Historic Preservation Office (SHPO).²

Project Purpose

Snowshoe indicates that the project will help meet the growing demand for renewable energy and will assist Minnesota in reaching its Renewable Energy Objectives by allowing wind and solar resources to continue producing energy at times when they would otherwise be curtailed due to low demand.

Snowshoe indicates that it anticipates entering into a tolling agreement with an affiliated merchant energy business or other third part market participant, rather than a long-term power purchase agreement more typical of renewable projects. Alternatively, Snowshoe may sell the project to a utility or operate under a different revenue structure.³

Project Description

Snowshoe proposes to construct and operate a battery energy storage system (BESS) with a nominal power rating of up to 150 MW alternating current (AC) with approximately 600 megawatt-hours (MWh) of energy capacity on a site of approximately 28 acres in Kalmar Township, Olmsted County, Minnesota. In addition to battery energy storage enclosures, the facility will also include inverters and transformers, electrical feeder lines, a project substation, stormwater drainage basins, storage and parking areas, and fencing surrounding the perimeter of the facility. Snowshoe may construct and operations and maintenance facility at the site or may lease existing space nearby to house operations and maintenance materials. The facility will be connected to the electric grid through a tap line of approximately 300 feet between the project substation and the adjacent Maple Leaf Substation owned and operated by the Southern Minnesota Municipal Power Agency (SMMMPA).

Snowshoe filed a generator interconnection agreement (GIA) application for the project with the Midcontinent Independent System Operator (MISO) in 2022 and anticipates signing a GIA in early 2026.⁴ Snowshoe anticipates that construction on the project will begin in early 2027 and be completed in time to begin operating in the 4th quarter of 2027.⁵ Total project cost is expected to be approximately \$214 million, and annual operating costs are anticipated to be approximately \$8.2 million.⁶

[210785-05](#), [202410-210785-06](#), [202410-210785-07](#), [202410-210785-08](#), [202410-210785-09](#), [202410-210785-10](#), [202410-210788-01](#), [202410-210788-02](#), [202410-210788-03](#) [herein after Site Permit Application or SPA].

² Commission, Notice of Comment Period on Application Completeness, October 11, 2024, eDockets Number.

[202410-210879-01](#)

³ SPA, pp. 4 -5

⁴ SPA, p. 15

⁵ SPA, pp. 7-8

⁶ SPA, p. 16

Regulatory Process and Procedures

In Minnesota, no person may construct an energy storage system (ESS), defined as a facility capable of operating at a capacity of 10 MW or more⁷ without a site permit from the Commission.⁸ Snowshoe's proposed project will have a nominal power rating of up to 150 MW AC and therefore requires a site permit from the Commission. As an ESS facility, the site permit application qualifies for Commission review under the alternative permitting process described in Minnesota Statute 216E.04.⁹

The project does not require a certificate of need from the Commission because the Project is exempt under Minn. Stat. 216B.243, subd. 8(9).

For purposes of brevity, the following sections summarize what Department of Commerce, Energy Environmental Review and Analysis (EERA) staff consider important milestones in the review of the site permit application.

Site Permit Application Acceptance

Site permit applications for large electric power facilities must provide information about the applicant, a description of the project, and discussion of potential environmental impacts and mitigation measures.¹⁰ Review under the alternative permitting process does not require an applicant to propose alternative sites in their permit application. However, if the applicant has evaluated and rejected alternative sites they must describe these rejected alternatives and the reasons for rejecting them in their application.¹¹

The Commission may accept an application as complete, reject an application and require additional information to be submitted, or accept an application as complete upon filing of supplemental information.¹² The environmental review and permitting process begins when the Commission determines that a permit application is complete; the Commission has six months (or nine months, with just cause) from the date of this determination to reach a permit decision.¹³

Environmental Review

Site permit applications are subject to environmental review conducted by EERA staff. Projects proceeding under the alternative permitting process require the preparation of an environmental assessment (EA).¹⁴ An EA is a document which describes the potential human and environmental impacts of a proposed project and possible mitigation measures. The EA will evaluate any site proposed

⁷ Minnesota Statute 216E.01, subd. 3a.

⁸ Minnesota Statute 216E.03, subd. 1.

⁹ Minnesota Statute 216E.04, Subd. 2 (noting those projects that are eligible to proceed under an alternative permitting process).

¹⁰ Minnesota Rules 7850.1900 and 7850.3100.

¹¹ Minnesota Rule 7850.3100.

¹² Minnesota Rule 7850.3200.

¹³ Minnesota Statute 216E.04, Subd. 7.

¹⁴ Minnesota Rule 7850.3700.

by the applicant and any other site identified by the Commission.¹⁵ A public information and scoping meeting is held to solicit comments on the scope of the EA. An EA is the only state environmental review document required for site permit applications reviewed under the alternative permitting process.

Advisory Task Force

The Commission may appoint an advisory task force to aid the environmental review process. An advisory task force must include representatives of local governmental units in the project area. A task force assists EERA staff with identifying impacts and mitigation measures to be evaluated in the EA and expires upon issuance of the EA scoping decision.¹⁶

The Commission is not required to appoint an advisory task force for every project. If the Commission does not appoint a task force, citizens may request that one be appointed. If such a request is made, the Commission must determine at a subsequent meeting if a task force should be appointed or not. The decision whether to appoint an advisory task force does not need to be made at the time of application acceptance; however, it should be made as soon as practicable to ensure its charge can be completed prior to issuance of the EA scoping decision.

Public Hearing

Site permit applications under the alternative permitting process require that a public hearing be held in the project area after the EA for the project has been completed and released.¹⁷ The hearing is typically presided over by an administrative law judge (ALJ) from the Office of Administrative Hearings. The Commission may request that the ALJ provide solely a summary of public testimony. Alternately, the Commission may request that the ALJ provide a full report with findings of fact, conclusions of law, and recommendations regarding the project.

EERA Staff Analysis and Comments

EERA staff provides the following analysis and comments in response to the Commission's notice requesting comments on completeness and other issues related to Snowshoe BESS's site permit application.

Application Completeness

EERA staff previously reviewed a draft of the application and believes that its comments on the draft application and supporting materials were substantially addressed in the application filed on October 7, 2024. EERA staff evaluated the application against the completeness requirements of Minnesota Rule 7850.3100 ([Table 1](#)). The application contains information with respect to these requirements. Accordingly, staff recommends the Commission accept the application as substantially complete and

¹⁵ Minnesota Statute 216E.04, subd. 5

¹⁶ Minnesota Rule 7850.3600.

¹⁷ Minnesota Rule 7850.3800.

require Snowshoe to continue to work with EERA staff and provide supplemental information as necessary throughout the environmental review and permitting process.

Advisory Task Force

EERA staff has analyzed the merits of establishing an advisory task force for the Snowshoe BESS project. Based on the information known at this time, staff believes that an advisory task force is not warranted for the project.

In analyzing the need for an advisory task force for the project, EERA staff considered four characteristics: project size, project complexity, known or anticipated controversy, and sensitive resources.

- **Project Size.** The project will utilize a relatively small area of land – approximately 28 acres – available through negotiated agreements with landowners. This project-size factor weighs against a task force.
- **Project Complexity.** With respect to the storage technology, land use, and tap line, the project is not complex. Land use in the project area is agricultural and the topography is relatively flat. There are no special construction techniques or operational features that make the project complex. This project-complexity factor weighs against a task force.
- **Known or Anticipated Controversy.** To date, EERA staff has received no specific comments concerning the project, and there are currently no public comments in the record. Although the stand-alone energy storage facility is a relatively novel proposal in Minnesota, EERA staff is not aware of any controversy associated with the Project at this time.

Snowshoe has located and developed both the project through agreements with local landowners. Snowshoe reports outreach to local governments, state and federal agencies, and tribes. The public will have opportunities to raise concerns and issues during scoping and the public hearing. As it has previously, EERA will assist citizens and governmental units in understanding the environmental review process and how to best identify issues to be addressed and site alternatives to be considered in the EA.

- **Sensitive Natural Resources.** The BESS site is approximately 98 percent agricultural land.¹⁸ The site is within the potential range of three federally listed species (Northern long-eared bat, Tri-colored bat, and prairie bush clover), as well as bald and golden eagles and a federally designated non-essential experimental population of whooping crane, and one state listed plant – the Rattlesnake Master. There are no native plant communities within or adjacent to the site.¹⁹ While the potential for sensitive natural resources to occur within or near the Project, the record on the location of these resources and potential mitigation measures can be developed

¹⁸ SPA p. 66

¹⁹ SPA, pp. 102 - 106

in consultation with natural resource agencies. On the whole, potential impacts to sensitive natural resources weigh neither for nor against a task force.

Based on the above analysis, EERA staff believes that an advisory task force is not warranted for the project.

Contested Issue of Fact

Based on its review of Snowshoe's application and the record to date, EERA staff has not identified any contested issues of fact. Staff is unaware of any issues or concerns associated with the application or project that require a contested case hearing.

Procedural Requirements

EERA staff recommends that the Commission request a full ALJ report for the project's public hearing. Although EERA staff does not believe that the novel nature of the project as a stand-alone energy storage system requires a contested case hearing, EERA staff believes that a full ALJ report with recommendations provides an unbiased, efficient, and transparent method to air and resolve any issues that may emerge as the record is developed. Requiring a full ALJ report reduces the burden on Commission staff and helps to ensure that the Commission has a robust record on which to base its decision. EERA staff has provided a draft schedule concept for the Snowshoe Solar permitting process, which includes a full ALJ report with findings, conclusions, and recommendations (see [Table 2](#)).

EERA Staff Recommendations

EERA staff recommends that:

- The Commission accept Snowshoe's site permit application as substantially complete.
- The Commission not appoint an advisory task force for the site permit application at this time.
- The Commission request a full ALJ report with findings, conclusions, and recommendations for the project's public hearing.

Figure 1. Snowshoe BESS Project



Table 1. Site Permit Application Completeness Requirements

Authority	Required Information	Application Location	EERA Staff Comments
Minnesota Rule 7850.1900, Subpart 1 - Site Permit Application for Large Electric Generating Plant			
A.	A statement of proposed ownership of the facility at the time of filing the application and after commercial operation;	1.1.2	Snowshoe BESS, LLC, a wholly owned indirect subsidiary of Spearmint Energy.
B.	The precise name of any person or organization to be initially named as permittee or permittees and the name of any other person to whom the permit may be transferred if transfer of the permit is contemplated;	1.1.1	Snowshoe BESS, LLC will be the permittee.
C.	At least two proposed sites for the proposed large electric power generating plant and identification of the applicant's preferred site and the reasons for the preference;	3.2	As an energy storage system seeking permitting under the alternative permitting process of Minnesota Statute 216E.04, alternative sites are not required under this process.
D.	A description of the proposed large electric power generating plant and all associated facilities, including the size and type of the facility;	2.1 – 2.4, 4.0, Figures 2a & 2b	Information is provided to satisfy this requirement.
E.	The environmental information required under subpart 3;	See Minnesota Rule 7850.1900, Subpart 3 below.	
F.	The names of the owners of the property for each proposed site;	1.1.2, Figure 4	Information is provided to satisfy this requirement.
G.	The engineering and operational design for the large electric power generating plant at each of the proposed sites;	Section 4, Figures 2a, 2b & 3	Information is provided to satisfy this requirement.
H.	A cost analysis of the large electric power generating plant at each proposed site, including the costs of constructing and operating the facility that are dependent on design and site;	2.5, Table 2.5.1, Appendix C	Information is provided to satisfy this requirement.

Authority	Required Information	Application Location	EERA Staff Comments
I.	An engineering analysis of each of the proposed sites, including how each site could accommodate expansion of generating capacity in the future;	3.3	Information is provided to satisfy this requirement.
J.	Identification of transportation, pipeline, and electrical transmission systems that will be required to construct, maintain, and operate the facility;	4.1.2, 4.1.3, & 4.1.5, Figures 2a, 2b, & 3	Information is provided to satisfy this requirement.
K.	A listing and brief description of federal, state, and local permits that may be required for the project at each proposed site;	1.3; Table 1.3.1	Information is provided to satisfy this requirement.
L.	A copy of the certificate of need for the project from the Commission or documentation that an application for a certificate of need has been submitted or is not required;	1.4.1	The project is exempt from the certificate of need requirement.
Minn. R. 7850.1900, subp. 3 - Environmental Information			
A.	A description of the environmental setting for each site;	5.1	Information is provided to satisfy this requirement.
B.	A description of the effects of construction and operation of the facility on human settlement, including, but not limited to, public health and safety, displacement, noise, aesthetics, socioeconomic impacts, cultural values, recreation, and public services;	5.2, Tables 5.2.1 – 5.2.8, Appendix F	Information is provided to satisfy this requirement.
C.	A description of the effects of the facility on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining;	5.3, Table 5.3.1, Figures 5 & 6	Information is provided to satisfy this requirement.
D.	A description of the effects of the facility on archaeological and historic resources;	5.4, Table 5.4.1, Appendix G	Information is provided to satisfy this requirement.

Authority	Required Information	Application Location	EERA Staff Comments
E.	A description of the effects of the facility on the natural environment, including effects on air and water quality resources and flora and fauna;	5.5, Tables 5.5.1 – 5.5.10, Figures 7-10, Appendices I, J, K & L	Information is provided to satisfy this requirement.
F.	A description of the effects of the facility on rare and unique natural resources;	5.5.8, Figure 11, Appendices K & L	Information is provided to satisfy this requirement.
G.	Identification of human and natural environmental effects that cannot be avoided if the facility is approved at a specific site or route; and	5.6 – 5.8, Table 5.8.1	Information is provided to satisfy this requirement.
H.	A description of measures that might be implemented to mitigate the potential human and environmental impacts identified in items A to G and the estimated costs of such mitigative measures.	5.2 – 5.5, Appendices B – K	Information is provided to satisfy this requirement.

Table 2. Draft Permitting Process Concept Schedule

Permitting Day*	Process Step	Responsible Party
Application Filed to Application Acceptance		
-	Site Permit Application Filed	Applicant
	Comment Period on Application Completeness	EERA/Agencies/Public
	Reply Comment Period	Applicant
	Supplemental Comments	EERA/Agencies/Public
	Consideration of Application Acceptance	PUC
Acceptance to Permit Decision		
1	Application Acceptance Order	PUC
5	Public Information and Scoping Meeting Notice	PUC
30	Public Information and Scoping Meeting	EERA/PUC
40	Scoping Comment Period Closes	EERA
60	Scoping Decision Issued	Commerce
170	EA Issued Notice of EA Availability and Public Hearing	EERA
190	Public Hearing	PUC/ OAH/ Applicant/EERA
200	Public Hearing Comment Period Closes	PUC
210	Responses to Hearing Comments	EERA/Applicant
220	Proposed Findings of Fact (FOF)	Applicant
230	Reply Comments/Technical Analysis	EERA
260	FOF, Conclusions of Law, and Recommendations	OAH
275	Exceptions to ALJ Report	Applicant/EERA
310	Consideration of Site Permit	PUC

*All timeframes are hypothetical and will change. Meetings and hearings will occur over multiple days.