

December 10, 2024

Greetings,

You are receiving this letter because your property might be affected by a transmission line route alternative for Xcel Energy's proposed Mankato – Mississippi River 345 kV Transmission Project (project). The alternatives are being evaluated in an environmental impact statement (EIS) that is being prepared by the Minnesota Department of Commerce (Department).

This letter provides you with information about the transmission line project, the route permitting process, and future opportunities to participate in the process. I encourage you to familiarize yourself with the project, participate in the permitting process, and sign up for the project mailing list. Information about how to sign up for the project mailing list is provided below.

Proposed Project

The proposed project consists of three major components: (1) approximately 130 miles of new 345 kilovolt (kV) high voltage transmission line (HVTL), (2) approximately 20 miles of new 161 kV HVTL, and (3) upgrades to existing substations.

Proposed HVTL work consists of four segments:

- Segment 1: a new 48 to 54 mile 345 kV transmission line between the Wilmarth substation and a point near the West Faribault Substation.
- Segment 2: a new 34 to 42 mile 345 kV transmission line from a point near the existing West Faribault Substation to the existing North Rochester Substation.
- Segment 3: conversion of 27 miles of existing, double-circuit 161/345 kV transmission line to 345/345 kV operation and installation of a new 16-mile long 345 kV circuit on the existing 345/345 kV double circuit capable structures between the existing North Rochester Substation and the Mississippi River.
- Segment 4: a new 20 to 24 mile 161 kV transmission line between the existing North Rochester Substation and the existing 161 kV Chester Line northeast of Rochester.

Proposed Substation work involves:

- modifications to the existing Wilmarth Substation
- modifications to the existing North Rochester Substation
- possible modifications to the existing Eastwood Substation depending on the route selected

Xcel Energy (applicant) has indicated this project, along with other Long Range Transmission Planning (LRTP) projects that were studied and approved by the Midcontinent Independent System Operator

(MISO) are needed to provide reliable, resilient, and cost-effective delivery of energy as the generation resource mix continues to evolve from aging coal-fired generation plants to renewable energy sources.

The current 345 kV transmission system experiences congestion and overloading in southern Minnesota, while renewable energy generation facilities in southwest Minnesota and northwest Iowa are producing high outputs. The project will strengthen existing outlets for renewable energy generation and provide additional transmission capacity toward Wisconsin and areas to the south. The project will help to reduce transmission congestion, reduce thermal loading, and improve transfer voltage stability.

Permitting Process

The project requires two approvals from the Public Utilities Commission (Commission)—a certificate of need and route permit. The applicant applied for these approvals on April 2, 2024. Under Minnesota law, environmental review must occur prior to the Commission's decisions on these approvals.

Accordingly, Department staff is conducting environmental review on behalf of the Commission consistent with Minnesota Rules 7850. Department staff will prepare an EIS that will inform the Commission's decisions on the applicant's certificate of need and route permit applications. The EIS preparation process broadly includes scoping for the EIS, preparation of a draft EIS, public comment on the draft EIS, preparation of a final EIS, and a determination of adequacy.

Scoping is the first step in the environmental review process. The scoping process has two primary purposes: (1) to gather public input as to the impacts and mitigation measures to study in the EIS and (2) to focus the EIS on those impacts and mitigation measures that will aid in the Commission's decisions on the certificate of need and route permit applications. Department staff uses the information gathered during scoping to inform the content of the EIS.

Seven public scoping meetings were held in July 2024, and an associated comment period ended on August 1, 2024. Five of the meetings were in-person; two meeting was virtual. In-person meetings were held in Mankato, Waterville, Faribault, Pine Island, and Kellogg. Approximately 195 people attended the public meetings. Thirty-three (33) individuals provided verbal comments during these meetings. During the comment period, 63 written comments were received from members of the public, citizen groups and organizations, local units of government, state agencies and businesses.

As part of the scoping process, system alternatives and transmission line route and alignment alternatives—beyond those proposed by Xcel Energy—were identified for study in the EIS. Property records indicate that you own property along or adjacent to one or more of these system, route, or alignment alternatives.

The EIS will evaluate the potential human and environmental impacts for the routes proposed by Xcel Energy and the alternative routes identified in the scoping decision. The EIS is currently being prepared and will be issued as a draft in early June 2025.

Public hearings will be held in the project area after issuance of the draft EIS and are anticipated to occur in late June 2025. An administrative law judge (ALJ) from the Minnesota Office of Administrative Hearings will preside over the hearings, and individuals of the public can provide comments on the proposed project, identified alternatives, and the draft EIS during these hearings and the associated written comment period. A final EIS will be completed based on comments received during the public hearings and the associated comment period. The ALJ will then submit a report with recommendations

for the Commission's consideration in evaluating the project's certificate of need and route permit application. Commission decisions on the applications are expected in December 2025, or early January 2026.

How to Participate

Once the draft EIS is published a public comment period will open. You can provide comments on the draft EIS during this comment period. Additionally, public hearings will occur. Notice of these hearings will be published in local newspapers and mailed to persons who sign-up for the project mailing list. At the hearings you can advocate for what you think the Commission should decide about the project. You can also ask questions about information in the EIS, submit documents into the record, and provide a different interpretation of the facts.

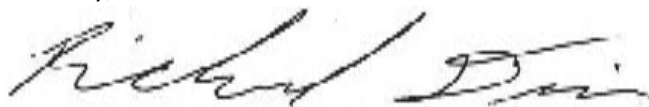
To place your name on the project mailing list, contact docketing.puc@state.mn.us or 651-201-2246 and provide the docket number (22-532 or 23-157), your name, email address, and mailing address. Please indicate how you would like to receive notices—by email or U.S. mail.

Additional Information

All route alternatives being studied in the EIS are described in the scoping decision. The scoping decision, along with maps showing the location of the different route alternatives, is available on the Department's website: <https://apps.commerce.state.mn.us/web/project/15507>. The complete project record is on the State of Minnesota's eDockets system by searching Docket #22-532(certificate of need) or Docket #23-157 (route permit) at: <https://www.edockets.state.mn.us/documents>.

If you have questions or would like more information about the environmental review process, please contact me (651-539-1846; richard.davis@state.mn.us). If you have questions about the permitting process generally or of the Minnesota Public Utilities Commission, contact Cezar Panait (651-201-2207; cezar.panait@state.mn.us).

Sincerely,

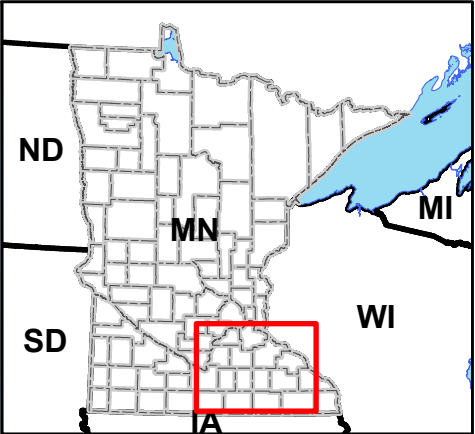
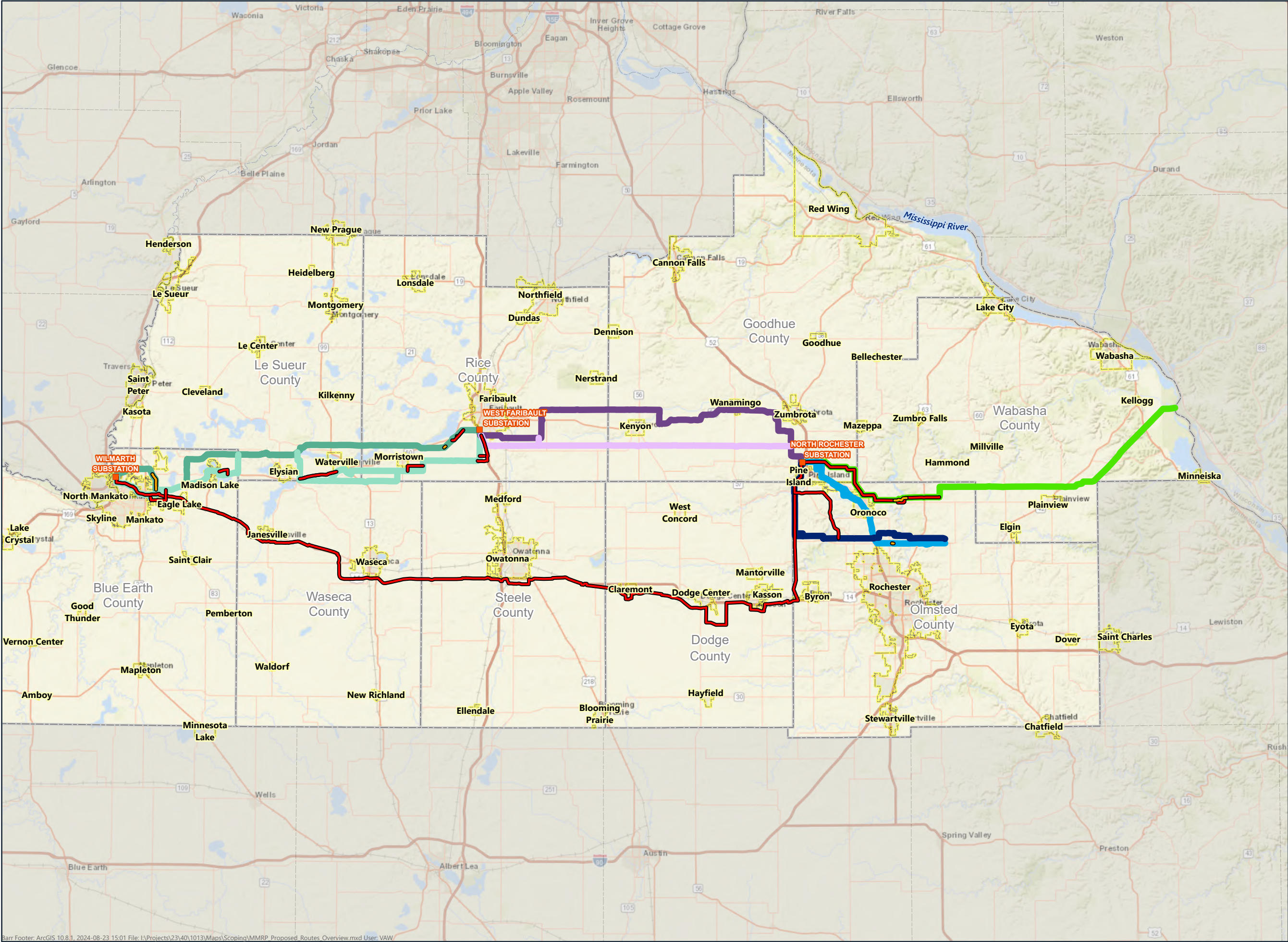


Richard Davis
Environmental Review Manager
Energy Environmental Review and Analysis
Minnesota Department of Commerce

Enclosures:

Project Overview Map

Notice of Environmental Impact State Scoping Decision



- Route Segment
- Alignment Alternative
- 1 North
- 1 South
- 2 North
- 2 South
- 3
- 4 East
- 4 West
- Substation
- Municipal Boundary
- County Boundary



PROJECT OVERVIEW
Mankato - Mississippi River
Transmission Line Project



NOTICE OF ENVIRONMENTAL IMPACT STATEMENT SCOPING DECISION

In the Matter of the Certificate of Need and Route Permit Applications for the Mankato – Mississippi River 345 kV Transmission Line Project in Southeast Minnesota

Docket No. E-002/CN-22-532

Docket No. E-002/TL-23-157

Issued: December 10, 2024

PLEASE TAKE NOTICE that the Minnesota Department of Commerce (Department) has issued the scoping decision for the environmental impact statement (EIS) that will be prepared for the proposed Mankato – Mississippi River 345 kV Transmission Line Project.

The EIS will be prepared by the Department's Energy Environmental Review and Analysis (EERA) staff and will address the potential human and environmental impacts of the project. The scoping decision identifies those issues that will be studied, as well as those that will not be addressed.

The scoping decision and other relevant documents are available:

- On the Department's website: <https://apps.commerce.state.mn.us/web/project/15507>.
- On the State of Minnesota's eDockets system: <https://www.edockets.state.mn.us/documents> (enter Docket #22-532 for the certificate of need and Docket #23-157 for the route permit).

A draft EIS is scheduled to be completed in June 2025. Public hearings will be held in the project area after the draft EIS is complete and available for public review. These hearings will be noticed separately.

If you have questions or would like more information, please contact the EERA environmental review manager Richard Davis (651-539-1846, richard.davis@state.mn.us) or the Minnesota Public Utilities Commission's public advisor Trevor Culbertson (651-201-2195, trevor.culbertson@state.mn.us).

To place your name on the project mailing list, email docketing.puc@state.mn.us or call Leesa Norton at 651-201-2246 with the docket number (22-532 and/or 23-157), your name, email address, and mailing address. Please indicate how you would like to receive notices—by email or U.S. mail. Placing your name on the project mailing list ensures that you receive the most up-to-date information about the project.

This notice and the scoping decision can be made available in alternative formats, that is, large print or audio, by calling 651-539-1530 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service.