



**In the Matter of the Application of Xcel
Energy for a Certificate of Need and Route
Permit for the Mankato – Mississippi River
345 kV Transmission Line Project in
Southeast Minnesota**

**ENVIRONMENTAL IMPACT STATEMENT
SCOPING DECISION**

**DOCKET NO. E-002/CN-22-532
DOCKET NO. E-002/TL-23-157**

The above matter is before the Commissioner of the Department of Commerce (Department) for a decision on the scope of the environmental impact statement (EIS) that will be prepared for the Mankato – Mississippi 345 kV Transmission Line Project (project) proposed by Xcel Energy (applicant) in Blue Earth, Le Sueur, Waseca, Rice, Dodge, Olmstead, Goodhue, Winona, and Wabasha counties in Minnesota.

Project Description

On April 2, 2024, the applicant submitted a joint application for a certificate of need and route permit¹ to the Minnesota Public Utilities Commission (Commission) for construction of the project. The 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.

The project 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.

The applicant has generally requested a route width of 1,000 feet, with some areas having route widths up to 0.7 miles around project substations, areas with routing constraints, and in areas where route options come together. A final, permanent, right-of-way width of 150 feet is typically required for 345 kV HVTLs, and the 161 kV HVTL portions of the project will have a permanent right-of-way of 100 feet. The

¹ Xcel Energy. April 2, 2024. *Application for a Certificate of Need and Route Permit for the Mankato – Mississippi River Transmission Project*. eDocket Nos. 20244-204917-19 (Cover Letter), 20244-204917-17 (Combined Application and Appendices A-F). <https://apps.commerce.state.mn.us/eera/web/file-list/15584>

project will include modifications to the existing Wilmarth and North Rochester Substations, and possible modifications to the existing Eastwood Substation depending on the route selected.² The applicant proposed two HVTL routes for Segments 1, 2, and 4 as required by Minnesota Rule 7850.1900. Segment 3 consists of one proposed route, as this segment was permitted by the Commission as part of the CapX2020 Hampton – La Crosse Project.³

Project Purpose

The applicant indicates that 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.⁴

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.

Regulatory Background

The project requires two approvals from the Commission—a certificate of need and route permit. Department Energy Environmental Review and Analysis (EERA) staff conducts environmental review on behalf of the Commission for these approvals. The Commission authorized review for the certificate of need using the informal process established in Minn. Rule 7829.1200; the route permit application will be reviewed using the full permitting process established in Minn. Statute 216E.03 and Minn. Rules 7850.1700-2700.⁵ Finally, the Commission approved joint public meetings, joint public hearings, and combined environmental review of the certificate of need and route permit applications.⁶

EERA staff will prepare an environmental impact statement (EIS) that will inform the Commission's decisions regarding a certificate of need and a route permit for the project. 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 Process

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. Staff uses the information gathered during scoping to inform the content of the EIS.

² Application, Chapter 2.

³ Docket No. E002/TL-09-1448.

⁴ Application, page 5.

⁵ Minnesota Public Utilities Commission (June 26, 2024) *Order Accepting Applications as Complete, Establishing Procedural Requirements and Notice of and Order for Hearing*. eDockets No. [20246-207975-01.pdf \(state.mn.us\)](https://dockets.state.mn.us/20246-207975-01.pdf)

⁶ Ibid.

EERA staff gathered input on the scope of the EIS through seven public scoping meetings and an associated comment period. Five of the meetings were in-person and two of the meetings were virtual. Approximately 195 people attended the public meetings. Thirty-three (33) individuals provided verbal comments at the public meetings.⁷ The purpose of the meetings was to provide information to the public about the proposed project, to answer questions, and to allow the public an opportunity to suggest alternatives and impacts for consideration during preparation of the EIS. A court reporter was present at the meetings to document oral statements.

A comment period, which closed on August 1, 2024, provided an opportunity to submit written comments on potential impacts and mitigation measures for consideration in the scope of the EIS. A total of 63 written comments were received during the comment period, nine of which were from local units of governments and state agencies.⁸ The remaining comments were received from: Citizens for Environmental Rights and Safety, F.H. Holding LLC, Rochester Archery Club, Xcel Energy, and individual members of the public.

Commenters expressed concern about a variety of potential impacts associated with the project, including those associated with farming operations, property values, multiple transmission lines on a property, public health and safety, aesthetics, land use, wildlife and associated habitat, water resources, geology, and noise. Just under one-quarter of the comments expressed a preference for, or displeasure with, a routing option proposed in the route permit application. Commenters proposed multiple route and alignment alternatives for study in the EIS. Additionally, two system alternatives were proposed.

Consistent with Minn. R. 7850.2500, subp. 3, EERA staff conferred with the applicant on the alternatives proposed for study in the EIS.⁹

Commission Review

On September 19, 2024, staff provided the Commission with a summary of the EIS scoping process.¹⁰ The summary discussed the system and route alternatives that were proposed during the scoping process and those alternatives the Department recommended for inclusion in the scope of the EIS. On October 9, 2025, the Commission concurred with EERA's scoping recommendations; additionally, the Commission included a modified alternative route segment for analysis in the EIS.¹¹

Route Alternative Modifications After Commission Review

After the Commission's review and approval of EERA staff's scoping recommendations, staff made modifications to Route Segment 12, Route Segment 17 (Highway 14 option), and the applicant-proposed Segment 1 Alternative 1L.

⁷ Minnesota Department of Commerce (September 13, 2024) *Environmental Impact Statement Scoping Comments Received*, eDocket Nos. 20249-210198-02 [[PUBLIC COMMENT–COVER LETTER - AFFIDAVIT - SERVICE LISTS](#)], 0249-210198-04 [[PUBLIC COMMENTS 1-26](#)], 20249-210198-06 [[PUBLIC COMMENTS 27-49](#)], 20249-210198-08 [[PUBLIC COMMENTS 50-96](#)]).

⁸ *Ibid.*

⁹ Northern States Power Company, DBA Xcel Energy, Response to EIS Scoping Comments (August 28, 2024). <https://apps.commerce.state.mn.us/docket.xhtml>

¹⁰ Department of Commerce (April 17, 2024) Scoping Summary, eDocket No. [20249-210328-01](#).

¹¹ Minnesota Public Utilities Commission (May 9, 2024) Order, eDockets No. [202410-210832-02](#).

Route Segment 12

EERA and the applicant worked with the Route Segment 12 proposer to more clearly identify the alignment suggested in the proposer’s scoping comments. The Route Segment 12 alignment was shifted in two locations to accurately reflect the proposer’s intended alignment, and the route width associated with these two shifts were widened to allow for routing flexibility as the applicant conducts final engineering and design.

Additionally, EERA staff incorporated Alternative Alignment 14 into Route Segment 12 as a possible alignment for crossing the Zumbro River. Alternative Alignment 15 remains an alternative alignment at this crossing.

Route Segment 17 (Highway 14 Option)

In coordination with EERA and the Minnesota Department of Transportation (MnDOT), the applicant has refined an alignment for Route Segment 17 (Highway 14 Option) that it believes to be constructable, and that is generally located within or in close proximity to the U.S. Highway 14 right-of-way. The applicant continues to coordinate and work with MnDOT to further develop Route Segment 17 (Highway 14 option). The applicant identified seven locations along Segment 17 (Highway 14 Option) where routing flexibility will be required; EERA staff and the applicant coordinated and conferred to widen the route width in these locations. The wider route will allow for routing flexibility as the applicant works through MnDOT coordination and final engineering and design in these locations.

Segment 1 Alternative 1L

In Segment 1 of the project, the applicant identified several routing alternatives (referred to as 1A through 1M), including 1L. The applicant has had additional discussions with CenterPoint Energy regarding existing infrastructure and future planned expansions of infrastructure as it relates to Segment 1 Alternative 1L. The proposed 345 KV transmission line would require setbacks from existing gas wells to allow for CenterPoint Energy to access the gas wells with large operational and maintenance equipment, and additional setbacks would be necessary to allow for planned equipment additions and expansion of the CenterPoint Energy Waterville Gas Storage Facility. The applicant has determined that Segment 1 Alternative 1L is no longer a feasible route alternative due to the necessary setbacks from CenterPoint Energy’s existing and planned facilities.¹² The applicant requested that Segment Alternative 1L be removed from consideration as a routing alternative for the project.¹³ Segment 1 Alternative 1L will not be analyzed in the EIS.

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¹² Xcel Energy. November 8, 2024. Other – Request to Remove Segment Alternative 1L. eDocket No. [202411-211748-01](#)

¹³ Id.

Having reviewed the matter, consulted with staff, and in accordance with Minnesota Rule 7850.2500, I hereby make the following scoping decision:

MATTERS TO BE ADDRESSED

The issues outlined below will be analyzed in the EIS for the proposed Mankato – Mississippi River 345 kV transmission line project. The EIS will describe the project, the existing environment, and the human and environmental resources potentially affected by the project. It will provide information about potential direct and indirect impacts—both positive and negative—resulting from construction, operation, and maintenance of the project. The EIS will describe mitigation measures that could reasonably be implemented to reduce or eliminate identified negative impacts. The EIS will identify impacts that cannot be avoided and irreversible and irretrievable commitments of resources. The EIS will discuss the relative merits of the routing alternatives studied in the EIS using the routing factors found in Minnesota Rule 7850.4100. The EIS will also include the analysis of system alternatives required by Minnesota Rule 7849.1500.

Data and analyses in the EIS will be commensurate with the importance of potential impacts and the relevance of the information to consider mitigation measures. Consideration will be given to the relationship between the cost of data and analyses and the relevance and importance of the information in determining the level of detail to provide in the EIS. Less important material may be summarized, consolidated, or simply referenced.

The EIS will list information sources. If relevant information cannot be obtained within timelines prescribed by applicable statute and rule, the costs of obtaining such information is excessive, or the means to obtain it is unknown, a statement that such information is incomplete or unavailable and the relevance of the information in evaluating potential impacts or alternatives will be included in the EIS.

1.0 Project Information

- Purpose
- Description
- Location
- Route Width and Right-of-Way Requirements
- Engineering and Design
- Construction
- Costs
- Schedule

2.0 Regulatory Framework

- Certificate of Need
- Route Permit
- Environmental Review Process
- Other Permits or Approvals

3.0 Affected Environment, Potential Impacts, and Mitigative Measures

3.1 Human Settlements

- Aesthetics

Cultural Resources
Displacement
Electric and Magnetic Fields
Electronic Interference
Environmental Justice
Land Use
Noise
Public Health and Safety (including implantable medical devices)
Public Services and Infrastructure (including right-of-way sharing)
Recreation
Socioeconomics
Stray Voltage
Zoning

3.2 Land-Based Economies

Agriculture
Forestry
Mining
Tourism

3.3 Archaeological and Historic Resources

3.4 Natural Environment

Air
Climate Change (including greenhouse gas emissions)
Geology
Public and Designated Lands
Rare and Unique Resources
Soils
Vegetation
Water Resources
Wetlands
Wildlife and their Habitats

4.0 Electric System Reliability

5.0 Operation and Maintenance Costs that are Design Dependent

6.0 Unavoidable Impacts

7.0 Irreversible and Irretrievable Commitments of Resources

8.0 Cumulative Potential Effects

ROUTES AND ROUTE ALTERNATIVES TO BE EVALUATED

The EIS will evaluate the routes proposed by the applicant in its route permit application, with the exception of Segment 1 Alternative 1L, which the applicant has requested be removed due to constructability and feasibility concerns. The EIS will also evaluate the route segments and alignment alternatives listed in Appendix A and visually depicted in Appendix B. The EIS will analyze whether these alternatives are feasible to the extent they provide a significant environmental benefit relative to the routes proposed by the applicant; will have substantially less adverse economic, employment, or sociological impacts compared to an alternative with similar environmental effects; and will assist in the Commission's decision on the route permit application. To the extent an alternative is feasible, it will be further studied in the EIS. If an alternative is not feasible, the EIS will provide the reasons why and the alternative will be excluded from detailed analysis.

ALTERNATIVES TO THE PROPOSED PROJECT

The EIS, in accordance with Minnesota Rule 7849.1500, will describe and analyze the feasibility of the following system alternatives, and the human and environmental impacts and potential mitigation measures associated with each:

- No-build;
- Demand side management;
- Purchased power;
- Transmission line of a different size or using a different energy source than the source proposed by the applicant;
- Upgrading existing facilities;
- Generation rather than transmission; and
- Use of renewable energy sources.

Additionally, the EIS will analyze the feasibility and the human and environmental impacts of the following system alternatives:

- Chester Junction System Alternative
 - This system alternative would install a new substation at Chester Junction along Segment 3 to eliminate the need to construct the new 161 kV transmission line in Segment 4 of the project.
- 230 kV System Alternative
 - This system alternative would use 230 kV transmission lines, instead of 345 kV lines, to meet the need for the project.

The EIS will analyze whether the system alternatives are feasible inasmuch as they meet the purpose of the project either individually or in combination with other feasible alternatives. To the extent an alternative is feasible, it will be further studied in the EIS. An alternative may be excluded

from detailed analysis in the EIS if it would not meet the underlying purpose of project.

IDENTIFICATION OF PERMITS

The EIS will list and describe permits from other governmental agencies that may be required for the project.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL IMPACT STATEMENT

The EIS will not consider the following:

- Any route, route segment, or alignment alternative not specifically identified for study in this scoping decision.
- Any system alternative (an alternative to the proposed project) not specifically identified for study in this scoping decision.
- The appropriateness of state eminent domain laws; however, these laws will be discussed.
- The way landowners are compensated for easements associated with the project.

SCHEDULE

A draft EIS is anticipated to be released in March 2025. Joint public meetings and hearings, and a written comment period will then occur. Substantive comments on the draft EIS will be responded to and included in a final EIS.

Signed this 26th day of November 2024

STATE OF MINNESOTA
Department of Commerce



Pete Wyckoff, Deputy Commissioner