

**STATE OF MINNESOTA  
BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Application of  
Minnesota Power for a Certificate of Need for  
the HVDC Modernization Project in  
Hermantown, Saint Louis County;

In the Matter of the Application of  
Minnesota Power for a Route Permit for a  
High Voltage Transmission Line for the  
HVDC Modernization Project in  
Hermantown, Saint Louis County.

**OAH 5-2500-39600  
MPUC E-015/CN-22-607  
MPUC E-015/TL-22-611**

**REBUTTAL TESTIMONY OF AMY LEE**

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**I. INTRODUCTION**

3 **Q. Please state your name, employer, title, and business address.**

4 A. My name is Amy Lee. I am employed by ATC Management, Inc., the corporate manager  
5 of American Transmission Company LLC (collectively, ATC). My job title is Principal  
6 Environmental and Regulatory Advisor, and my business address is 2485 Rinden Road,  
7 Cottage Grove, WI 53527.

8 **Q. Are you the same Amy Lee who filed direct testimony in this proceeding on behalf of**  
9 **ATC in support of its Arrowhead Substation Alternative?**

10 A. Yes.

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. My rebuttal testimony responds to the direct testimony filed by Minnesota Power (MP).  
13 Specifically, my rebuttal testimony:

- 14 • Addresses the environmental impacts resulting from both the Arrowhead  
15 Substation Alternative and MP's proposal;

- Discusses mitigation of impacts; and
- Addresses MP's concerns regarding outreach to permitting agencies and landowners about the revised Arrowhead Substation Alternative.

## II. ENVIRONMENTAL IMPACTS AND PLANNING

**Q. Do you agree with the analysis provided by MP witness Mr. McCourtney regarding the anticipated environmental impacts of the MP Project and the Arrowhead Substation Alternative, as set forth in Schedule 1 to his testimony? Why or why not?**

A. Based on the information available to me at this time, I do not disagree with Mr. McCourtney's analysis in Schedule 1 to his testimony. That said, Mr. McCourtney's testimony comparing environmental impacts between the Arrowhead Substation Alternative and the MP proposal is not consistent with the discussion of impacts in the Environmental Assessment ("EA") issued by the Minnesota Department of Commerce – Energy Environmental Review and Analysis unit ("DOC-EERA"). Notably, Schedule 1 of Mr. McCourtney's testimony compares acreage impacted by land cover type between MP's proposal and the Arrowhead Substation Alternative, and states that MP's proposal will impact 3.6 acres more than the Arrowhead Substation Alternative, while Table 14 in the EA shows the MP proposal impacting 10.97 acres more than the Arrowhead Substation Alternative.

It bears repeating that the most significant difference between MP's proposal and the Arrowhead Substation Alternative is that MP's proposal would require the construction of an entirely new substation. Even under Mr. McCourtney's analysis, MP's proposal will impact more acreage than the Arrowhead Substation Alternative would and MP's proposal

1 would result in both more acres disturbed during construction and more new permanent  
2 infrastructure because of the development of the new substation.

3 **Q. What inaccuracies did you find in Mr. McCourtney's testimony?**

4 A. Mr. McCourtney claims in his Direct Testimony at pp. 16, 17, and 18 that the proposed  
5 high-voltage transmission line ("HVTL") for ATC's Arrowhead Substation Alternative  
6 would be located closer to local residences to the south of the Project Study Area than  
7 would the HVTL line contemplated by MP's proposal. Although the proposed alignment  
8 for the Arrowhead Substation Alternative is further south than MP's proposed alignment,  
9 and thus closer to the residences *to the south* than MP's proposal, this is not an appropriate  
10 comparison of the two proposed alignments and unnecessarily focuses on residences in  
11 only one cardinal direction. As discussed by DOC-EERA in the EA,<sup>1</sup> the Arrowhead  
12 Substation Alternative "would also be near less residences, be less noisy during  
13 construction, not create new access points off Morris Thomas Road, and be more screened  
14 from view." As further demonstrated in Figure 4 of the EA, MP's proposal is physically  
15 nearer to the closest residences with less natural visual buffer.<sup>2</sup>

16 Further, DOC-EERA determined that the Arrowhead Substation Alternative would  
17 have "minimal" impacts from a cultural values standpoint as opposed to "moderate"  
18 impacts resulting from MP's proposal, in large part due to the proximity and visibility of  
19 MP's substation to these residences and the nearest roadway.<sup>3</sup>

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<sup>1</sup> *Environmental Assessment: HVDC Modernization Project*, Minnesota Department of Commerce, Energy  
Environmental Review and Analysis Unit at 9 (Feb. 29, 2024) (eDocket No. 20242-203954-01).

<sup>2</sup> *Id.* at 45, Fig. 4.

<sup>3</sup> *Id.* at 37.

1 **Q. MP witnesses Mr. Gunderson and Mr. McCourtney testified that MP is now**  
2 **proposing a double-circuit 230 kV line. MP's witnesses state that this proposal will**  
3 **reduce impacts associated with its crossing of the West Rocky Run Creek. Does this**  
4 **change to MP's proposal alter your analysis of the comparable impacts between MP's**  
5 **Project and the Arrowhead Substation Alternative with respect to impacts on that**  
6 **resource?**

7 A. Yes. Based on MP's testimony, as well as the analysis contained in the EA prepared by  
8 DOC-EERA, it appears that the impacts from the Arrowhead Substation Alternative on  
9 West Rocky Run Creek will be similar to those from MP's proposal, although I recognize  
10 that the EA notes that the Arrowhead Substation Alternative as currently proposed is closer  
11 to an existing crossing and therefore could exacerbate warming impacts. Should the  
12 Arrowhead Substation Alternative be selected, it is anticipated that MP would construct  
13 the transmission line, and I anticipate that potential mitigation measures could be discussed  
14 with the Minnesota Department of Natural Resources and MP in connection with  
15 permitting of the crossing of West Rocky Run Creek.

### 16 **III. MITIGATION**

17 **Q. Would the Arrowhead Substation Alternative utilize the same or similar mitigation**  
18 **measures as those discussed by MP witness Mr. McCourtney in his direct testimony**  
19 **at pp. 10-12?**

20 A. Yes, with the caveat that, if the Arrowhead Substation Alternative is selected, the only  
21 work that ATC would be responsible for completing would be within the footprint of  
22 ATC's existing 345/230 kV Arrowhead Substation. Presumably, MP will construct the  
23 transmission line and converter station (since it will ultimately own those assets), and it

1 would be responsible for mitigating impacts associated with that construction work as well  
2 as mitigating any operational impacts from the new converter station.

3 **Q. Does the Arrowhead Substation Alternative require an expansion of the footprint of**  
4 **the ATC Arrowhead Substation?**

5 A. No. The Arrowhead Substation Alternative does not require any expansion of the existing  
6 substation, and speculation about the need for future expansion to accommodate potential  
7 future but unidentified projects is outside the scope of this project. For this reason, MP's  
8 speculation about the wetlands to the east of the Arrowhead Substation has no bearing on  
9 this proceeding. For the same reason, I believe that MP's claim that it will need to build a  
10 St. Louis County Substation for other reasons at some point in the future is irrelevant to  
11 the consideration of the appropriate alternative to select for this project. ATC witness  
12 Thomas Dagenais addresses the potential future need for the new 345 kV St. Louis County  
13 Substation in his rebuttal testimony, and ATC witness Tobin Larsen discusses the potential  
14 expandability of ATC's existing 345/230 kV Arrowhead Substation in his rebuttal  
15 testimony.

16 **IV. PERMITTING AND OUTREACH**

17 **Q. Can you explain why ATC did not reach out to agencies or local landowners and why**  
18 **it is appropriate to rely on MP's prior outreach efforts?**

19 A. The only work that ATC would be responsible for completing if the Arrowhead Substation  
20 Alternative is selected would be within the boundaries of the existing substation and would  
21 not require any permits other than those at issue in this proceeding. Further, as noted in  
22 the EA, the infrastructure associated with the Arrowhead Substation Alternative will be  
23 further from existing residences.

1           While ATC has proposed an alternative to the point-of-interconnection for MP's  
2           project, it is still MP's project and MP will be responsible for obtaining permits associated  
3           with either alternative. As discussed in greater detail in Mr. McKee's testimony, MP has  
4           been aware of ATC's proposed alternative since October of 2022, and the Commission  
5           ordered that the Arrowhead Substation Alternative should be considered in this proceeding  
6           on November 29, 2023. MP has had ample opportunity to conduct outreach with local  
7           agencies and landowners concerning this alternative, should the Commission require that  
8           it be implemented.

9           In any event, permitting agencies and the public have had access to DOC-EERA's  
10          scoping documents, which set forth information concerning the Arrowhead Substation  
11          Alternative. In my experience, it would be highly unusual for an entity other than the  
12          project proposer to initiate contact with permitting agencies.

13   **Q. Will permitting for the Arrowhead Substation Alternative result in material delays**  
14   **to the construction schedule for the Project?**

15   A. While ATC will not be responsible for permitting, I do not believe that selection of the  
16   Arrowhead Substation Alternative should appreciably delay permitting. The project is  
17   being sited on MP-owned land and within MP's study area, and relevant permitting  
18   agencies have been made aware of the alternative through DOC-EERA's scoping decision  
19   and publication of the EA. In addition, the types of permits that would be required if the  
20   Arrowhead Substation Alternative are of the same general nature that would be required  
21   under MP's proposal.

22   **Q. Does this conclude your rebuttal testimony?**

23   A. Yes.