



Minnesota Public Utilities Commission

PUC Agenda Meeting

Thursday, May 21, 2026

10:00 AM

INTRODUCTION

DECISION ITEMS

1. [Details 2026-066](#)

* **E002/ESS-25-319**

Northern States Power Company d/b/a Xcel Energy

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Site Permit for the up to 600 MW Sherco South & West Battery Energy Storage Project in Sherburne County, Minnesota.

1. Should the Commission grant a site permit for the proposed project?
2. If granted, what additional conditions or requirements should be included in the site permit?
3. Should the Commission approve and adopt the applicant's proposed Findings of Fact and Conclusions for the project as amended by staff? (PUC: **Johnson, Maxon**)

Attachments:

[Briefing Papers](#)

2. [Details 2026-067](#)**** E136/C-26-113 Renville-Sibley Cooperative Power**

In the Matter of a Formal Complaint by Larry Rauenhurst against Renville Sibley Cooperative Power Association.

1. Does the Commission have jurisdiction over the subject matter of the Complaint?
2. Are there reasonable grounds for the Commission to investigate these allegations?
3. Is it in the public interest for the Commission to investigate these allegations?
4. If the Commission chooses to investigate the Complaint, what procedures should be used to do so?
5. Are there other issues or concerns related to this matter? (PUC: **Fournier**)

Attachments:

[Briefing Papers](#)

[Additional Decision Options](#)

[RSCPA Exhibit B](#)

[CLEAR Corrected Decision Recommendations](#)

[CURE Preferred Decision Options](#)

ADJOURNMENT

* One star indicates that an agenda item is not disputed.

** Two stars indicate that an agenda item is disputed and there may be legal, procedural, or policy issues to be resolved.

*** Three stars indicate a complex or lengthy disputed agenda item that may have significant legal, procedural, or policy issues to be resolved.

Please note: For the complete record, please see eDockets.

Staff Briefing Papers

Meeting Date May 21, 2026

Agenda Item 1*

Company Northern States Power Company d/b/a Xcel Energy

Docket No. E002/ESS-25-319

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Site Permit for the up to 600 MW Sherco South & West Battery Energy Storage Project in Sherburne County, Minnesota.

- Issues**
- Should the Commission grant a site permit for the proposed project?
 - If granted, what additional conditions or requirements should be included in the site permit?
 - Should the Commission approve and adopt the applicant’s proposed Findings of Fact and Conclusions for the project as amended by staff?

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

✓ Relevant Documents

	Date
Xcel Energy – Application (14 parts)	12/05/2025
Public Utilities Commission, Energy Infrastructure Permitting Staff (PUC EIP Staff, Commission Staff, or Staff) – Notice of Site Permit Application Completeness Determination and Public Information Meetings (2 parts)	12/19/2025
Xcel Energy - Affidavit of Publication	01/08/2026
PUC EIP – Sample BESS permit	01/12/2026
Minnesota Department of Natural Resources (DNR) - Natural Heritage Review Letter	01/26/2026
DNR - Comments	01/26/2026
PUC - Written Public Comments Received	01/28/2026
PUC - Oral Comments from Public Information and Scoping Meetings	01/28/2026
PUC EIP - EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum	02/04/2026
CAH - Order for Public Hearings	02/19/2026
PUC- Order	02/25/2026
PUC- Notice of Public Hearings and Availability of Draft Permit	02/27/2026
PUC - EQB Monitor Notice of Public Hearings and Availability of Draft Permit	03/10/2026
Xcel Energy – Direct Testimony – Clitty	03/11/2026
DNR - Comments	03/30/2026
Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) - Comments	03/30/2026
PUC - EIP Staff Comments	04/02/2026
Xcel Energy - Response to Public Comments and Proposed FOF	04/06/2026
CAH – Summary of Public Comments	05/01/2026

Attachments

Attachment A: Table 1 - Proposed Site Permit Language

Attachment B: Table 2 - Summary Table of Staff Proposed Findings

Attachment C: Staff Proposed Findings

Attachment D: Staff Proposed Site Permit

Attachment E: Complaint Handling Procedures for Permitted Energy Facilities

Attachment F: Compliance Filing Procedures for Permitted Energy Facilities

Attachment G: Site Permit Maps

I. ISSUES

- Should the Commission grant a site permit for the proposed project?
- If granted, what additional conditions or requirements should be included in the site permit?
- Should the Commission approve and adopt the applicant's proposed Findings of Fact and Conclusions for the project as amended by staff?

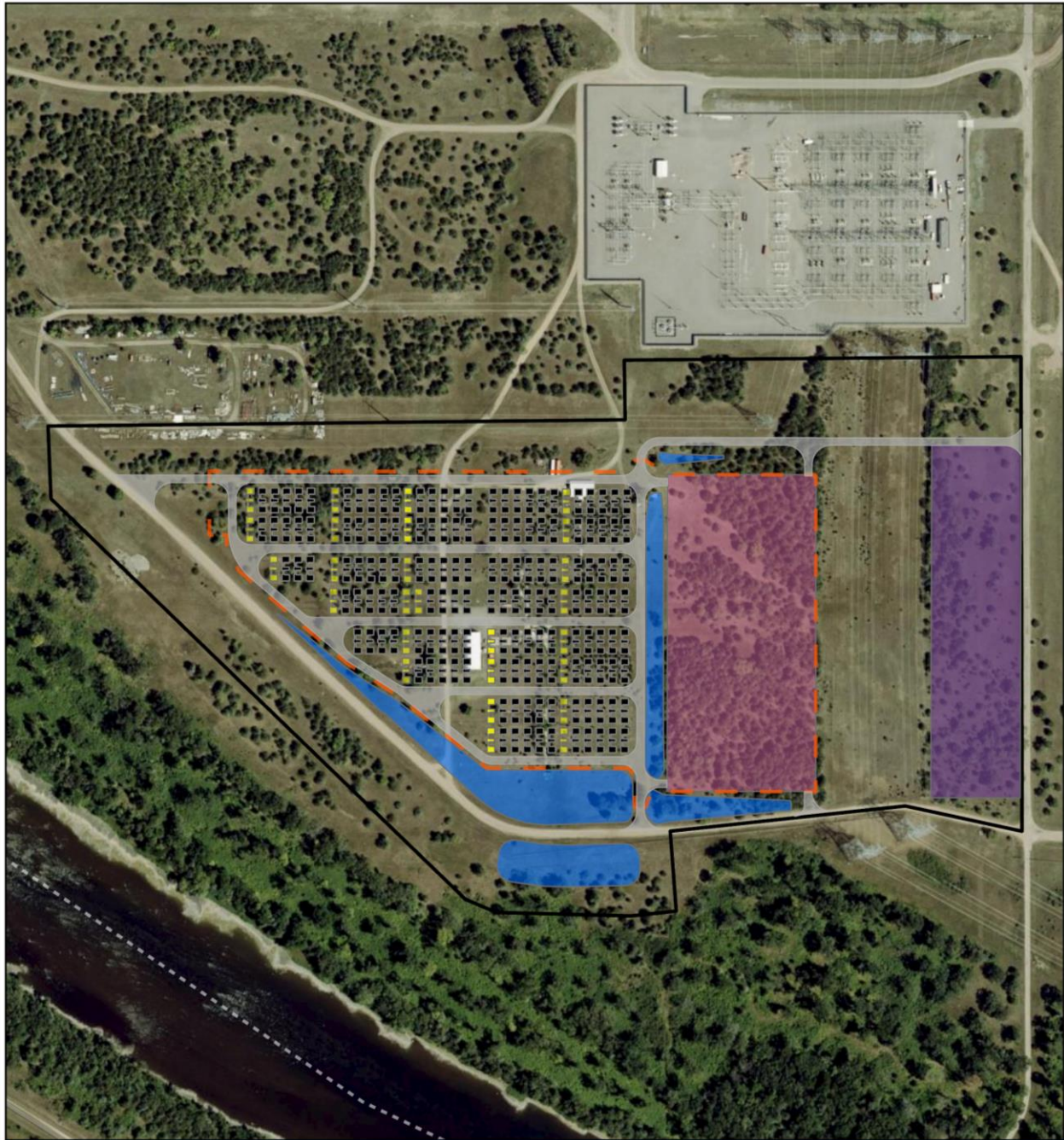
II. PROJECT BACKGROUND

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or applicant), submitted a site permit application (Application) for the up to 600 megawatts (MW) Sherco South & West Battery Energy Storage Project (Project or Sherco BESS) in the City of Becker, Sherburne County, Minnesota. The proposed Project would involve construction and operation of a battery energy storage system (BESS) with a nominal power rating of up to 600 MW alternating current with approximately 2,400 megawatt-hours (MWh) of energy capacity on a site consisting of approximately 62 acres adjacent to the Sherburne County Generating Station in the City of Becker, Sherburne County, Minnesota.

The proposed Project would be located on land owned by Xcel Energy, with approximately 35 acres of the site permanently occupied by Project infrastructure. The preliminary design of the BESS units proposes Lithium Iron Phosphate (LFP) battery technology. Project infrastructure would include 704 BESS units, 88 medium voltage transformers, and four main power transformers. Additionally, the Project will consist of inverters and electrical feeder lines, a 345 kV generation interconnect (gen-tie) transmission line of up to 600 feet, Project substation, storage, access roads, fencing, and stormwater basins. The proposed Project will interconnect via a gen-tie line from the Project substation to the adjacent existing Sherburne County Station. Xcel Energy proposed to begin construction in the third quarter of 2026.

As described in the Application, estimated project costs are between \$698 million and \$1.03 billion for construction, between \$6.8 million and \$10 million for operation and maintenance, and \$38.1 million for decommissioning.

PROJECT OVERVIEW MAP



Sherco South and West Battery Energy Storage System Project Overview



Proposed Activities

- | | |
|---------------------|-------------------|
| Access Roads | Laydown Yard |
| BESS Container | Stormwater Basins |
| Future Augmentation | Substation |
| Fencing | Site Boundary |

N

Feet

0 500

m MINNESOTA
PUBLIC UTILITIES COMMISSION

III. RULES AND STATUTES

A. Certificate of Need

Under Minn. Stat. § 216B.243, subd. 8(a)(9), this project is exempt from a certificate of need as it is an energy storage system, as defined in Minn. Stat. §216I.02, subd. 6.

B. Site Permit

Under Minn. Stat. §216I.02, subd. 6, an energy storage system means 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. The proposed Project would have a nominal power rating of up to 600 MW alternating current with approximately 2,400 MWh of energy capacity and is therefore defined as an energy storage system.

Under Minn. Stat. §216I.05, subd. 1(a), an energy storage system may not be constructed in Minnesota without a site permit from the Commission. The proposed Project requires a site permit because it is an energy storage system.

Applicants seeking a site permit for an energy storage system may elect to follow the standard review process described in Minn. Stat. §216I.07.

C. Procedural Treatment of Application

The Commission authorized the following procedures to review the site permit Application: (1) use of the standard review process; and (2) a request that the Court of Administrative Hearings (CAH) appoint an Administrative Law Judge (ALJ) to conduct public hearings and to prepare a report consistent with Minn. Stat. §216I.07, subd. 4(c).

IV. PROCEDURAL HISTORY

1) Application Completeness

On December 5, 2025, Xcel Energy submitted a site permit Application for the Sherco South & West Battery Energy Storage Project.¹

On December 19 and 22, 2025, PUC EIP staff issued a notice of site permit Application completeness determination and public information meetings.²

¹ Xcel Energy – [Application for a Site Permit and Environmental Assessment](#), 12/05/2025

² PUC EIP – [Notice of Site Permit Application Completeness Determination and Public Information Meetings](#), 12/19/2025

On January 12, 2026, PUC EIP staff filed a sample BESS Permit.³

2) Public Meeting, Environmental Assessment Addendum, and Draft Permit

On January 13, 2025, a virtual public information and scoping meeting was held via Webex. Three individuals attended the virtual meeting. One individual asked where the BESS components were made, and one local government representative said they were coordinating with the applicant. An in-person public meeting was held on January 14, 2025, at the Becker Community Center. Four individuals attended the in-person meeting, and Nathan Runke, representing the International Union of Operating Engineers Local 49 (IUOE Local 49) provided a comment about local jobs and wanted to ensure the record addressed local job creation.⁴

On January 26, 2026, the Minnesota Department of Natural Resources (DNR) filed comments and a Natural Heritage Review Letter.⁵ In their comments, DNR requested additional analysis of potential wildlife impacts associated with the proposed security fencing, including the extent to which the fence could impede wildlife travel corridors. Additionally, DNR suggested special permit conditions for tree removal timing restrictions, a security fencing plan, and a vegetation management plan (VMP). DNR suggested special permit condition language similar to 5.7 (Security Fencing) and 5.5 (Vegetation Management Plan) of the Snowshoe Energy Storage Project permit (Docket No. ESS-24-279).⁶ DNR also recommended the VMP include more detailed explanation regarding vegetation reestablishment phases, types of vegetation for reestablishment, and the diversity of native species that will be planted to minimize erosion and storm runoff.

On February 4, 2026, PUC EIP staff filed recommendations on a draft site permit and the need for an environmental assessment addendum.⁷ PUC EIP staff recommended that the Commission: (1) not require an addendum to the EA, (2) issue a draft site permit (DSP) with special permit conditions, and (3) refer the docket to the Court of Administrative Hearings (CAH) to conduct hearings and prepare a summary of public comments.

On February 19, 2026, CAH issued an order for public hearing proceedings and a summary of public comments, pursuant to the Commission's forthcoming order referring the matter to CAH.⁸

On February 25, 2026, the Commission issued an order (1) determining that an environmental assessment addendum is not required, (2) issuing a draft site permit prepared by EIP staff,

³ PUC EIP – [Sample BESS Permit](#), 01/12/2026

⁴ PUC EIP - [Oral Comments from Public Information and Scoping Meetings](#), 01/28/2026

⁵ DNR – [Natural Heritage Review Letter](#), 01/26/2026

⁶ Commission – [Order](#), Snowshoe BESS, 09/22/2025

⁷ PUC EIP – [EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum](#), 02/04/2026

⁸ CAH – [Order for Public Hearings](#), 02/19/2026

including special permit conditions, and (3) requesting that an administrative law judge (ALJ) from the CAH conduct public hearings for the project and prepare a summary of public testimony as expeditiously as possible.⁹

3) Public Hearings

On February 27, 2026, PUC EIP staff issued a notice of public hearings and availability of the draft permit.¹⁰

On March 11, 2026, Xcel Energy filed the direct testimony of Jordan Clitty.¹¹

On March 18, 2026, an in-person public hearing was held at the Becker Community Center and one individual attended. Mark Kolbinger, the mayor of the City of Becker, attended the hearing and spoke in support of the proposed Project. He stated that he serves as the chairman of the Becker Joint Powers Board which is co-managed with Becker Township and explained that the Joint Powers Board would provide fire and EMS services to the Project. Mr. Kolbinger further discussed the importance of proactive engagement regarding equipment and training needs for the fire department and flexibility with training schedules to ensure proper training of emergency staff.¹²

On March 19, 2026, a virtual public hearing was held via Webex. No members of the public attended the virtual public hearing.

On March 30, 2026, the Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) filed comments regarding the draft VMP.¹³ The VMPWG stated that no Commission action is recommended at this time but provided recommended modifications to the VMP to align with the typical site permit condition.

Also on March 30, 2026, DNR filed comments regarding permit conditions included in the DSP.¹⁴ DNR supported special conditions 5.1 (Vegetation Management Plan), 5.4 (Tree Removal Timing Restrictions), and 5.9 (Security Fencing) as written in the DSP. In response to Jordan Clitty's direct testimony, DNR disagreed with Xcel's assertion that the tree removal timing restriction was ineffective and reiterated support for special condition 5.4. Additionally, the DNR suggested a special permit condition that would require the applicant to coordinate with the DNR regarding rare species, similar to the Northern Long-Eared Bats condition included in the permit for the Benton Solar Project (Docket No. IP-7155/ESS-24-283).¹⁵ Regarding special

⁹ Commission – [Order](#), 02/25/2026

¹⁰ PUC EIP – [Notice of Public Hearings and Availability of Draft Permit](#), 02/27/2026

¹¹ Xcel Energy – [Direct Testimony – Jordan Clitty](#), 03/11/2026

¹² Shaddix & Associates - Stenographic Court Reporters, [Public Hearing Transcript](#), 04/03/2026

¹³ VMPWG – [Hearing Comments](#), 03/30/2026

¹⁴ DNR - [Comments](#), 03/30/2026

¹⁵ Commission – [Order](#), Benton Solar Project

condition 5.7 (Tree Replacement Plan) of the DSP, the DNR recommended adding additional text to establish a de minimis threshold of tree removal and definition of a tree.

On April 2, 2026, PUC EIP staff filed comments regarding the applicant's draft decommissioning plan.¹⁶ PUC EIP staff highlighted key areas of the draft decommissioning plan that did not meet staff expectations or needed further clarifications and recommended that the applicant revise their draft plan prior to filing the pre-construction decommissioning plan.

On April 6, 2026, Xcel Energy filed responses to public comments received and proposed findings of fact.¹⁷ Their responses are as follows:

City of Becker

In response to Mayor Kolbinger's hearing comments in support of the project and requesting proactive coordination with emergency services, Xcel Energy stated they will work with the Joint Powers Board.

DNR

In response to DNR's March 30, 2026, comments on recommended permit conditions, Xcel stated that they do not object to special permit conditions requiring coordination on rare species and coordination on a final fencing plan with DNR. The Applicant also stated they will coordinate with the DNR and the Commission on a tree replacement plan, as suggested in special permit condition 5.7 of the DSP.

However, Xcel Energy reiterated that they disagree with special permit condition 5.4 requiring tree clearing restrictions from June 1 to August 15 and stated that the record does not support its inclusion. The Applicant further stated that there are no known Northern Long Eared Bat (NLEB) maternity roost trees or hibernacula in Sherburne County, and that the Project site has limited suitable habitat. Additionally, Xcel Energy discussed that the tree clearing restriction may delay the start of construction for the Project and instead proposed the following permit condition language:

"The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff."

Regarding DNR's recommendation that the VMP include greater detail on reestablishment phases, specifying plant species, and use of a diverse mix of native plants, Xcel Energy also

¹⁶ PUC – [EIP Staff Comments](#), 04/02/2026

¹⁷ Xcel Energy – [Response to Public Hearing Comments and Proposed Findings of Fact](#), 04/06/2026

discussed that they would continue to work with the VMPWG to finalize the VMP ahead of construction.

VMPWG

In response to the VMPWG's comments regarding recommendations on the VMP, Xcel Energy stated they will continue to work with the VMPWG to finalize the VMP in alignment with the draft site permit and agency guidance ahead of construction.

PUC EIP

In response to PUC EIP's April 2, 2026, comments, Xcel Energy stated that they will continue to work with PUC EIP staff to incorporate recommendations and revise the Decommissioning Plan prior to Project construction.

On May 1, 2026, CAH filed a summary of public comments to the record.¹⁸

V. ADMINISTRATIVE LAW JUDGE SUMMARY OF PUBLIC TESTIMONY

Administrative Law Judge, Kristien R.E. Butler, presided over the public hearings and prepared a summary of verbal and written public hearing comments for the Commission. The ALJ provided the following summary of the one verbal comment received from Mayor Mark Kolbinger:

“One member of the public provided oral testimony at the in-person public hearing. Mark Kolbinger, mayor of Becker and chairperson of the Becker Joint Power Spire Board, spoke on behalf of both Becker and Becker Township. Kolbinger wanted to ensure the Project would keep fire and emergency medical services factors at the forefront. Kolbinger made it clear that anything relating to the fire department and its services would equally impact Becker and Becker Township in terms of budgets and services providers. All of the fire department services providers are volunteers, and 35 of the total 36 services providers have other full-time employment. Given this, Kolbinger requested that all services providers be able to receive any required training—regarding specialized equipment or otherwise—with reasonable flexibility taken into consideration. Kolbinger stressed that the safety of the services providers was of paramount concern to Becker and Becker Township.”

VI. PUC STAFF DISCUSSION

The following issues are before the Commission:

- Should the Commission grant a site permit for the proposed project?

¹⁸ CAH – [Summary of Public Comments](#), 05/01/2026

- If granted, what additional conditions or requirements should be included in the site permit?
- Should the Commission approve and adopt the applicant’s proposed Findings of Fact and Conclusions for the project as amended by staff?

Based on information in the permit Application, the analysis provided in the Environmental Assessment, public comments, direct testimony, the ALJ summary of public testimony, and other evidence in the record, PUC staff provides the discussion below.

A. Site Permit

Staff finds that the applicant has met all applicable statutory and rule criteria for obtaining a site permit for the project and recommends that the Commission grant Xcel Energy a site permit to construct and operate the up to 600-megawatt Sherco South and West Battery Energy Storage System Project. A proposed site permit with staff-supported permit language is provided as **Attachment D** to these briefing papers. Permit condition language agreed upon by the applicant and PUC EIP staff is marked in normal black text in the proposed site permit. Two permit conditions, marked in blue text in the proposed permit, are discussed further here – Section 5.4 Tree Clearing and Section 5.7 Tree Replacement Plan.

B. Permit Conditions - Tree Clearing and Tree Replacement

In addition to the proposed site permit (**Attachment D**) staff provides the following discussion of two special permit conditions – tree clearing and tree replacement. The language of these permit conditions is also included in a summary table of proposed permit conditions in **Attachment A**.

Tree Clearing (Special Permit Condition 5.4)

The DNR recommended that tree removal be avoided to minimize impacts to roosting bats and migratory birds from June 1 through August 15. This language was included in the draft site permit issued by the Commission. The applicant argued that this language is broader than what is necessary for the site and provided alternative language that they believe is more aligned with other dockets:

~~The permittee shall not remove trees from the site from June 1 to August 15.~~
The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

Staff notes that the applicant’s proposed language does not include coordination with the DNR.

The DNR proposed the language in the draft site permit to mitigate impacts to bats and birds. Staff recommends permit language that removes specific dates from the permit condition and that requires coordination with both the DNR and the United States Fish and Wildlife Service (USFWS). To ensure that the project may proceed if the USFWS is not responsive to coordination efforts, staff recommend language that allows the applicant to rely on existing USFWS guidance.

Staff notes that the applicant has proposed starting construction in the third quarter of 2026.

Tree Replacement Plan (Special Permit Condition 5.7)

The DNR requested that special condition 5.7 establish a de minimis threshold of tree removal and include a definition of a tree. The DNR also recommended that the tree replacement plan prioritize replacing habitat beyond visual screening plantings and provided species-specific details to consider for the site. The applicant did not oppose the DNR's recommendation and stated that they will coordinate with the DNR and the Commission on a tree replacement plan.

Staff notes that the Commission has included tree replacement plan conditions in several recent permits, and that the permit language has continued to evolve. Staff have amended the tree replacement language of the proposed site permit to reflect refinements made to this permit condition in other recent dockets, specifically to include language that provides some general direction on the size and location of replacement plantings as well as the option to fund plantings conducted by public programs such as DNR Forestry Program.

Staff appreciates DNR's recommendations regarding tree replacement plans and will consider these suggestions during preparation of guidance intended to assist applicants in developing tree replacement plans.

C. Findings of Fact and Conclusions

Staff has reviewed the applicant's proposed findings and made corrections and additions as appropriate. These changes are reflected in PUC Staff's Proposed Findings of Fact and Conclusions of Law (**Attachment C**) and the summary table of staff's proposed changes (**Attachment B**). With the modifications recommended by Commission staff, staff believe **Attachment C** accurately reflects the record; addresses all factors outlined in Minn. Stat. § 216I.05, subd. 11; and contains all findings and conclusions required to issue a permit under Minn. Stat. ch. 216I. If the Commission agrees, staff recommend that the Commission adopt these proposed findings and conclusions to the extent they are consistent with the Commission's decisions in this matter.

D. Tribal Participation

As discussed in their Application for the Sherco BESS Project, Xcel Energy provided a mailed Project introduction letter to the 11 federally-recognized Minnesota Tribal Nations and

followed up by phone and email to solicit feedback.¹⁹ Of the Tribal Governments contacted, Xcel Energy received responses from the Leech Lake Band of Ojibwe and the Shakopee Mdewakanton Sioux Community Tribal Historic Preservation Officers (THPOs). The Leech Lake Band of Ojibwe THPO responded and stated that they do not have any recorded historic properties within the Project area, but if human remains or suspected human remains are encountered, all work on the Project should cease and notice should be given to all necessary stakeholders. The Shakopee Mdewakanton Sioux THPO stated that they have no concerns regarding the proposed Project.

¹⁹ Xcel Energy – [Appendix C - Agency, and Tribal Outreach and Correspondence](#), 12/05/2025

COMMISSION DECISION OPTIONS

Site Permit

1. Grant a site permit to Xcel Energy for the up to 600-MW Sherco South & West Battery Energy Storage Project with the standard and special conditions identified in the attached proposed site permit. (See **Attachment D** to these briefing papers) (Applicant, PUC EIP Staff).

And

2. Adopt the following special site permit conditions. (See **Table 1** of **Attachment A** to these briefing papers) (PUC EIP Staff)
 - a. Special Condition 5.4 – Tree Clearing (PUC EIP Staff)
 - b. Special Condition 5.7 - Tree Replacement Plan (PUC EIP Staff)

Or

3. Deny a site permit for the up to 600-MW Sherco South & West Battery Energy Storage Project.

Findings of Fact

4. Adopt PUC EIP staff's Proposed Findings of Fact and Conclusions of Law to the extent that they are consistent with the Commission's decision. (PUC EIP Staff)

Administrative

5. Delegate authority to the Executive Secretary to modify the site permit and the Staff Proposed Findings of Fact and Conclusions of Law to correct any typographic and formatting errors and to ensure consistency with the Commission's order. (PUC EIP Staff)

Staff Recommendation: 1, 2a-b, 4, 5

Table 1: Proposed Site Permit Language

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
Permit Language that Requires Additional Consideration					
Special Permit Condition - 5.4	Tree Removal Timing Restrictions	DNR (Recommended in January 26, 2026 comments)	<u>The permittee shall not remove trees from the site from June 1 to August 15.</u>	[Proposed Language by Xcel Energy] The permittee shall not remove trees from the site from June 1 to August 15. The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.	[Staff recommended language] The Permittee shall coordinate with the DNR and the U.S. Fish and Wildlife Service (USFWS) regarding the timing of tree clearing and any related conservation measures to mitigate impacts to birds and bats. If the USFWS is not responsive to coordination requests, the Permittee may rely on existing USFWS guidance. The Permittee shall maintain an inventory of the trees cleared for the project sufficient to inform the tree replacement required by Section 5.7 of this permit. The Permittee shall keep records of compliance with this

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
					<p>section and provide them upon the request of Commission staff.</p> <p>Staff recommends permit language that removes specific dates from the permit condition and that requires coordination with both the DNR and the United States Fish and Wildlife Service (USFWS).</p> <p>The applicant and DNR have not reviewed Staff's proposed language, and the Commission may want to consider seeking clarification from them on their support for the language.</p>
Special Condition - 5.7	Tree Replacement Plan	EIP staff (Recommended in the DSP)	<u>The Permittee shall, in coordination with the Minnesota Department of Natural Resources and Sherburne County, develop a tree replacement plan to replace any trees that are removed for the</u>	DNR requested that special condition 5.7 establish a de minimis threshold of tree removal and include a definition of a tree. The DNR also recommended that the tree replacement plan	<p>[Staff recommended language]</p> <p><u>The Permittee shall, in coordination with affected landowners and the DNR, develop a tree replacement</u></p>

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<p><u>construction of the Project and file the plan with the Commission at least 14 days before the pre-construction meeting. Replacement trees may be planted on public lands with the permission of the public entity/owner.</u></p>	<p>prioritize replacing habitat beyond visual screening plantings and provided species-specific details to consider for the site</p>	<p><u>plan to replace any trees that are removed for the construction of the Project and file the plan with the Commission at least 14 days before the pre-construction meeting. Replacement plantings may be new seedling or sapling trees. Replacement plantings may occur on public or private lands with the permission of the landowner or public entity and shall be prioritized within the county where the project is located. The tree replacement plan may include an alternative proposal to fund tree replacements through DNR Forestry Programs or other similar public programs.</u></p> <p>Staff recommends permit language for the tree replacement plan special condition in the proposed site permit to include</p>

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
					<p>language that provides some general direction on the size and location of replacement plantings as well as the option to fund plantings conducted by public programs such as DNR Forestry Program.</p> <p>The applicant and DNR have not reviewed Staff's proposed language, and the Commission may want to consider seeking clarification from them on their support for the language.</p>
Agreed Upon Permit Conditions					
Special Condition - 5.1	Vegetation Management Plan	DNR (Recommended in January 26, 2026 comments, included in the DSP)	<u>The Permittee shall develop a vegetation management plan (VMP), in coordination with the Vegetation Management Plan Working Group (VMPWG), using best management practices established by the DNR and BWSR. The Permittee shall file the VMP and documentation of</u>		Supported by DNR, the applicant, and PUC EIP staff.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<p><u>the coordination efforts between the Permittee and the coordinating agencies with the Commission at least 14 days prior to the pre-construction meeting.</u></p> <p><u>Landowner-specific vegetation requests resulting from individual consultation between the Company and a landowner need not be included in the VMP. The Permittee shall provide all landowners within the Designated Site copies of the VMP. The Permittee shall file with the Commission an affidavit of its distribution of the VMP to landowners at least 14 days prior to the pre-construction meeting.</u></p> <p><u>The VMP must include the following:</u> <u>A. management objectives addressing short term (year 0-5, seeding and establishment) and long term (year 5 through the life of the Project) goals;</u> <u>B. a description of planned</u></p>		

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<p><u>restoration and vegetation management activities, including how the site will be prepared, timing of activities, how seeding will occur (e.g., broadcast, drilling, etc.), and the types of seed mixes to be used;</u> <u>C. a description of how the site will be monitored and evaluated to meet management goals;</u> <u>D. a description of the management tools used to maintain vegetation (e.g., mowing, spot spraying, hand removal, fire, grazing, etc.), including the timing and frequency of maintenance activities;</u> <u>E. identification of the third-party (e.g., consultant, contractor, site manager, etc.) contracted for restoration, monitoring, and long-term vegetation management of the site;</u> <u>F. identification of on-site noxious weeds and invasive species (native and non-native) and the monitoring and management practices to be</u></p>		

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<p><u>utilized; and</u> <u>G. a marked-up copy of the Site Plan showing how the site will be revegetated and that identifies the corresponding seed mixes.</u></p> <p><u>Best management practices should be followed concerning seed mixes, seeding rates, and cover crops.</u></p>		
Special Condition - 5.2	Pre-construction Noise Modeling and Impact Assessment	EIP staff (Recommended in the DSP)	<p><u>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</u></p>		Supported by PUC EIP staff. The applicant has not opposed this condition.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<u>its operating life.</u>		
Special Condition - 5.3	Noise Studies and Noise Mitigation	EIP staff (Recommended in the DSP)	<p><u>The permittee shall use low-noise air-cooled heat exchangers and perform operational phase noise monitoring to monitor effectiveness of this technology, as described below. The permittee shall update the noise modeling assessment when augmentation energy storage system units are to be installed.</u></p> <p><u>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.</u></p>		Supported by PUC EIP staff. The applicant has not opposed this condition.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<p><u>The BESS facilities and associated facilities shall be constructed 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.</u></p>		
Special Condition - 5.5	Battery Augmentation	EIP staff (Recommended in the DSP)	<p><u>The Permittee shall notify the Commission of scheduled augmentation at least 30 days prior to commencing augmentation activities. In its filing, the Permittee shall describe the number and types of batteries included in the augmentation. The Permittee shall indicate the location of the augmentation on the project Site Plan. In its filing the Permittee shall demonstrate compliance with the noise impact assessment submitted to the Commission as required in Section 5.2 of this permit.</u></p>		<p>Supported by PUC EIP staff. The applicant has not opposed this condition.</p>

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
Special Condition - 5.6	Hazard Mitigation Analysis	EIP staff (Recommended in the DSP)	<u>The Permittee shall file a Hazard Mitigation Analysis detailing the results of the equipment testing, and the risks associated with the technology, along with an affidavit of distribution of the Hazard Mitigation Analysis to emergency responders with jurisdiction over the project, at least 30 days prior to the pre-construction meeting.</u>		Supported by PUC EIP staff. The applicant has not opposed this condition.
Special Condition - 5.8	Annual Report	EIP staff (Recommended in the DSP)	<u>The Permittee shall, by February 1st following each complete or partial year of Project operation, file a report with the Commission on the monthly availability of the facility including:</u> <u>a. the installed nameplate capacity of the permitted facility;</u> <u>b. the monthly and annual availability of the facility;</u> <u>c. the operational status of the facility and any major outages, major repairs, battery</u> <u>d. augmentation, or performance improvements occurring in the previous year; and</u>		Supported by PUC EIP staff. The applicant has not opposed this condition.

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
			<p><u>e. any other information reasonably requested by the Commission.</u></p> <p><u>The Permittee shall file this information in a format recommended by the Commission. This information shall be considered public and must be filed electronically.</u></p>		
Special Condition - 5.9	Security Fencing	DNR (Recommended in January 26, 2026 comments, included in the DSP)	<p><u>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 of this permit.</u></p>		Supported by DNR, the applicant, and PUC EIP staff.
Special Permit Condition - 5.10	State-Listed Species	DNR (Recommended in January 26, 2026 comments, was not included)	<p><u>Prior to the start of construction, the Permittees shall resubmit a Natural Heritage Review and continue to consult with the DNR</u></p>		Similar special conditions were included in Benton Solar (23-423; 23-425) and Otto Tap 115 kV Transmission Project (25-

Permit Condition No.	Issue	Sponsor	Proposed Permit Language	Proposed Modifications	Staff Comments
		in the DSP but recommended in attach briefing paper)	<u>regarding implementation of avoidance measures for state-protected threatened and endangered species. The Permittees will comply with applicable DNR requirements related to state-listed endangered and threatened species in accordance with Minnesota's Endangered Species Statute (Minn. Stat. § 84.0895) and associated Rules (Minn. R. 6212.1800 to 6212.2300 and Minn. R. 6134). The Permittees shall file records of coordination with the DNR at least 14 days before the pre-construction meeting.</u>		269). Supported by the applicant and PUC EIP staff.

Staff Proposed Modifications to Applicants' Findings

Finding	Issue	Proposed Modification	Comment
Title	Title	STATE OF MINNESOTA COURT OF ADMINISTRATIVE HEARINGS FOR PUBLIC UTILITIES COMMISSION	Modified to clarify Author.
Title	Docket Number	MPUC Docket No. E002/ESS-25-319 CAH Docket No. 24-2500-41543-	Edited for clarity.
Title	Findings Author	NORTHERN STATES POWER COMPANY'S PUC STAFF'S PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW	Modified to clarify the proposed findings incorporate staff recommendations.
11	Procedural History	On February 25, 2026, the Commission issued <u>filed</u> an Order: (1) finding an EA addendum is not required, (2) issuing the DSP prepared by EIP, including special permit conditions, and (3) requesting an Administrative Law Judge from CAH conduct public hearings.	Edited for clarity.
13	Procedural History	The Commission <u>Xcel Energy</u> published notice of the Project in the Patriot News MN newspaper on March 7, 2026, and the <u>Commission published notice of the Project in the</u> EQB Monitor on March 10, 2026.	Modified to reflect the record.
16	Procedural History	<u>On March, 30, 2026, the Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) and the DNR filed comments.</u>	New finding to reflect the record.
17	Procedural History	<u>On April 6, 2026, the Applicant filed a response to public comments and proposed findings of fact and conclusions of law.</u>	Modified to clarify date and organize findings in chronological order.
18	Procedural History	On May <u>April —1</u> , 2026, Administrative Law Judge Butler provided a summary of public comments. His summary is hereby incorporated into these findings.	Modified to reflect the record.
20	Description of the Project	The proposed Project will interconnect via a less than <u>600</u> foot single-span <u>345</u> kilovolt (kV) generation interconnect (gen-tie) line from the Project substation to the adjacent existing Sherburne County Substation.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
26	Summary of Public Comments	The Public Information and EA Scoping meetings were held on January 13 and 14, 2026. Three members of the public provided oral comments during the Public Information and EA-Scoping Meetings. One individual asked where the battery energy storage components were made; one local government representative stated that they were coordinating with the Applicant regarding the Project; and one representative of the IUOE Local 49 spoke about local labor and ensuring that the EA for the Project addressed local job creation.	Modified to reflect the record.
30	Summary of Public Comments	DNR, in its March 30, 2026 2026, public comments on the DSP, focused on several overarching environmental protection and habitat preservation themes. DNR continued to advocate for a seasonal tree-clearing restriction from June 1–August 15, over Xcel Energy’s opposition, maintaining that the restrictions are warranted to protect bat species and nesting birds, particularly given the Project’s proximity to the Mississippi River migration corridor. It also advocated for more robust and ecologically meaningful tree replacement and vegetation management standards, urging that replacement efforts prioritize habitat restoration over mere visual screening and that the VMP include detailed, native-species-focused revegetation commitments. Additionally, the DNR called for a dedicated permit condition requiring compliance with Minnesota’s endangered and threatened species statutes and rules—modeled on the condition used in the Benton Solar Project (Docket No. IP-7115/ESS-24-283)—before any project activities commence.	Modified to include reference to Benton Solar Project Docket Number.

Finding	Issue	Proposed Modification	Comment
31	Summary of Public Comments	<p>Minnesota Interagency Vegetation Management Planning Working Group (The VMPWG) filed written comments recommending the Commission not act at this time in which it did not recommend any action by the Commission at this time. Instead, the VMPWG outlined ed revisions so the VMP meets pre-construction compliance and anticipated permit conditions, and request ed 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.</p>	Edited for clarity.
33	Summary of Public Comments	<p>On April 6, 2026, Xcel Energy submitted its response to public hearing comments submitted at the public hearing and through the March 30, 20262026, comment deadline submitted by DNR and VMPWG, and also its response to the draft Decommissioning Plan comments submitted by EIP Staff on April 2, 2026. Xcel Energy <u>stated that it</u> remains committed to working cooperatively with EIP as it prepares and submits its pre-construction filings, including updates ed to the Decommissioning Plan, and will continue to address the specific issues raised to support regulatory compliance. Furthermore, Xcel Energy <u>stated that it</u> will continue to work with DNR and VMPWG to incorporate the recommendations and finalize the VMP prior to the start of construction.</p>	Edited for clarity.
37	Public and Local Government Participation	<p>Also, in July 2025, Xcel Energy sent notification letters to Tribal governments. These letters stated that Xcel Energy intended to file a site permit application for the Project. Xcel Energy followed up with a phone call to Tribes who had not responded to the notice letter on November 7, 2025, leaving voicemails where applicable. <u>To date, two Tribes have responded.</u></p>	Modified to reflect the record.

Finding	Issue	Proposed Modification	Comment
41	Site Permit Criteria	Under Minn. Stat. § 216I.05, subd. 4 (2025) and the Application Guidance for Large Energy Infrastructure Facilities in Minnesota – Standard Review (MPUC 2025), ESS are eligible for the Standard Review process under Minn. Stat. § 216I.07, subd. 2. and, therefore, t The Application must contain an EA with information on the proposed Project’s human and environmental impacts and potential mitigation measures associated with the identified impacts. The EA is the only state environmental review document required to be prepared on the Project.	Edited for clarity.
43	Human Settlement	Minnesota law requires <u>applicants to submit information about</u> consideration of the Project’s effects on human settlement, including but not limited to displacement of residences and businesses, noise created by construction and operation of the Project, and impacts to aesthetics, cultural values, recreation, and public services.	Edited for clarity.
51	Visual and Aesthetic Resources	The record demonstrates that Xcel Energy has taken steps to avoid and minimize visual <u>and aesthetic</u> impacts.	Edited for clarity.
62	Noise	The record demonstrates that Xcel Energy has taken steps to avoid and minimize noise impacts. Further, the DSP requires the permittee to comply with noise standards established under Minnesota noise standards as defined under Minnesota Rule, part 7030.0010 to 7030.0080, and to limit construction and maintenance activities to daytime hours to the extent practicable.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
68	Land Use and Zoning	The Project makes good use of the land. Development of an ESS in this area is consistent with the types of permitted uses in the City of Becker's General Industrial (GI) Zoning District, which was established to provide an area intended to regulate industrial, manufacturing, and related uses, as well as to provide for separation from adjacent commercial or residential uses. The Project is located in an industrial area, sited immediately adjacent to the existing Sherburne County Generating Station and associated infrastructure. The Project is consistent with Becker 2040's vision for strategic industrial expansion, supports key goals related to infrastructure modernization and environmental stewardship, and aligns with the Sherco Master Plan's emphasis on modern, clean energy redevelopment by leveraging existing transmission interconnections and substation infrastructure.	Removed subjective language not supported by specific evidence in the record.
70	Land Use and Zoning	Xcel Energy has developed a <u>draft</u> decommissioning plan 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.	Modified to reflect that the decommissioning plan in the record is a draft.
71	Land Use and Zoning	<u>Commission staff have reviewed the draft decommissioning plan and provided recommended modifications for the final decommissioning plan. The applicant filed a response stating that they would continue to coordinate with staff to revise the plan prior to construction. Under permit condition 9.1, the Permittee is required to file a decommissioning plan incorporating comments and information from the permit application process and any updates associated with the final construction plans with the Commission at least fourteen (14) days prior to the pre-construction meeting.</u>	New finding to reflect the record.

Finding	Issue	Proposed Modification	Comment
87	Socioeconomics	The potential impact intensity level is anticipated to be both short- and long-term minimal benefits. 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.	Removed subjective language not supported by specific evidence in the record.
88	Socioeconomics	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. <u>The Permittee, their contractors, and subcontractors will pay no less than the "prevailing wage rate" as defined in Minn. Stat. § 177.42.</u>	Modified to clarify that the permittees are required to pay no less than prevailing wage.
89	Socioeconomics	The Project is expected to create approximately 150 workers jobs on site during the construction phase, and 10 long-term personnel positions during the operations phase.	Edited for clarity.
91	Socioeconomics	SAs socioeconomic impacts are anticipated to be beneficial.	Edited for clarity.
	Header Title	Public Health <u>and</u> Safety and Emergency Services	Modified to reflect the record.
95	Public Health and Safety	Minnesota law requires <u>applicants to submit information about consideration of</u> the Project's potential effect on public health and safety.	Edited for clarity.
97	Electric and Magnetic Fields (EMF)	The Commission has adopted <u>established a standard that limits thea-</u> maximum electric field limit of to eight kV per meter (measured one meter above ground) but has not adopted a magnetic field standard.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
108	Public Safety and Emergency Services	Xcel Energy will develop a Project-specific Emergency Response Plan (ERP) in coordination with local emergency responders prior to construction. As requested by the City of Becker and the Commission, a Project information sheet on fire suppression practices and the ERP will be provided to local emergency responders, with a formal training session planned before construction begins. The ERP <u>will be provided to the Commission prior to operation and</u> will mandate quarterly on-site safety drills and annual training for local first responders, and will be provided to the Commission prior to operation . Construction and operation of the Project will have negligible impacts on local safety.	Edited for clarity.
109	Public Safety and Emergency Services	At the in-person hearing held on March 18, 202 6 ⁵ , the Mayor of the City of Becker appeared and spoke on behalf of the joint fire board for the City of Becker and Becker Township. The Mayor requested that Xcel Energy engage in early <u>and proactive</u> coordination with the joint fire board regarding the Company's activities in the area. Xcel Energy agreed to work with the joint fire board to provide such early coordination.	Edited for clarity.
113	Land-Based Economics	Minnesota law requires <u>applicants to submit information</u> about consideration of the Project's potential effect on land-based economies – specifically, agriculture, forestry, tourism, and mining.	Edited for clarity.
115	Archaeological, Cultural, and Historic Resources	Minnesota law requires <u>consideration of applicants to submit information</u> about the Project's potential effects on historic and archaeological resources.	Edited for clarity.
119	Natural Resources	Minnesota law requires <u>applicants to submit information</u> about consideration of the Project's potential effects on the natural environment, including effects on air and water quality resources and flora and fauna.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
126	Air Quality and Greenhouse Gases	As a component of the <u>National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS)</u> 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.	Edited for clarity.
145	Vegetation	EIP Staff <u>The VMPWG</u> submitted formal comments to promote a transparent record and guide a pre-construction VMP in coordination with the Vegetation Management Plan Working Group (VMPWG) , using BMPs established by the DNR and Board of Water & Soil Resources (BWSR). Under proposed Special Condition 5.1, EIP recommends that the VMP and documentation of coordination efforts must be filed at least 14 days prior to the pre-construction meeting. EIP recommends that t The VMP must include: short-term and long-term management objectives; planned restoration and vegetation management activities; monitoring and evaluation methods; management tools and timing; identification of the third-party contractor; identification of on-site noxious weeds and invasive species; and a marked-up copy of the Site Plan showing revegetation and seed mixes.	Modified to reflect the record and edited for clarity.
151	Wildlife and Habitat	The Project is located within the Mississippi Flyway, which is a major north-south migration route. It is also located in the Prairie Hardwood Transition Bird Conservation Region. <u>The U.S. Fish and Wildlife Service (USFWS) Information for Planning and Consultation (“IPaC”) report identified ten species of concern that could potentially occur in the Project Area.</u> Field investigations in March 2025 did not identify any high-quality or unique nesting habitat within the Project site for listed avian species, and observers did not note any stick nests within the Project site.	Modified to reflect the record.

Finding	Issue	Proposed Modification	Comment
153	Wildlife and Habitat	<p><u>The limited forest habitat within the Project site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat; however, there is much greater habitat available along the Mississippi River southwest of the project site.</u> Though limited tree clearing is expected within the Project site, impacts to birds selecting forested habitats are not anticipated due to the greater quality habitat southwest of the Project site. Xcel Energy has coordinated with the U.S. Fish and Wildlife Service (USFWS) and DNR regarding avoidance and minimization measures for potentially suitable habitat for protected species.</p>	Modified to reflect the record.
156	Wildlife and Habitat	<p>Xcel Energy proposeds fencing around the Project, which does createss potential for wildlife impacts. Although deer can jump many fences, they can become tangled in both smooth and barbed-wire fences. Predators can also use fences to corner and kill prey species. Nevertheless, the Project has a relatively small footprint and the Project site has an industrial nature, thus the fencing impact is anticipated to be minor.</p>	Edited for clarity.
158	Wildlife and Habitat	<p>The DNR recommended that the site permit include a special condition requiring the Permittee to coordinate with the DNR to finalize the security fencing plan, similar to Special Condition 5.7 included in the permitted Snowshoe Energy Storage Project (Docket <u>No. IP-7139/-ESS-24-279</u>).</p>	Modified to add docket number reference.

Finding	Issue	Proposed Modification	Comment
161	Wildlife and Habitat	<p>Xcel Energy submitted reply comments through its direct testimony on March 11, 2026 wherein it opposed the inclusion of a blanket seasonal tree clearing restriction prohibiting tree removal from June 1 to August 15. <u>Xcel Energy claims</u> the record does not support such a broad prohibition as there are no known Northern Long-Eared Bat (NLEB) maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited amounts of suitable forested habitat, consisting primarily of sparse conifers. <u>Xcel Energy states that a</u> rigid seasonal prohibition would unnecessarily constrain Xcel Energy's <u>the</u> construction schedule without a corresponding environmental benefit proportionate to the restriction.</p>	Edited for clarity.
162	Wildlife and Habitat	<p>Xcel Energy asserted that rather than imposing a blanket restriction unsupported by site-specific conditions, the Commission should adopt a permit condition requiring Xcel Energy to coordinate directly with the USFWS regarding the timing of tree-clearing and any other construction or restoration actions that may impact the NLEB, and to maintain records of compliance for Commission staff <u>to</u> review upon request. <u>Xcel Energy believes t</u>his approach ensures that any tree-clearing activities are carried out in a manner informed by the best available science and current federal guidance, while preserving the scheduling flexibility necessary for Xcel Energy to meet the Project's anticipated commercial operation date. Coordination with the USFWS—the federal agency with direct authority over listed species—provides a more targeted, science-based safeguard than an arbitrary calendar-based restriction that bears no demonstrated nexus to actual habitat conditions at this site.</p>	Edited for clarity and removed subjective language not supported by specific evidence in the record.
163	Wildlife and Habitat	<p>DSP Special Permit Condition 5.4 is a blanket prohibition forbidding <u>prohibits</u> Xcel Energy from removing trees from the site from June 1 to August 15 to protect nesting birds and roosting bats</p>	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
165	Wildlife and Habitat	DSP 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements already collectively provide robust wildlife and vegetation protections.	Edited for clarity.
166	Wildlife and Habitat	Xcel Energy proposed the Commission replace Special Condition 5.4 with the following language, given that the record demonstrates the blanket prohibition is unnecessary for the reasons stated in finding 155 and 156: <i>The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.</i>	Removed subjective language not supported by specific evidence in the record.
171	Rare and Unique Resources	Minnesota law requires <u>applicants to submit information about</u> consideration of the Project's potential effects on rare and unique natural resources.	Edited for clarity.
175	Rare and Unique Resources	Minnesota DNR performed an <u>Natural Heritage Information System (NHIS)</u> review, providing results on September 9, 2025 and concluded that impacts to state-listed species are not anticipated. Nevertheless, it In this review, DNR recommended that tree removal be avoided from June 1 through August 15 to minimize potential impacts to bats.	Edited for clarity.
179	Application of Various Design Considerations	Minnesota law requires <u>applicants to submit information about consideration of the application of possible</u> design options <u>to accommodate the facility's future expansion and any other sites or routes that were considered and rejected by the applicant that maximize energy-efficiencies, mitigate adverse environmental effects, and could accomodate expansion of transmission or generating capacity.</u>	Edited to make language consistent with cited statutory provisions.

Finding	Issue	Proposed Modification	Comment
180	Application of Various Design Considerations	<p>Xcel Energy considered locating the Sherco West Battery Energy Storage System Project adjacent to the Sherco Solar 1 Project, northwest of the intersection of River Road SE and 115th Avenue in the City of Becker. Xcel Energy determined that this location did not provide sufficient space to accommodate all Sherco West Battery Energy Storage System facilities. Xcel Energy considered the Sherco South Battery Energy Storage System Project only at its current location, and did not further evaluate alternative locations. The current location has room for future augmentation that may be required over time. Through the selection of the current location, Xcel Energy has accommodated for future expansion. <u>DSP Special Permit Condition 5.5 requires the applicant to notify the Commission of any scheduled augmentation 30 days prior to commencing augmentation activities, including the number, type, and location of batteries, and demonstrate compliance with special permit condition 5.2.</u></p>	Modified to address special condition for notifying the commission of battery augmentation activities (condition 5.5 of the proposed permit).
186	Cost of Constructing, Operating, and Maintaining the Facility	<p>Minnesota law requires <u>applicants to submit information about</u>consideration of the costs of constructing, operating, and maintaining a facility which are dependent on design and route.</p>	Edited for clarity.
191	Adverse Human and Natural Environmental Effects that Cannot be Avoided	<p>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.</p>	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
198	Site Permit Conditions	<p>Based on the record, In their direct testimony, the Applicant argued that Special Condition 5.4's blanket prohibition timing restrictions on tree removal from June 1 to August 15 should be replaced with a condition requiring USFWS coordination regarding tree-clearing activities that may impact the NLEB. The <u>Applicant state that the</u> record demonstrates there are no known NLEB maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited suitable forested habitat, primarily sparse conifers. The <u>Applicant also note that the</u> DSP already provides robust wildlife and vegetation protections—including contains other protections for wildlife and vegetation including Section 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements —rendering a rigid seasonal prohibition disproportionate and unnecessary. Accordingly, the record supports replacing Special Condition 5.4 with Xcel Energy's proposed USFWS coordination condition. The DNR filed comments stating that the seasonal tree clearing restriction is not limited to NLEB or other bat species since it also provides protections for nesting birds. The DNR further noted that, although no bat records exist for the immediate area, all of Minnesota's bat species can occur statewide, and that the Project's proximity to the Mississippi River suggests nesting birds are likely present in the vicinity. The Site Permit Application discusses the wildlife species that may be present and acknowledges that although surveys have not verified presence, these species may still occur within or near the project site, and may be displaced to adjacent habitats during construction. The Application also states that the limited forest habitat within the site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat. EIP staff proposed permit condition 5.4 that removed the specific dates and required permittees to coordinate with both the Minnesota Department of Natural Resources and</p>	Modified to reflect the record and remove subjective language.

Finding	Issue	Proposed Modification	Comment
		<u>the U.S. Fish and Wildlife Services regarding the timing of tree clearing and any additional conservation measures necessary to minimize impacts.</u>	
199	Special Permit Conditions	<u>In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended the language for special permit condition 5.7 be amended to include a de minimis threshold of tree removal and definition of a tree. EIP staff proposed permit condition 5.7 amended the condition language.</u>	New finding to address amended language for special condition 5.7.
200	Special Permit Conditions	<u>In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended a special permit condition requiring the Applicant to resubmit a Natural Heritage Review and continue to consult with the DNR regarding implementation of avoidance measures for state-listed species. EIP staff proposed permit condition 5.10 to address this recommendation.</u>	New finding to address new special condition for state-listed species requested by DNR (Condition 5.10 of proposed permit).
XIV	Environmental Assessment	COMPLETENESS OF ENVIRONMENTAL ASSESSMENT	Edited for clarity.
204	Environmental Assessment	The <u>applicant prepared an EA process is the alternative environmental review approved for ESS and submitted it with its Site Permit Application</u> pursuant to the Standard Review Process.	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
205	Environmental Assessment	The Commission is required to determine the completeness of the EA. An EA is complete if it addresses the requirements identified in Minn. Stat. § 216I.05, subd. 4. On February 4, 2026, and following the January 13 and 14, 2026, public information and scoping meetings, Commission EIP Staff submitted a Scoping Summary and Recommendations, finding-recommending that the Commission not require an EA addendum is not required for the Project. <u>On February 25, 2026, the Commission issued an order finding that an EA addendum is not required for the Project. The evidence in the record demonstrates that the EA is adequate.</u>	Under 216I, there is no legal requirement to make a finding about EA adequacy or completeness for an application processed under standard review.
206	Environmental Assessment	The record further establishes that the EA otherwise meets the <u>relevant statutory</u> criteria and contains <u>the</u> information prescribed by Minn. Stat. §§ 216I.05, subd.4 and 216I.07, subd. 3.	Edited for clarity.
207	Environmental Assessment	<u>Minnesota law requires the Commission to consider the EA and the entirety of the record related to human and environmental impacts when making a final decision on a site permit application.</u>	New finding to clarify statutory requirement.
	Conclusions of Law	Any of the foregoing Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.	Removes duplication.
1	Conclusions of Law	The Commission has jurisdiction over the Application for a site permit for the up to 600 MW proposed Project pursuant to Minn. Stat. §§ 216I.03, 216I.05 and 216I.07 (2025).	Edited for accuracy.
3	Conclusions of Law	The Applicant prepared an EA for the Project for the purposes of this proceeding, which satisfies the requirements of Minn. Stat. §§ 216I.05, subd. 4 and 216I.07, subd. 3. <u>The Commission has considered the EA and the entirety of the record related to human and environmental impacts as required by Minn. Stat. § 216I.07, subd. 3(b).</u>	Edited for clarity.
5	Conclusions of Law	Xcel Energy and the Commission have <u>substantially</u> complied with the notice and procedural requirements of Minn. Stat. Ch. 216I (2025).	Edited for clarity.

Finding	Issue	Proposed Modification	Comment
6	Conclusions of Law	Public hearings were held on March 18, 2026 (in-person) and March 19, 2026 (remote-access). Proper notice of the public hearings was provided as required by §§ 216I.05, subd. 89, and 216I.07, subd. 4, and the public was given an opportunity to speak at the hearings and to submit written comments.	Corrects statutory reference.
9	Conclusions of Law	The Project, with the permit conditions discussed above, satisfies the Site Permit criteria for an ESS in Minn. Stat. § 216I.05 (2025) and meets all other applicable legal requirements. <u>The record demonstrates that issuing a Site Permit for the Project is in the public interest.</u>	Edited for clarity.
10	Conclusions of Law	The Project, with the permit conditions discussed above, does not present a potential for significant adverse environmental effects <u>and will not significantly affect the quality of the environment</u> pursuant to the Minnesota Environmental Rights Act and/or the Minnesota Environmental Policy Act.	Edited for clarity.
11	Conclusions of Law	<u>The Project, with the permit conditions discussed above, will not result in the pollution, impairment, or destruction of the air, water, land, or other natural resources as defined in the Minnesota Environmental Rights Act.</u>	New finding to align with relevant language in MERA.

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 a Site Permit
for the up to 600 MW Sherco South &
West Battery Energy Storage Project
in Sherburne County, Minnesota

MPUC Docket No. E002/ESS-25-319
~~CAH Docket No. 24-2500-41543~~

~~NORTHERN STATES POWER~~
~~COMPANY'S PUC STAFF'S~~
PROPOSED FINDINGS OF FACT
AND CONCLUSIONS OF LAW

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STATE OF MINNESOTA
~~COURT OF ADMINISTRATIVE HEARINGS~~
~~FOR PUBLIC UTILITIES COMMISSION~~

In the Matter of the Application of Northern States Power Company D/B/A Xcel Energy for a Site Permit for the up to 600 MW Sherco South & West Battery Energy Storage Project in Sherburne County, Minnesota

MPUC Docket No. E002/ESS-25-319
~~CAH Docket No. 24-2500-41543~~

~~NORTHERN STATES POWER COMPANY'S PUC STAFF'S~~
PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

Northern States Power Company D/B/A Xcel Energy (Xcel Energy or Applicant) has applied for a Site Permit (Application) to construct and operate an up to 600 megawatt (MW) Battery Energy Storage System (ESS) located in the City of Becker (or City) in Sherburne County, Minnesota (Project).

Public hearings on the Application were held on March 18, 2026 (in-person) and March 19, 2026 (remote-access). The factual record remained open until April 6, 2026, for the receipt of written comments.

STATEMENT OF ISSUES

Has Xcel Energy satisfied the criteria established in Minn. Stat. Ch. 216I (2025) for a site permit for the Project?

SUMMARY

Xcel Energy has satisfied the applicable legal requirements and, accordingly, the Minnesota Public Utilities Commission (Commission) ~~GRANTS~~ a site permit for the Project, subject to the conditions discussed below.

Based on the evidence in the hearing record, the Commission makes the following:

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 December 5, 2025, Xcel Energy submitted the Application for the Project.²

3. On December 19, 2025, the Commission determined the ~~a~~Application to be sufficiently complete to begin the permitting review process. It published a Notice of Site Permit Application Completeness Determination and Public Information Meetings, scheduling the meetings for January 13, 2026 (remote-access) and January 14, 2026 (in-person), opening a public comment period until January 26, 2026, and requesting responses to two questions regarding the Project: (1) Are there potential human and environmental impacts or unique characteristics of the proposed project that are not addressed in the Environmental Assessment (EA) prepared by the Applicant?; (2) Are there any methods to mitigate potential impacts of the proposed Project that require further evaluation?³

4. The Commission provided notice of the Project in the Environmental Quality Board (EQB) Monitor on December 23, 2025, and in the Patriot News MN newspaper on December 27, 2025.⁴

5. On January 12, 2026, the Commission filed a sample ESS site permit.⁵

6. On January 13-14, 2026, the Commission and the Commission's Energy Infrastructure Permitting (EIP) Staff conducted Public Information and EA Scoping meetings.⁶ Three members of the public provided oral comments at these meetings. One individual asked where the battery energy storage components were made; one local government representative stated that they were coordinating with the Applicant regarding the Project; and one representative of the International Union of Operating

¹ Ex. App.-1 at 5 (Application).

² Ex. App.-1 at 5 (Application).

³ Ex. PUC-1 (Notice of Site Permit Application Completeness Determination and Public Information Meetings).

⁴ Ex. PUC-3 (EQB Monitor); App.-2 (Affidavit of Publication).

⁵ Ex. PUC-4 (Sample ESS Permit).

⁶ Ex. PUC-6 (Oral Comments from Public Information and Scoping Meetings).

Engineers (IUOE) Local 49 spoke about local labor and ensuring that the EA for the project addressed local job creation.

7. On January 26, 2026, the Minnesota Department of Natural Resources (DNR) filed a Natural Heritage Review Letter.⁷ DNR also filed scoping comments.⁸

8. On January 28, 2026, the Commission filed the written⁹ and oral¹⁰ public comments from the Public Information and Scoping Meetings.

9. On February 4, 2026, EIP Staff filed recommendations on the Project's scope, recommending the Commission (1) find that an EA addendum is not required for the Project, (2) issue the Draft Site Permit (DSP) prepared by EIP Staff, and (3) request that an Administrative Law Judge conduct public hearings for the Project and prepare a summary of public testimony as expeditiously as possible.¹¹

10. On February 19, 2026, the Court of Administrative Hearings (CAH) filed an Order requiring public hearings, with an in-person public hearing scheduled for March 18, 2026, and a virtual public hearing scheduled for March 19, 2026.¹² A prehearing conference was also held on February 19, 2026.¹³

11. On February 25, 2026, the Commission ~~issued~~~~filed~~ an Order: (1) finding an EA addendum is not required, (2) issuing the DSP prepared by EIP, including special permit conditions, and (3) requesting an Administrative Law Judge from CAH conduct public hearings.¹⁴

12. On February 27, 2026, the Commission submitted the Notice of Public Hearings and Availability of Draft Permit.¹⁵

13. ~~The Commission~~~~Xcel Energy~~ published notice of the Project in the Patriot News MN newspaper on March 7, 2026, and the Commission published notice of the Project in the EQB Monitor on March 10, 2026.¹⁶

⁷ DNR Natural Heritage Review Letter (January 26, 2026) (eDocket No. [20261-227413-02](#)).

⁸ DNR Scoping Comments (January 26, 2026) (eDocket No. [20261-227413-01](#)).

⁹ Ex. PUC-7 (Written Public Comments Received).

¹⁰ Ex. PUC-6 (Oral Comments from Public Information and Scoping Meetings).

¹¹ Ex. EIP-1 (EIP Staff Recommendations on Draft Site Permit and Need for EA Addendum).

¹² CAH Order (February 19, 2026) (eDocket No. [20262-228382-01](#)).

¹³ Prehearing Transcript (February 19, 2026) (eDocket No. 20262-228602-01).

¹⁴ Ex. PUC-9 (Order).

¹⁵ Ex. PUC-11 (Notice of Public Hearings and Availability of Draft Permit).

¹⁶ Ex. PUC-12 (EQB Monitor Notice of Public Hearings and Availability of Draft Permit); Affidavit of Publication (March 31, 2026) (eDocket No. [20263-229837-01](#)).

14. On March 11, 2026, Xcel Energy filed the Direct Testimony of Jordan Clitty.¹⁷

~~15.~~ On March 18 (in-person) and March 19, 2026 (virtual), Administrative Law Judge Kristien R.E. Butler presided over public hearings in this matter. One member of the public attended and provided oral comments at the in-person public hearing at the Becker Community Center. No members of the public provided public comments at the virtual public hearing.

~~15-16.~~ On March 30, 2026, the Minnesota Interagency Vegetation Management Planning Working Group (VMPWG) and the DNR filed comments.

~~17.~~ On April 6, 2026, the Applicant filed a response to public comments and proposed findings of fact and conclusions of law.

~~16-18.~~ On ~~May~~April ~~1,~~ 2026, Administrative Law Judge Butler provided a summary of public comments. His summary is hereby incorporated into these findings.

~~17.~~ ~~On April 7, 2026, the Applicant filed a response to public comments and proposed findings of fact and conclusions of law.~~

III. DESCRIPTION OF THE PROJECT

~~18-19.~~ The Project consists of an up to 600 MW alternating current battery ESS with approximately 2,400 megawatt hours (MWh) of energy capacity on a site consisting of approximately 62 acres adjacent to the Sherburne County Generating Station in the city of Becker, Sherburne ~~e~~County, Minnesota.

~~19-20.~~ The ~~proposed~~ Project will interconnect via a less ~~than~~than 600 foot single-span ~~345~~ kilovolt (kV) generation interconnect (gen-tie) line from the Project substation to the adjacent existing Sherburne County Substation.

IV. SITE LOCATION AND CHARACTERISTICS

~~20-21.~~ The Project is situated in the south-central portion of the City of Becker, Minnesota, immediately northeast of the Mississippi River and south of the Sherburne County Generating Station. The Project is in sections 1, 2, 11, and 12 of Township 33N, Range 29W.¹⁸

¹⁷ Ex. App.-3 (Direct Testimony of Jordan Clitty and Schedule 1).

¹⁸ Ex. App.-1 at 9 (Application).

21-22. The Project has been sited on land under complete ownership of Xcel Energy. No land leases, easements, or other land use agreements are necessary to accommodate Project development.¹⁹

22-23. Land use in the Project Area is predominately industrial business parks and the City of Becker, with residential areas located north of Highway 10. Commercial development is present along major roadways to the east, while residential areas are located farther south and southeast of the Project site, generally separated by wooded areas, topographic variation, and local road networks.

23-24. The Project is a permitted use in the City of Becker's Wild and Scenic River Overlay District. Accordingly, the Project complies with the prohibited and exclusion site requirements outlined in Minn. R. 7850.4400.²⁰

V. PROJECT SCHEDULE

24-25. Xcel Energy plans to begin construction in the third quarter of 2026, with a commercial operation date currently anticipated by the fourth quarter of 2027.²¹

VI. SUMMARY OF PUBLIC COMMENTS

25-26. The Public Information and ~~EA~~ Scoping meetings were held on January 13 and 14, 2026. Three members of the public provided oral comments during the Public Information and ~~EA~~ Scoping Meetings. One individual asked where the battery energy storage components were made; one local government representative stated that they were coordinating with the Applicant regarding the Project; and one representative of the IUOE Local 49 spoke about local labor and ensuring that the EA for the Project addressed local job creation.²²

26-27. During the scoping comment period, DNR filed written comments recommending the Commission include an additional analysis of potential wildlife impacts and suggested three special permit conditions.²³ DNR recommended that Xcel Energy (1) coordinate with the DNR on the security fencing plan to address wildlife movement impacts, (2) incorporate a detailed Vegetation Management Plan (VMP) with

¹⁹ Ex. App.-1 at 9, 41 (Application).

²⁰ Ex. App.-1 at 132 (Application).

²¹ Ex. App.-1 at 2 (Application).

²² Ex. PUC-6 (Oral Comments from Public Information and Scoping Meetings).

²³ DNR Scoping Comments (January 26, 2026) (eDocket [20261-227413-01](#)).

native species and reestablishment phases, and (3) avoid tree removal from June 1 to August 15 to protect nesting birds and roosting bats.²⁴

~~27-28.~~ Xcel Energy filed its written direct testimony of Jordan Clitty on March 11, 2026, which included its response to DNR’s comments.²⁵

~~28-29.~~ At the in-person public hearing on March 18, 2026, Mr. Mark Kolbinger, the City of Becker Mayor, spoke to provide support for issuing a site permit and to ask for coordination with the City of Becker and Becker Township Joint Fire Board.²⁶ At the virtual hearing on March 19, 2026, no members of the public provided comment.

~~29-30.~~ ~~29.~~—DNR, in its March 30, ~~2026~~2026, public comments on the DSP, focused on several overarching environmental protection and habitat preservation themes. DNR continued to advocate for a seasonal tree-clearing restriction from June 1–August 15, over Xcel Energy’s opposition, maintaining that the restrictions are warranted to protect bat species and nesting birds, particularly given the Project’s proximity to the Mississippi River migration corridor. It also advocated for more robust and ecologically meaningful tree replacement and vegetation management standards, urging that replacement efforts prioritize habitat restoration over mere visual screening and that the VMP include detailed, native-species-focused revegetation commitments. Additionally, the DNR called for a dedicated permit condition requiring compliance with Minnesota’s endangered and threatened species statutes and rules—modeled on the condition used in the Benton Solar Project (Docket No. IP-7115/ESS-24-283)—before any project activities commence.²⁷

~~30-31.~~ ~~30.~~ ~~Minnesota Interagency Vegetation Management Planning Working Group (The VMPWG)~~ filed written comments ~~recommending the Commission not act at this time in which it did not recommend any action by the Commission at this time.;~~ ~~Instead,~~ the VMPWG ~~outlined~~ing revisions so the VMP meets pre-construction compliance and anticipated permit conditions, and ~~requesting~~ed 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.²⁸

~~31-32.~~ ~~31.~~—On April 2, 2026, EIP Staff submitted comments on the draft Decommissioning Plan that center on the overarching theme that the plan, as filed, requires substantial revision to function as a comprehensive, standalone document that

²⁴ DNR Scoping Comments (January 26, 2026) (eDocket [20261-227413-01](#)).

²⁵ Ex. App.-3 (Direct Testimony of Jordan Clitty and Schedule 1).

²⁶ Becker Public Hearing on 3-18-26 Transcript (April 3, 2026) (eDocket No. 20264-229991-01).

²⁷ DNR Comments (March 30, 2026) (eDocket No. [20263-229782-01](#)).

²⁸ VMPWG Comments (March 30, 2026) (eDocket No. [20263-229772-01](#)).

clearly describes the facility and the permittee's obligations for end-of-life removal and site restoration. It identified several areas where the draft plan does not meet expectations—including the decommissioning objective, scheduled update provisions, project description, and required permits and notifications—and urged Xcel Energy to align the plan with the Commission's Draft Decommissioning Plan Guidance and the terms of the DSP.²⁹

~~32.33.~~ 32.—On April 6, 2026, Xcel Energy submitted its response to public hearing comments submitted at the public hearing and through the March 30, ~~2026~~2026, comment deadline submitted by DNR and VMPWG, and also its response to the draft Decommissioning Plan comments submitted by EIP Staff on April 2, 2026. Xcel Energy stated that it remains committed to working cooperatively with EIP as it prepares and submits its pre-construction filings, including updates~~d~~ to the Decommissioning Plan, and will continue to address the specific issues raised to support regulatory compliance. Furthermore, Xcel Energy stated that it will continue to work with DNR and VMPWG to incorporate the recommendations and finalize the VMP prior to the start of construction.

VII. PERMITTEE

~~33.34.~~ 34. The permittee for the Project is Xcel Energy.³⁰

VIII. PUBLIC AND LOCAL GOVERNMENT PARTICIPATION

~~34.35.~~ 35. Minn. Stat. § 216I.05 requires applicants to provide notice to each local unit of government within the Site, Minnesota Tribal governments, and state technical resource agencies.

~~35.36.~~ 36. In July 2025, Xcel Energy sent initial notification letters to federal, state, and local agencies regarding the Project. These letters stated that Xcel Energy intended to file a site permit application for the Project.³¹

~~36.37.~~ 37. Also, in July 2025, Xcel Energy sent notification letters to Tribal governments. These letters stated that Xcel Energy intended to file a site permit application for the Project. Xcel Energy followed up with a phone call to Tribes who had not responded to the notice letter on November 7, 2025, leaving voicemails where applicable.³² To date, two Tribes have responded.

²⁹ EIP Staff Comments (April 2, 2026) (eDocket No. [20264-229946-01](#)).

³⁰ Ex. App.-1 at 5 (Application).

³¹ Ex. App.-1 (Appx. C); Ex. App.-1 at 132 (Application).

³² Ex. App.-1 (Appx. C); Ex. App.-1 at 132-133 (Application).

IX. CERTIFICATE OF NEED

~~37.38.~~ 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.³³

X. SITE PERMIT CRITERIA

~~38.39.~~ ESS are governed by Minn. Stat. Ch. 216I (2025) and Minn. R. Ch. 7850. Minn. Stat. § 216I.02, subd. 6 (2025), 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.”

~~39.40.~~ A site permit is required prior to construction of the Project.³⁴

~~40.41. Under Minn. Stat. § 216I.05, subd. 4 (2025) and the Application Guidance for Large Energy Infrastructure Facilities in Minnesota — Standard Review (MPUC 2025),~~ ESS are eligible for the Standard Review process under Minn. Stat. § 216I.07, subd. 2. ~~and, therefore, t~~The Application must contain an EA with information on the proposed Project’s human and environmental impacts and potential mitigation measures associated with the identified impacts.³⁵ The EA is the only state environmental review document required to be prepared on the Project.³⁶

~~41.42.~~ The Commission is responsible for evaluating the Application and administering the permitting process.³⁷

XI. APPLICATION OF SITING CRITERIA TO THE PROPOSED PROJECT

A. Human Settlement

~~42.43.~~ Minnesota law requires applicants to submit information about~~consideration of~~ the Project’s effects on human settlement, including but not limited to displacement of residences and businesses, noise created by construction and operation of the Project, and impacts to aesthetics, cultural values, recreation, and public services.³⁸

³³ Ex. App.-1 at 38 (Application).

³⁴ Minn. Stat. § 216I.07, subd. 2(7); Ex. App.-1 at 36 (Application).

³⁵ Minn. Stat. § 216I.07, subd. 3(a**b**).

³⁶ ~~Id. Ex. App.-1 at 43, Appendix B (Application).~~

³⁷ Minn. Stat. § 216I.05.

³⁸ Minn. Stat. § 216I.05, subd. 4(a)(2).

1. *Visual and Aesthetic Resources*

43.44. 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.³⁹

44.45. The Project is naturally screened by trees and bodies of water. There are existing rows of trees, shrubs, and woody vegetation in conjunction with varying elevations that provide screening from the Mississippi River or adjacent residences surrounding the Project. Fleeting or partial views may be possible from certain vantage points, particularly within the Sherburne County regions of influence (ROI), along U.S. Highway 10 or higher terrain east of the site.⁴⁰

45.46. Exterior security lighting will be installed at the Project substation and within the ESS pad areas for safety and security.⁴¹

46.47. Lighting will be downward facing and will minimize blue hues to minimize impacts from facility lighting.⁴²

47.48. Given the Project's siting within an established industrial setting and its proximity to an existing electrical generating station 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. The Project will convert approximately 35 acres from its current landcover into an ESS 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.⁴³

48.49. Aesthetic impacts from the Project are anticipated to be minor. The gennie structures will be the most visible element of the facility as they are the tallest component of the Project, and the ESS 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 individuals with certain vantage points, particularly within the Sherburne County ROI, along U.S. Highway 10, or at a higher terrain east of the site, the view would be fleeting.⁴⁴

³⁹ Ex. App.-1 at 11 (Application).

⁴⁰ Ex. App.-1 at 56 (Application).

⁴¹ Ex. App.-1 at 57 (Application).

⁴² Ex. App.-1 at 57 (Application).

⁴³ Ex. App.-1 at 9, 56-57 (Application).

⁴⁴ Ex. App.-1 at 56-57 (Application).

49-50. DSP Special Condition 5.9 would require Xcel Energy to design security fencing to minimize visual impact while maintaining compliance with the National Electric Safety Code. A final fence plan must be developed in coordination with the DNR and submitted to the Commission as part of the Site Plan.⁴⁵

50-51. The record demonstrates that Xcel Energy has taken steps to avoid and minimize visual and aesthetic impacts.⁴⁶

2. *Displacement*

51-52. Displacement occurs when residences or other buildings are located within a proposed project site or rights-of-way and would potentially interfere with the safe operation of the project, requiring their removal and relocation. Displacements from large energy facilities are rare and are more likely to occur in heavily populated areas where avoiding all residences and businesses is not always feasible.⁴⁷

52-53. The Project is located in an industrial area on Xcel Energy-owned land, and the Project site contains only an existing greenhouse and storage shed. Other nearby structures are limited to the immediately adjacent Sherburne County Substation, the Sherburne County Generating Station approximately 1,100 feet to the north, and a warehouse approximately 5,000 feet to the north.⁴⁸

53-54. The nearest residence is located across the Mississippi River, approximately 940 feet south of the Project site boundary, on parcels under Xcel Energy ownership. The landowner has an active lease with Xcel Energy, and there are no plans to modify the existing lease as a result of the proposed Project.⁴⁹

54-55. Because the Project is sited on Xcel Energy-owned land in an industrial area with no residences or occupied buildings within the Project site or rights-of-way, no displacement of residences or businesses will be required. The surrounding land uses and distances to the nearest structures confirm that the Project can be constructed and operated without necessitating the removal or relocation of any buildings.⁵⁰

⁴⁵ See Ex. PUC EIP-1 at 15 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁴⁶ Ex. App.-1 at 57 (Application).

⁴⁷ Ex. App.-1 at 57-58 (Application).

⁴⁸ Ex. App.-1 at 58 (Application).

⁴⁹ Ex. App.-1 at 58 (Application).

⁵⁰ Ex. App.-1 at 58 (Application).

3. Noise

55-56. 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.⁵¹

56-57. 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 3.⁵²

57-58. The Project is in an industrial area.⁵³ The primary noise receptors are the local residences.⁵⁴ Although there are no residences within the site, there are residences in local proximity (within 940 feet of the Project site or 1,285 feet of the permanent Project electrical infrastructure).⁵⁵ The local residential homes fall under NAC 1.⁵⁶ 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 Sherburne County Generating Station, Sherburne County Substation, sand mining, agriculture, traffic on U.S. Interstate 94, U.S. Highway 10, and local roads, railroads, industrial equipment/operations, wind, vehicle traffic, birdsong, and residences.⁵⁷

58-59. Intermittent noise impacts during construction are anticipated. Noise from construction will be temporary and limited to daytime hours.⁵⁸

59-60. Noise levels during operation of the Project are anticipated to be negligible.⁵⁹ The primary noise sources from the ESS facility will be the power transformer in the substation, inverters, and the cooling system in the cabinets.⁶⁰ In its noise analysis, Xcel Energy modeled two Sungrow Power Titan configurations: a base

⁵¹ Ex. App.-1 at 74 (Application).

⁵² Ex. App.-1 at 73 (Application).

⁵³ Ex. App.-1 at 83 (Application).

⁵⁴ Ex. App.-1 at 75 (Application).

⁵⁵ Ex. App.-1 at 57 (Application).

⁵⁶ Ex. App.-1 at 75 (Application).

⁵⁷ Ex. App.-1 at 73 (Application).

⁵⁸ Ex. App.-1 at 76 (Application).

⁵⁹ Ex. App.-1 at 76 (Application).

⁶⁰ Ex. App.-1 at 75 (Application).

design using standard liquid-cooled ESS units with a sound power level of 102 dBA, and a mitigated design using air-cooled ESS units equipped with heat exchangers with a sound power level of 78 dBA. Modeling indicated that the base liquid-cooled configuration would exceed MPCA limits at several of the nearest residences. The mitigated air-cooled configuration would not exceed the nighttime limit of 50 dBA L50 for NAC 1 at any modeled residence, with predicted levels ranging from 33 to 43 dBA. Because Xcel Energy modeled the Project's loudest operating conditions to meet the L50 limits, the L10 limits will also be satisfied. The Project is not expected to be a significant contributor to increases in total sound levels in the Sherburne County area.⁶¹

~~60-61.~~ 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.⁶²

~~61-62.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize noise impacts. Further, the DSP requires the permittee to comply with ~~noise standards established under~~ Minnesota noise standards as defined under Minnesota Rule, part 7030.0010 to 7030.0080, and to limit construction and maintenance activities to daytime hours to the extent practicable.⁶³

~~62-63.~~ DSP Special Condition 5.2 would require Xcel Energy to file a noise impact assessment summarizing the results of noise propagation modeling (incorporating noise inputs from selected equipment and facility layout) at least 14 days prior to the pre-construction meeting. An updated assessment must be filed prior to any modifications to the facility over its operating life. This condition is consistent with recent Commission permit decisions.⁶⁴ As the EA notes, “[t]he Project is not expected to be a significant contributor to increases in total sound levels in the Sherburne County ROI.”⁶⁵ The primary source of noise during operation will be the power transformer in the substation, inverters, and the cooling system in the cabinets.⁶⁶ The modeling estimates facility-only nighttime noise would not exceed the nighttime limits of 50 dBA L50 for NAC-1 with the use of Sungrow noise mitigative containers for all ESS units.⁶⁷ Accordingly, transformer and inverter noise is consistent with existing noise in the area.

⁶¹ Ex. App.-1 at 76 (Application).

⁶² Ex. App.-1 at 76 (Application).

⁶³ Ex. PUC EIP-1 at 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁶⁴ See Ex. PUC EIP-1 at 13-14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁶⁵ Ex. App.-1 at 76 (Application).

⁶⁶ Ex. App.-1 at 75 (Application).

⁶⁷ Ex. App.-1 at 76 (Application).

~~63-64.~~ To ensure that the Project meets MPCA noise limits, DSP Special Condition 5.3 would require Xcel Energy to use low-noise, air-cooled heat exchangers and perform operational noise monitoring to assess effectiveness. Noise modeling must be updated when augmentation units are to be installed. A proposed post-construction noise study methodology must be filed at least 14 days prior to the pre-construction meeting. The completed post-construction noise study must be filed within 18 months of commencing commercial operation. Operations must be modified or project components removed from service if necessary to comply with MPCA noise standards.⁶⁸

4. *Cultural Values.*

~~64-65.~~ 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. As the Project site is located on private land, within an established industrial zone, adjacent to similar existing uses, and sufficiently set back from public rights-of-way, impacts to cultural resources from the Project are anticipated to be negligible.⁶⁹

~~65-66.~~ Project construction and operation aligns with the environmental goals and standards for new technologies and energy conservation that are stated in the Sherburne County strategic and comprehensive plans. The Project aligns with the natural resources goals of Becker 2040 to preserve non-renewable natural resources and the wise consumption of renewable resources (City of Becker 2021). The Project also aligns with this industrial character and does not encroach upon venues, traditions, or gathering spaces that are central to Becker's community life.⁷⁰

~~66-67.~~ Impacts to cultural values or community events are considered to be negligible. No additional mitigation is proposed.⁷¹

5. *Land Use and Zoning.*

~~67-68. The Project makes good use of the land.~~ Development of an ESS in this area is consistent with the types of permitted uses in the City of Becker's General Industrial (GI) Zoning District, which was established to provide an area intended to regulate industrial, manufacturing, and related uses, as well as to provide for separation from adjacent commercial or residential uses. The Project is located in an industrial

⁶⁸ Ex. PUC EIP-1 at 23 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

⁶⁹ Ex. App.-1 at 59-60 (Application).

⁷⁰ Ex. App.-1 at 60 (Application).

⁷¹ Ex. App.-1 at 60 (Application).

area, sited immediately adjacent to the existing Sherburne County Generating Station and associated infrastructure. The Project is consistent with Becker 2040's vision for strategic industrial expansion, supports key goals related to infrastructure modernization and environmental stewardship, and aligns with the Sherco Master Plan's emphasis on modern, clean energy redevelopment by leveraging existing transmission interconnections and substation infrastructure.⁷²

68-69. The Project would convert approximately 35 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.⁷³

70. Xcel Energy has developed a draft decommissioning plan 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.⁷⁴

69-71. Commission staff have reviewed the draft decommissioning plan and provided recommended modifications for the final decommissioning plan.⁷⁵ The applicant filed a response stating that they would continue to coordinate with staff to revise the plan prior to construction.⁷⁶ Under permit condition 9.1, the Permittee is required to file a decommissioning plan incorporating comments and information from the permit application process and any updates associated with the final construction plans with the Commission at least fourteen (14) days prior to the pre-construction meeting.

6. *Property Values.*

70-72. Impacts to the value of specific properties within the Project vicinity are difficult to determine but could occur.⁷⁷

74-73. A 2025 University of Pennsylvania study suggests that utility-scale ESS projects do not measurably affect nearby residential property values. It concludes that utility-scale ESS facilities have a neutral impact on surrounding property values.⁷⁸

⁷² Ex. App.-1 at 83-86 (Application).

⁷³ Ex. App.-1 at 84, 118 (Application).

⁷⁴ Ex. App.-1 (Appx. E).

⁷⁵ EIP Staff Comments (April 2, 2026) (eDocket No. 20264-229946-01).

⁷⁶ Xcel Energy Response to Public Comments (April 6, 2026) (eDocket No. 20264-230073-01)

⁷⁷ See Ex. App.-1 at 90 (Application).

⁷⁸ Ex. App.-1 at 90 (Application); Gwee, Yixin. 2025. "The Impact of Utility-Scale Battery Energy Storage System Projects on Property Values in California, Massachusetts, and New York." Master's thesis, The

7. *Tourism and Recreation*

72-74. Tourism in the Project Area centers around outdoor recreation, nature, heritage and museums, and local culture. The City of Becker offers golf courses, local restaurants and breweries, the Becker History Center, seasonal farmers markets, and other community festivals.⁷⁹

73-75. Recreational activities are available largely through the City of Becker's park system, with popular destinations such as Becker City Park, Carl E. Johnson Park, Kolbinger Park, and Snuffy's Landing, located within one mile of the Project site.⁸⁰ The recreational activities may include fishing, boating, paddleboarding, kayaking, and other water-based recreational experiences. A Sherburne County Snowmobile Trail is present through Snuffy's Landing.⁸¹

74-76. Additional tourism in the Project Area related to recreational activities is found at the Becker Community Center—which features an aquatic center, fitness center, library, gym, and event space under one roof—and the Mississippi River State Water Trail located within one mile of the Project site.⁸²

75-77. No operational impacts to Snuffy's Landing (including the snowmobile trail) or the Mississippi River State Water Trail are anticipated given the Project site will not be visible from these locations due to distance, existing vegetative screening, and the elevation differences.⁸³

76-78. There are no Minnesota DNR scientific and natural areas (SNAs), Wildlife Management Areas (WMAs), walk-in access program sites, Aquatic Management Areas, Fishery Management Areas, snowmobile trails, state trails, state parks, or state forests within or adjacent to the Project site.⁸⁴

77-79. Xcel Energy will closely coordinate construction activities with the City of Becker and Sherburne County if any road closures are deemed necessary during the construction phase.⁸⁵

Wharton School, University of Pennsylvania. <https://repository.upenn.edu/entities/publication/985ee8b2-3228-4a70-8f6e-0a92d757fc82> (accessed November 2025).

⁷⁹ Ex. App.-1 at 93 (Application).

⁸⁰ Ex. App.-1 at 86 (Application).

⁸¹ Ex. App.-1 at 87 (Application).

⁸² Ex. App.-1 at 86 (Application).

⁸³ Ex. App.-1 at 87 (Application).

⁸⁴ Ex. App.-1 at 86 (Application).

⁸⁵ Ex. App.-1 at 93 (Application).

78-80. The Project is located on private and industrial land. Therefore, impacts are anticipated to be minimal and temporary.⁸⁶ There are no ~~proposed~~-mitigation measures proposed.⁸⁷

8. *Transportation and Public Services*

79-81. Potential impacts to the electrical grid, roads and railroads, and other utilities are anticipated to be short-term, intermittent, minor, and negligible during construction.⁸⁸ Impacts to water (wells and septic systems) are not expected to occur.⁸⁹ Impacts to railroads and pipelines are not expected to occur.⁹⁰ Overall, construction-related impacts are expected to be negligible or minor, and are associated with possible traffic delays.⁹¹ During operation, negligible traffic increases would occur for maintenance.⁹² Impacts are unavoidable but can be minimized.

80-82. There are no anticipated impacts to geologic or groundwater resources from the Project. No designated sole source aquifers or Wellhead Protection Areas (WHPAs) are located within the Project site. The Project site is not located within a karst-rich area, and no karst features have been identified within ten miles of the Project. Construction of Project facilities is not likely to require subsurface blasting; therefore, disturbances to groundwater flow from newly fractured bedrock are not anticipated. Project facilities are not likely to affect the use of existing active or abandoned and Company-sealed water wells.⁹³

81-83. Xcel Energy intends to properly manage the wells during construction to avoid all potential impacts to groundwater. If any previously unmapped wells are discovered, Xcel Energy will coordinate with the Minnesota Department of Health (MDH) and the well owner to mitigate potential impacts, and will also cap and abandon the well in place in accordance with MDH requirements.⁹⁴

82-84. Xcel Energy is the electric provider serving the immediate vicinity and many of the industrial users surrounding the Project.⁹⁵ The Project will negligibly impact

⁸⁶ See Ex. App.-1 at 93 (Application).

⁸⁷ Ex. App.-1 at 94 (Application).

⁸⁸ Ex. App.-1 at 80-81 (Application).

⁸⁹ Ex. App.-1 at 81 (Application).

⁹⁰ Ex. App.-1 at 78, 81 (Application).

⁹¹ Ex. App.-1 at 80-82 (Application).

⁹² Ex. App.-1 at 80 (Application).

⁹³ Ex. App.-1 at 109 (Application).

⁹⁴ Ex. App.-1 at 109 (Application).

⁹⁵ Ex. App.-1 at 79 (Application).

existing utilities during the interconnection of the Project substation to the Sherburne County Substation.⁹⁶

~~83.85.~~ The Land Control Area is accessible from U.S. Highway 10, Liberty Lane and Industrial Boulevard. No impacts to roads are anticipated during the operation; negligible traffic increases would occur for maintenance.⁹⁷

~~84.86.~~ No railroads are located within the Project site and therefore will not be impacted.⁹⁸

9. *Socioeconomics.*

~~85.87.~~ The potential impact intensity level is anticipated to be both short- and long-term minimal benefits. 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.⁹⁹

~~86.88.~~ 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.¹⁰⁰
The Permittee, their contractors, and subcontractors will pay no less than the “prevailing wage rate” as defined in Minn. Stat. § 177.42.

~~87.89.~~ The Project is expected to create approximately 150 ~~workers jobs~~ on site during the construction phase, and 10 long-term ~~personnel positions~~ during the operations phase.¹⁰¹

~~88.90.~~ Once the Project is operational, Xcel Energy will pay property tax payments of approximately \$234 million to the City of Becker and Sherburne County over the anticipated twenty-year life of the Project.¹⁰²

~~89.91. SAs~~ socioeconomic impacts are anticipated to be beneficial.¹⁰³

⁹⁶ Ex. App.-1 at 81 (Application).

⁹⁷ See Ex. App.-1 at 80 (Application).

⁹⁸ Ex. App.-1 at 81 (Application).

⁹⁹ Ex. App.-1 at 89-90 (Application).

¹⁰⁰ Ex. App.-1 at 89 (Application).

¹⁰¹ Ex. App.-1 at 89-90 (Application).

¹⁰² Ex. App.-1 at 90 (Application).

¹⁰³ Ex. App.-1 at 90 (Application).

10. *Environmental Justice.*

~~90-92.~~ 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.”¹⁰⁴

~~91-93.~~ In Minnesota, EJ 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.¹⁰⁵

~~92-94.~~ The Project is not located within any EJ areas of concern. As such, there are no EJ impacts.

B. Public Health and Safety ~~and Emergency Services.~~

~~93-95.~~ Minnesota law requires applicants to submit information about consideration of the Project’s potential effect on public health and safety.¹⁰⁶

1. *Electric and Magnetic Fields (EMF).*

~~94-96.~~ There are no federal or Minnesota-specific regulations regarding extremely low frequency electro and magnetic fields produced by power lines; however, the International Commission on Non-Ionizing Radiation Protection has established a widely accepted public exposure guideline of 833 milligauss (mG).¹⁰⁷

¹⁰⁴ See Ex. App.-1 at 61 (Application).

¹⁰⁵ See Ex. App.-1 at 60 (Application).

¹⁰⁶ Minn. Stat. § 216I.05, subd. 4(a)(2).

¹⁰⁷ See Ex. App.-1 at 66 (Application).

~~95-97.~~ The Commission has ~~adopted~~ established a standard that limits the maximum electric field ~~limit of to~~ eight kV per meter (measured one meter above ground) but has not adopted a magnetic field standard.¹⁰⁸

~~96-98.~~ Primary EMF sources will be the electrical feeder lines, inverter transformers, and the gen-tie line between the Project substation and Sherburne County Substation. Transformers will be enclosed in grounded metal casings to shield and reduce EMF emissions. The battery side will operate using direct current (DC) at approximately 50 volts per cell, producing a static magnetic field that decays exponentially with distance.¹⁰⁹

~~97-99.~~ No health impacts from EMF are anticipated. EMF decreases rapidly with distance; the nearest occupied residence is approximately 1,285 feet from the proposed electrical equipment and 1,325 feet from the nearest inverter. At these distances, fields will have dissipated to background levels, and no measurable magnetic field is anticipated beyond the Project's fenced boundary. No additional mitigation is proposed.¹¹⁰

2. *Public Safety and Emergency Services*

~~98-100.~~ _____ The Project will be designed and constructed in compliance with applicable electric codes, with all electrical equipment and infrastructure grounded per federal and state standards. Electrical work will be completed by trained and qualified personnel.¹¹¹

~~99-101.~~ _____ The Project's construction and operation will have negligible impacts on the security and safety of the local populace, yet it 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.¹¹²

~~100-102.~~ _____ The main safety hazard of an ESS is battery failure leading to thermal runaway which has the potential to spread to nearby batteries and containers, quickly presenting an emergency. However, modern containment, monitoring, and

¹⁰⁸ See Ex. App.-1 at 66 (Application).

¹⁰⁹ See Ex. App.-1 at 65, 67 (Application).

¹¹⁰ See Ex. App.-1 at 65, 67-68, 72 (Application).

¹¹¹ See Ex. App.-1 at 71 (Application).

¹¹² See Ex. App.-1 at 66 (Application).

suppression systems have made ESS facilities highly resistant to large-scale fire propagation.¹¹³

~~404.103.~~ In the unlikely worst-case scenario of a thermal runaway or fire event, the Project site is not adjacent to public roadways, making road shutdowns due to hazardous conditions unlikely.¹¹⁴

~~402.104.~~ Xcel Energy will design, construct, and test all ESS equipment in compliance with industry-recognized standards, including Underwriters Laboratories (UL) 1973, UL 9540, and Institute of Electrical and Electronics Engineers (IEEE) Standard 1547. The ESS equipment will also meet or exceed relevant safety standards applicable at the time of final design, including National Fire Protection Association (NFPA) 68 (Explosion Venting), NFPA 69 (Explosion Prevention Systems), and NFPA 855 (Standard for the Installation of Stationary Energy Storage Systems). The Project will further comply with the latest edition of the International Fire Code, the National Electrical Code (NFPA 70), and the guidelines outlined in NFPA 850 and IEEE 979.¹¹⁵

~~403.105.~~ ESS equipment will undergo UL 9540A testing for thermal runaway fire propagation, conducted by an Occupational Safety and Health Administration (OSHA)-recognized independent third-party laboratory, with test data covering thermal runaway behavior, gas generation, and gas composition.¹¹⁶

~~404.106.~~ Xcel Energy will use Lithium Iron Phosphate (LFP) battery technology, with each battery factory sealed by Sungrow. ESS units will be housed in separate, modular non-walk-in structures with external access only, providing spatial separation that aids heat management and reduces fire propagation risk. Each unit includes integrated HVAC, remote monitoring sensors and controls, and built-in fire, smoke, and gas detection. Equipment spacing will minimize fire propagation risk. An advanced monitoring system tracks parameters at the cell, module, rack, and system levels, with automated control logic that disconnects battery strings or individual racks if operational limits are exceeded.¹¹⁷

~~405.107.~~ Construction must comply with federal and state OSHA requirements and all applicable regulations regarding facility installation and worker qualifications. Workers will receive proper training to reduce associated risks. The ESS

¹¹³ See Ex. App.-1 at 66 (Application).

¹¹⁴ See Ex. App.-1 at 66 (Application).

¹¹⁵ See Ex. App.-1 at 70 (Application).

¹¹⁶ See Ex. App.-1 at 70 (Application).

¹¹⁷ See Ex. App.-1 at 69, 70-72, 75 (Application).

facility and Project substation will be secured with permanent fencing, lockable gates, and prominent warning signage, with access restricted to authorized personnel.

406.108. Xcel Energy will develop a Project-specific Emergency Response Plan (ERP) in coordination with local emergency responders prior to construction. As requested by the City of Becker and the Commission, a Project information sheet on fire suppression practices and the ERP will be provided to local emergency responders, with a formal training session planned before construction begins. The ERP will be provided to the Commission prior to operation and will mandate quarterly on-site safety drills and annual training for local first responders, ~~and will be provided to the Commission prior to operation.~~ Construction and operation of the Project will have negligible impacts on local safety.

407.109. At the in-person hearing held on March 18, 20265, the Mayor of the City of Becker appeared and spoke on behalf of the joint fire board for the City of Becker and Becker Township. The Mayor requested that Xcel Energy engage in early and proactive coordination with the joint fire board regarding the Company's activities in the area. Xcel Energy agreed to work with the joint fire board to provide such early coordination.¹¹⁸

408.110. DSP Section 5.6 requires Xcel Energy to file a Hazard Mitigation Analysis (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.¹¹⁹

409.111. Xcel Energy will use lithium ion phosphate (LFP) technology, and Sherco's facility design uses modular containers that are tested by the manufacturer to ensure fire resistance.¹²⁰ Modern ESS 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.¹²¹ The containers are spaced to minimize the potential for fire to spread to other containers.¹²² The ESS 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.¹²³

¹¹⁸ Becker Public Hearing on 3-18-2026 (April 3, 2026) (eDocket No. 20264-229991-01).

¹¹⁹ See Ex. PUC EIP-1 at 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹²⁰ Ex. App.-1 at 13-14 (Application).

¹²¹ See Ex. App.-1 at 70 (Application).

¹²² See Ex. App.-1 at 70 (Application).

¹²³ See Ex. App.-1 at 13 (Application).

~~110-112.~~ 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 4.3.5, 4.3.7, 4.3.11, 4.3.19, 4.3.25, 4.3.27, 4.3.28, 4.3.29, 4.3.31, 4.4, and 4.5.1 of the DSP.¹²⁴

C. Land-Based Economics.

~~113-114.~~ Minnesota law requires applicants to submit information about consideration of the Project's potential effect on land-based economies – specifically, agriculture, forestry, tourism, and mining.¹²⁵

~~112-114.~~ The Project is not anticipated to have impacts on agriculture, forestry, and mining.¹²⁶ The Project will have minimal impacts on tourism and recreation, as discussed in Section A(7) above.

D. Archaeological, Cultural, and Historic Resources.

~~113-115.~~ Minnesota law requires consideration of applicants to submit information about the Project's potential effects on historic and archaeological resources.¹²⁷

~~114-116.~~ 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 June 9, 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 of Historic Places properties within one mile of the site.¹²⁸

~~115-117.~~ On November 14, 2025, SHPO provided Xcel Energy a letter stating that they agree there are no significant archaeological sites within the Project Area ROI and there are no properties listed in the National or State Registers of Historic Places, or within the Historic Sites Network, that will be affected by this Project.¹²⁹

¹²⁴ See Ex. PUC EIP-1 at 4-6, 8, and 10-12 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹²⁵ Minn. Stat. §216I.05, subd. 4(a)(3).

¹²⁶ Ex. App.-1 at 91-93 (Application).

¹²⁷ Minn. Stat. §216I.05, subd. 4(a)(4).

¹²⁸ Ex. App.-1 at 94 (Application).

¹²⁹ Ex. App.-1 at 95 (Application).

~~116.118.~~ 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.¹³⁰

E. Natural Resources.

~~117.119.~~ Minnesota law requires applicants to submit information about consideration of the Project's potential effects on the natural environment, including effects on air and water quality resources and flora and fauna.¹³¹

1. *Air Quality and Greenhouse Gases.*

~~118.120.~~ 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.¹³²

~~119.121.~~ 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.¹³³

~~120.122.~~ Section 4.3.29 of the DSP requires Xcel Energy to use non-chloride dust control products during construction.¹³⁴

~~121.123.~~ Anticipated air quality and greenhouse gas (GHG) impacts during the construction of the Project are expected to be minimal and primarily confined to a close proximity to the Project site.¹³⁵

~~122.124.~~ GHG emission estimates demonstrate that the Project will have a minimal contribution to statewide GHG emissions and is consistent with Minnesota's decarbonization and clean energy transition goals.¹³⁶

¹³⁰ See Ex. PUC EIP-1 at 9 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹³¹ Minn. Stat. §216I.05, subd. 4(a)(5).

¹³² Ex. App.-1 at 101 (Application).

¹³³ Ex. App.-1 at 103 (Application).

¹³⁴ See Ex. PUC EIP-1 at 11 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹³⁵ Ex. App.-1 at 101 (Application).

¹³⁶ Ex. App.-1 at 102 (Application).

~~123-125.~~ Air quality impacts on the surrounding environment are expected to be negligible due to the short-term and intermittent nature of construction-related emissions.¹³⁷

~~124-126.~~ As a component of the National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS) 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.¹³⁸

~~125-127.~~ Xcel Energy will use BMPs during construction and operation of the Project to minimize dust and emissions.¹³⁹

2. *Geology and Groundwater.*

~~126-128.~~ The Land Control Area was reviewed for wells listed on the Minnesota Well Index (MWI) and MDH WHPAs. The MWI identified one well within the site and it identified 77 wells within the Project Area, which are predominantly domestic wells and monitoring wells, with the remaining wells used for “other” purposes.¹⁴⁰

~~127-129.~~ There is no anticipation that the well located within the Project site, Well 133374, will be impacted by the Project. Specifically, the proposed gen-tie near the location of the well will avoid impacts to the well’s capture zone by adhering to applicable setback requirements, implementation of erosion and sediment controls, and minimized ground disturbances in proximity to the buffer.¹⁴¹

~~128-130.~~ Xcel Energy intends to properly manage the wells during construction to avoid all potential impacts to groundwater. Impacts on groundwater resources (including aquifers) are not anticipated during operation of the Project as water supply needs are limited. If field crews discover an unmapped well not identified in available mapping resources or Xcel Energy records, Xcel Energy will coordinate with the MDH and the well owner to mitigate potential impacts.¹⁴²

~~129-131.~~ Because the Project will disturb more than one acre, Xcel Energy must obtain a CSW Permit from the MPCA. The CSW Permit will identify BMPs for

¹³⁷ Ex. App.-1 at 102 (Application).

¹³⁸ Ex. App.-1 at 110-11 (Application).

¹³⁹ Ex. App.-1 at 103 (Application).

¹⁴⁰ Ex. App.-1 at 105-06 (Application).

¹⁴¹ Ex. App.-1 at 106 (Application).

¹⁴² Ex. App.-1 at 109 (Application).

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.¹⁴³

~~130.132.~~ 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.¹⁴⁴

3. *Soils.*

~~131.133.~~ Primary impacts to soils include compaction from construction equipment, grading, and trenching down to install electrical lines. Overall soil impacts are considered to be moderate.¹⁴⁵

~~132.134.~~ Xcel Energy *stated that it* 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.¹⁴⁶

~~133.135.~~ Sections 4.3.9, 4.3.10, 4.3.11, 4.3.18, and 4.3.23 of the DSP address soil-related impacts from the Project.¹⁴⁷

4. *Surface Water and Floodplains.*

~~134.136.~~ The Project is not expected to impact surface waters due to the absence of wetlands, waterways, waterbodies, and floodplains.¹⁴⁸

~~135.137.~~ BMPs to minimize the impact on adjacent surface waters will be utilized as a part of the SWPPP, including but not limited to designing battery

¹⁴³ Ex. App.-1 at 110-11 (Application).

¹⁴⁴ Ex. App.-1 at 109 (Application).

¹⁴⁵ Ex. App.-1 at 113-14 (Application).

¹⁴⁶ Ex. App.-1 at 114-15 (Application).

¹⁴⁷ See Ex. PUC EIP-1 at 5-6, 8, and 10 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁴⁸ Ex. App.-1 at 116 (Application).

enclosures and other electrical equipment to prevent water ingress and maintain structural integrity under extreme weather conditions.¹⁴⁹

~~136.138.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize surface water and floodplain impacts.¹⁵⁰ Further, Section 4.3.11 of the DSP requires the permittee to implement erosion prevention and sediment control practices recommended by the MPCA. 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.¹⁵¹

5. *Wetlands.*

~~137.139.~~ Xcel Energy sited the Project to avoid wetlands delineated to date.¹⁵²

~~138.140.~~ Xcel Energy reviewed desktop resources, such as the National Wetlands Inventory (NWI) data, aerial photography, hydric soils map units, and digital elevation models, and confirmed that there are no NWI wetlands present within the Project site.¹⁵³

~~139.141.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to wetlands.¹⁵⁴ Further, Section 4.3.13 of the DSP prohibits placement of the ESS or associated facilities in public waters and public waters wetlands.¹⁵⁵

6. *Vegetation.*

~~140.142.~~ The Project is in the Eastern Broadleaf Forest Province (222), Minnesota & NE Iowa Morainal Section (222M), and the Anoka Sand Plain Subsection (222Mc) of the Ecological Classification System (“ECS”).¹⁵⁶

~~141.143.~~ Construction of the facility will eliminate vegetative cover and create impermeable surfaces at the access road and the developed area of the facility.

¹⁴⁹ Ex. App.-1 at 116 (Application).

¹⁵⁰ Ex. App.-1 at 115 (Application).

¹⁵¹ See Ex. PUC EIP-1 at 6 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁵² Ex. App.-1 at 115 (Application).

¹⁵³ Ex. App.-1 at 115 (Application); Ex. App.-1 Figure 11 (Appx. I) .

¹⁵⁴ Ex. App.-1 at 115 (Application).

¹⁵⁵ See Ex. PUC EIP-1 at 6 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁵⁶ Ex. App.-1 at 48 (Application).

Xcel Energy estimates that approximately 35 acres will be converted to impermeable surfaces for the life of the facility.¹⁵⁷

~~142.144.~~ 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.¹⁵⁸

~~143.145.~~ ~~EIP Staff~~ The VMPWG submitted formal comments to promote a transparent record and guide a pre-construction VMP in coordination with the ~~Vegetation Management Plan Working Group~~ (VMPWG), using BMPs established by the DNR and Board of Water & Soil Resources (BWSR). Under proposed Special Condition 5.1, ~~EIP recommends that~~ the VMP and documentation of coordination efforts must be filed at least 14 days prior to the pre-construction meeting. ~~EIP recommends that~~ The VMP must include: short-term and long-term management objectives; planned restoration and vegetation management activities; monitoring and evaluation methods; management tools and timing; identification of the third-party contractor; identification of on-site noxious weeds and invasive species; and a marked-up copy of the Site Plan showing revegetation and seed mixes.¹⁵⁹

~~144.146.~~ The DNR submitted formal comments recommending Xcel Energy's VMP include a more detailed explanation of the vegetation reestablishment phases in areas where vegetation removal is anticipated within the surrounding project boundary. The DNR advises the VMP include an explanation of the types of plant species Xcel Energy intends to use as part of the vegetation reestablishment process.¹⁶⁰

~~145.147.~~ Xcel Energy submitted reply comments through its direct testimony on March 11, 2026, stating that it remains committed to working cooperatively and alongside the DNR to address any outstanding concerns as the Project advances through the permitting process.¹⁶¹

~~146.148.~~ DSP Section 5.7 is a special condition that requires Xcel Energy to develop a tree replacement plan in coordination with the DNR and Sherburne County to replace any trees removed for construction and file the plan at least 14 days before the pre-construction meeting. Replacement trees may be planted on public lands with

¹⁵⁷ See Ex. App.-1 at 118 (Application).

¹⁵⁸ Ex. App.-1 at 118 (Application).

¹⁵⁹ See Ex. PUC EIP-1 at 13 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁶⁰ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁶¹ Ex. App-3 at 7 (Direct Testimony of Jordan Clitty and Schedule 1).

the permission of the public entity/owner. Staff notes the project is anticipated to clear approximately 35 acres of land.¹⁶²

447-149. The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to vegetation.¹⁶³ Further, Sections 4.3.15, 4.3.16, 4.3.17, and 4.3.18 of the DSP address impacts to vegetation.¹⁶⁴

7. *Wildlife and Habitat.*

448-150. The Land Control Area is mostly vegetative cover (71 percent) which provides varied habitats for wildlife. Developed areas (29 percent) in the site provides less suitable habitat for wildlife.¹⁶⁵

449-151. The Project is located within the Mississippi Flyway, which is a major north-south migration route.¹⁶⁶ It is also located in the Prairie Hardwood Transition Bird Conservation Region.¹⁶⁷ The U.S. Fish and Wildlife Service (USFWS) Information for Planning and Consultation (“IPaC”) report identified ten species of concern that could potentially occur in the Project Area.¹⁶⁸ Field investigations in March 2025 did not identify any high-quality or unique nesting habitat within the Project site for listed avian species, and observers did not note any stick nests within the Project site.¹⁶⁹

450-152. Xcel Energy does not anticipate impacts to bald eagles from the Project because no suitable nesting habitat exists within the Project site, and surveyors did not observe any stick nests during a March 2025 site visit conducted under leaf-off conditions.¹⁷⁰

454-153. The limited forest habitat within the Project site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat; however, there is much greater habitat available along the Mississippi River southwest of the project site. Though limited tree clearing is expected within the Project site, impacts to birds selecting forested habitats are not anticipated due to the greater quality habitat

¹⁶² See Ex. PUC EIP-1 at 15 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁶³ Ex. App.-1 at 118 (Application).

¹⁶⁴ See Ex. PUC EIP-1 at 7-8 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁶⁵ Ex. App.-1 at 119 (Application).

¹⁶⁶ Ex. App.-1 at 119 (Application).

¹⁶⁷ Ex. App.-1 at 119 (Application).

¹⁶⁸ Ex. App.-1 at 120, Table 18 (Application).

¹⁶⁹ Ex. App.-1 at 120 (Application).

¹⁷⁰ Ex. App.-1 at 127 (Application).

southwest of the Project site. Xcel Energy has coordinated with the ~~U.S. Fish and Wildlife Service~~ (USFWS) and DNR regarding avoidance and minimization measures for potentially suitable habitat for protected species.¹⁷¹

~~152.154.~~ There are no waterfowl feeding and resting areas within one mile of the site.¹⁷²

~~153.155.~~ There are no Audubon Important Bird Areas (IBA), within one mile of the Project site.¹⁷³

~~154.156.~~ Xcel Energy proposeds fencing around the Project, which ~~does~~ creates potential for wildlife impacts. Although deer can jump many fences, they can become tangled in both smooth and barbed-wire fences. Predators can also use fences to corner and kill prey species. Nevertheless, the Project has a relatively small footprint and the Project site has an industrial nature, thus the fencing impact is anticipated to be minor.¹⁷⁴

~~155.157.~~ The DNR submitted a formal comment recommending additional analysis of potential wildlife impacts caused by the security fence, including how the approximately 5,500 feet of permanent fencing could impede wildlife travel corridors. The DNR noted that the EA does not address how the security fence will impact wildlife movement, and that such analysis is consistent with available EAs for other ESS projects.¹⁷⁵

~~156.158.~~ The DNR recommended that the site permit include a special condition requiring the Permittee to coordinate with the DNR to finalize the security fencing plan, similar to Special Condition 5.7 included in the permitted Snowshoe Energy Storage Project (Docket ~~No. IP-7139/-ESS-24-279~~).¹⁷⁶

~~157.159.~~ The impact the security fencing is anticipated to have on wildlife is expected to be minor.¹⁷⁷

~~158.160.~~ The DNR submitted formal comments recommending tree removal be avoided from June 1 to August 15 to protect nesting birds and roosting bats

¹⁷¹ Ex. App.-1 at 121 (Application).

¹⁷² Ex. App.-1 at 120 (Application).

¹⁷³ Ex. App.-1 at 121 (Application).

¹⁷⁴ Ex. App.-1 at 122 (Application).

¹⁷⁵ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁷⁶ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁷⁷ Ex. App.-1 at 122 (Application).

from direct impacts during construction. The DNR supports a special condition requiring the Permittee to avoid tree clearing from June 1 to August 15.¹⁷⁸

~~459.161.~~ Xcel Energy submitted reply comments through its direct testimony on March 11, 2026 wherein it opposed the inclusion of a ~~blanket~~ seasonal tree-clearing restriction prohibiting tree removal from June 1 to August 15. ~~Xcel Energy claims~~ Xcel Energy claims ~~The record does not support such a broad prohibition as:~~ there are no known Northern Long-Eared Bat (NLEB) maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited amounts of suitable forested habitat, consisting primarily of sparse conifers. ~~Xcel Energy states that a~~ Xcel Energy states that a rigid seasonal prohibition would unnecessarily constrain ~~Xcel Energy's~~ the construction schedule without a corresponding environmental benefit proportionate to the restriction.¹⁷⁹

~~460.162.~~ Xcel Energy asserted that rather than imposing a blanket restriction unsupported by site-specific conditions, the Commission should adopt a permit condition requiring Xcel Energy to coordinate directly with the USFWS regarding the timing of tree-clearing and any other construction or restoration actions that may impact the NLEB, and to maintain records of compliance for Commission staff to review upon request. ~~Xcel Energy believes t~~ Xcel Energy believes this approach ensures that any tree-clearing activities are carried out in a manner informed by the best available science and current federal guidance, while preserving the scheduling flexibility necessary for Xcel Energy to meet the Project's anticipated commercial operation date. ~~Coordination with the USFWS—the federal agency with direct authority over listed species—provides a more targeted, science-based safeguard than an arbitrary calendar-based restriction that bears no demonstrated nexus to actual habitat conditions at this site.~~¹⁸⁰

~~464.163.~~ DSP Special Permit Condition 5.4 ~~is a blanket prohibition forbidding~~ prohibits Xcel Energy from removing trees from the site from June 1 to August 15 to protect nesting birds and roosting bats.¹⁸¹

~~462.164.~~ There are no known NLEB maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited suitable forested habitat, primarily sparse conifers.¹⁸²

~~463.165.~~ DSP 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's

¹⁷⁸ Ex. PUC-6 (DNR's Comments on Site Permit and Environmental Assessment).

¹⁷⁹ Ex. App-3 (Direct Testimony of Jordan Clitty and Schedule 1).

~~¹⁸⁰ Ex. App-3 (Direct Testimony of Jordan Clitty and Schedule 1).~~

¹⁸¹ See Ex. PUC EIP-1 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁸² Ex. App.-1 at 123 (Application).

comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements ~~already collectively~~ provide ~~robust~~ wildlife and vegetation protections.¹⁸³

~~164.166.~~ Xcel Energy proposed the Commission replace Special Condition 5.4 with the following language, ~~given that the record demonstrates the blanket prohibition is unnecessary for the reasons stated in finding 155 and 156:~~

The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree-clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

~~165.167.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to wildlife and habitat.¹⁸⁴ Further, Sections 4.3.30 and 8.13 of the DSP specify measures that will minimize impacts to wildlife.¹⁸⁵

8. *Climate Change.*

~~166.168.~~ 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 GHGs that contribute to climate change. The Project's design incorporates design elements that minimize impacts from the increase in extreme weather events such as increase flooding, storms, and heat wave events that are expected to accompany a warming climate.¹⁸⁶

~~167.169.~~ ESS systems can enable greater integration of renewable energy and maintain grid stability and provide backup power during extreme weather events.¹⁸⁷

~~168.170.~~ The ESS enclosures selected for the Project are designed to withstand wind, rain, snow, and ice events. Final design will include a safety factor for snow and wind loads for components and equipment pads.¹⁸⁸

¹⁸³ See Ex. PUC EIP-1 at 7-8, 11, 13, 15 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁸⁴ Ex. App.-1 at 121 (Application).

¹⁸⁵ See Ex. PUC EIP-1 at 11 and 19 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

¹⁸⁶ See Ex. App.-1 at 100-02 (Application).

¹⁸⁷ See Ex. App.-1 at 100-01 (Application).

¹⁸⁸ See Ex. App.-1 at 103 (Application).

9. Rare and Unique Resources.

~~169-171.~~ Minnesota law requires applicants to submit information about consideration of the Project’s potential effects on rare and unique natural resources.¹⁸⁹

~~170-172.~~ 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 immediately south of the Project site, approximately 25 feet. The South Becker 12 MBS site has a rank of “Moderate”. Within this MBS, there is one southern dry-mesic oak (maple) woodland native plant community (native plant community code: FDs37) present.¹⁹⁰

~~174-173.~~ Xcel Energy spoke with DNR on October 24, 2025, to present the Project, discuss BMPs to avoid and minimize potential impacts to the nearby MBS Site, native seeding protocols in the VMP, recommended time of year restrictions for tree clearing, and summary of the City of Becker determining that the Project is a permitted use in the Wild and Scenic River Overlay District.¹⁹¹

~~172-174.~~ Xcel Energy conducted a species and habitat survey on September 24, 2025. This survey identified two federally proposed threatened species, the monarch butterfly (*Danaus plexippus*) and the western regal fritillary (*Argynnis idalia occidentalis*); and one federally designated as non-essential experimental population, the whooping crane (*Grus americana*), as potentially occurring within or near the Project site. The Project site does not overlap any critical habitat—there are no known NLEB or tri-colored bat maternity roost trees or hibernaculum in Sherburne County; however, the species may still occur within or near the Project site.¹⁹²

~~173-175.~~ Minnesota DNR performed a ~~n~~ Natural Heritage Information System (NHIS) review, providing results on September 9, 2025 and concluded that impacts to state-listed species are not anticipated. ~~Nevertheless, it~~ In this review, DNR recommended that tree removal be avoided from June 1 through August 15 to minimize potential impacts to bats.¹⁹³

~~174-176.~~ “Native Prairie” is defined as land that has never been plowed where native prairie vegetation originating from the Project site currently predominates

¹⁸⁹ Minn. Stat. § 216L.05, subd. 4(a)(8).

¹⁹⁰ Ex. App.-1 at 124 (Application).

¹⁹¹ Ex. App.-1 at 126 (Application).

¹⁹² Ex. App.-1 at 123 (Application).

¹⁹³ Ex. App.-1 at 123 (Application).

or, if disturbed, is predominantly covered with native prairie vegetation that originated from the Project site.¹⁹⁴

~~475.177.~~ The Project site's current condition is comprised of previously disturbed grassland with scattered shrubs and small trees. The Project site is comprised of barren land and sparse forested areas, with no native prairie present.¹⁹⁵

~~476.178.~~ The record demonstrates that Xcel Energy has taken steps to avoid and minimize impacts to rare and unique resources.¹⁹⁶

F. Application of Various Design Considerations.

~~477.179.~~ Minnesota law requires applicants to submit information about consideration of the application of possible design options to accommodate the facility's future expansion and any other sites or routes that were considered and rejected by the applicant that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission or generating capacity.¹⁹⁷

~~478.180.~~ Xcel Energy considered locating the Sherco West Battery Energy Storage System Project adjacent to the Sherco Solar 1 Project, northwest of the intersection of River Road SE and 115th Avenue in the City of Becker. Xcel Energy determined that this location did not provide sufficient space to accommodate all Sherco West Battery Energy Storage System facilities. Xcel Energy considered the Sherco South Battery Energy Storage System Project only at its current location, and did not further evaluate alternative locations. The current location has room for future augmentation that may be required over time. Through the selection of the current location, Xcel Energy has accommodated for future expansion.¹⁹⁸ DSP Special Permit Condition 5.5 requires the applicant to notify the Commission of any scheduled augmentation 30 days prior to commencing augmentation activities, including the number, type, and location of batteries, and demonstrate compliance with special permit condition 5.2.¹⁹⁹

~~479.181.~~ Xcel Energy selected the proposed Project site based on a variety of factors, including its minimal environmental impacts, proximity to the electrical grid

¹⁹⁴ Minn. Stat. § 84.02.

¹⁹⁵ Ex. App.-1 at 127 (Application).

¹⁹⁶ Ex. App.-1 at 126 (Application).

¹⁹⁷ Minn. Stat. § 216I.05, subd. 3(b)(10), subd. 3(b)(14).

¹⁹⁸ Ex. App.-1 at 34, 41 (Application).

¹⁹⁹ See Ex. PUC EIP-1 14 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

and existing transmission infrastructure, existing land ownership, adequate space for energy storage facilities, and available grid capacity for interconnection. The proposed Project site was identified based on these factors.²⁰⁰

G. Use of Existing Rights-of-Way.

~~180.182.~~ Minnesota law requires consideration of the use of existing rights-of-way.²⁰¹

~~181.183.~~ To minimize new rights-of-way consistent with Minn. Stat. § 216I.05, subd. 3(b), the Project's interconnection will utilize the existing Sherburne County Substation and a short gen-tie line with dead-end structure at the existing and Project substations.²⁰²

H. Electrical System Reliability.

~~182.184.~~ Minnesota law requires consideration of electrical system reliability.²⁰³

~~183.185.~~ 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.²⁰⁴

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

~~184.186.~~ Minnesota law requires applicants to submit information about~~consideration of~~ the costs of constructing, operating, and maintaining a facility which are dependent on design and route.²⁰⁵

~~185.187.~~ Xcel Energy estimates the total installed capital cost to construct the Project to be between approximately \$698 million and \$1.03 billion. Actual costs will depend on final material and labor costs. Xcel Energy estimates annual operations and maintenance costs between approximately \$6.8 and \$10 million.²⁰⁶

²⁰⁰ Ex. App.-1 at 41 (Application).

²⁰¹ Minn. Stat. §§ 216I.05, subd. 3(b)(7), (11).

²⁰² Ex. App.-1 at 15-16 (Application).

²⁰³ Minn. Stat. § 216I.05, subd. 11(b)(13).

²⁰⁴ See Ex. App.-1 at 7 (Application).

²⁰⁵ Minn. Stat. § 216I.05, subd. 3(b)(9).

²⁰⁶ Ex. App.-1 at 8 (Application).

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

~~186.188.~~ Minnesota law requires consideration of the adverse human and natural environmental effects that cannot be avoided. Resource impacts are unavoidable when an impact cannot be avoided even with mitigation strategies.²⁰⁷

~~187.189.~~ 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:

- Noise and vibration emitted from vehicles and equipment during construction that will be audible to neighboring landowners;
- Air emissions from the exhaust of diesel and gasoline-powered equipment and vehicles;
- Increased traffic on roads within and adjacent to the Project site;
- Waste generation associated with material packaging;
- Minor air quality impacts due to fugitive dust;
- Potential for soil erosion; and
- Potential disturbance to, and displacement of, some species of wildlife and associated habitat.²⁰⁸

~~188.190.~~ Unavoidable adverse impacts associated with the operation would last as long as the life of the Project, and include:

- Introduction of additional industrial structures in an industrial area, which will be visible from local roadways and parcels;
- Operational noise if not properly mitigated with suppression;
- Changes in land cover and vegetation from previously disturbed grassland with scattered shrubs and small trees to an ESS facility (35 acres of permanent infrastructure). New tree plantings for screening and

²⁰⁷ Minn. Stat. § 216I.05, subd. 4(a)(9).

²⁰⁸ Ex. App.-1 at 129 (Application).

mitigation purposes will alleviate the proposed land use changes to more industrial land uses; and

- Creation of new impermeable surface for the ESS unit area, parking area, substation, and access roads.²⁰⁹

~~189.191.~~ 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.

K. Irreversible and Irretrievable Commitments of Resources.

~~190.192.~~ Minnesota law requires consideration of the irreversible and irretrievable commitments of resources that are necessary for the Project.²¹⁰ 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.²¹¹

~~191.193.~~ 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.²¹²

~~192.194.~~ The DSP addresses the irreversible and irretrievable commitments of resources with permit conditions, to the extent possible.²¹³

L. Cumulative Impacts

~~193.195.~~ Cumulative impacts are combined, incremental effects of human activity based on past, present, and future activities. While an individual activity may be

²⁰⁹ Ex. App.-1 at 129 (Application).

²¹⁰ Minn. Stat. § 216L.05, subd. 11(b)(11).

²¹¹ Ex. App.-1 at 129 (Application).

²¹² Ex. App.-1 at 130 (Application).

²¹³ See Ex. PUC EIP-1 at 11 and 19 (EIP Staff Recommendations on Draft Site Permit and Need for Environmental Assessment Addendum).

insignificant by itself, minor impacts in combination with other actions may cause a larger issue in a region or to an important resource.²¹⁴

~~194.196.~~ The Applicant searched for reasonably foreseeable projects in both temporal and spatial proximity to the Project. The EA identified two Minnesota Department of Transportation (MnDOT) road and maintenance projects that could reasonably be expected to increase traffic with worker and equipment transport travelling on similar routes. Xcel Energy will coordinate with appropriate parties on haul rout traffic volumes to reduce significant travel impacts in the area. Minor long-term cumulative impacts are anticipated.²¹⁵

XII. SITE PERMIT CONDITIONS

~~195.197.~~ The DSP includes a number of proposed standard and special 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.

~~198. Based on the record, In their direct testimony, the Applicant argued that Special Condition 5.4's blanket prohibition timing restrictions on tree removal from June 1 to August 15 should be replaced with a condition requiring USFWS coordination regarding tree-clearing activities that may impact the NLEB. The Applicant stated that the record demonstrates there are no known NLEB maternity roost trees or hibernacula in Sherburne County, and the Project site contains only limited suitable forested habitat, primarily sparse conifers. The Applicant also noted that the DSP already provides robust wildlife and vegetation protections—including contains other protections for wildlife and vegetation including Section 4.3.15's tree-removal minimization requirements, Special Condition 5.7's DNR-coordinated tree replacement plan, Special Condition 5.1's comprehensive VMP, and Section 4.3.30's wildlife-friendly erosion control requirements—rendering a rigid seasonal prohibition disproportionate and unnecessary. Accordingly, the record supports replacing Special Condition 5.4 with Xcel Energy's proposed USFWS coordination condition. The DNR filed comments stating that the seasonal tree-clearing restriction is not limited to NLEB or other bat species since it also provides protections for nesting birds. The DNR further noted that, although no bat records exist for the immediate area, all of Minnesota's bat species can occur statewide, and that the Project's proximity to the Mississippi River suggests nesting birds are likely present in the vicinity. The Site Permit Application discusses the wildlife species that may be present and acknowledges that although surveys have not verified presence, these species may still occur within or near the project site, and may~~

²¹⁴ Ex. App.-1 at 130 (Application).

²¹⁵ Ex. App.-1 at 131 (Application).

be displaced to adjacent habitats during construction.²¹⁶ The Application also states that the limited forest habitat within the site represents suitable habitat for migratory birds that may roost, nest, or forage in wooded habitat.²¹⁷ EIP staff proposed permit condition 5.4 that removed the specific dates and required permittees to coordinate with both the Minnesota Department of Natural Resources and the U.S. Fish and Wildlife Services regarding the timing of tree clearing and any additional conservation measures necessary to minimize impacts.

~~196. The following language will replace Special Condition 5.4:~~

~~197. The Permittee will coordinate with the U.S. Fish and Wildlife Service regarding the timing of tree clearing and any other construction or restoration actions that may impact the Northern Long Eared Bat. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.~~

199. In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended the language for special permit condition 5.7 be amended to include a de minimis threshold of tree removal and definition of a tree.²¹⁸ EIP staff proposed permit condition 5.7 amended the condition language.

200. In comments filed on March 30, 2026, the Minnesota Department of Natural Resources recommended a special permit condition requiring the Applicant to resubmit a Natural Heritage Review and continue to consult with the DNR regarding implementation of avoidance measures for state-listed species.²¹⁹ EIP staff propose permit condition 5.10 to address this recommendation.

XIII. NOTICE

~~198-201.~~ Minnesota statutes and rules require an applicant to provide certain notice to the public and local governments before and during the Application process.²²⁰ Xcel Energy provided notices to the public and local governments in satisfaction of Minnesota statutory and rule requirements.²²¹

²¹⁶ Ex. App.-1 at 120 and 122 (Application).

²¹⁷ Ex. App.-1 at 120 and 123 (Application).

²¹⁸ DNR Comments (March 30, 2026) (eDocket No. 20263-229782-01).

²¹⁹ DNR Comments (March 30, 2026) (eDocket No. 20263-229782-01).

²²⁰ Minn. Stat. § 216I.05, subd 5.

²²¹ Ex. App.-2 (Affidavit of Publication).

~~199-202.~~ Minnesota statutes and rules also require the Commission and EIP to provide certain notice to the public throughout the site permit application process.²²² The Commission and EIP Staff provided the notices in satisfaction of Minnesota statutes and rules.²²³

XIV. ~~COMPLETENESS OF ENVIRONMENTAL ASSESSMENT~~

~~200-203.~~ ESS are eligible for the Standard Review process under Minn. Stat. § 216I.07, subd. 2 and, therefore, the Application must contain an EA with information on the proposed Project's human and environmental impacts and potential mitigation measures associated with the identified impacts.²²⁴

~~201-204.~~ The Applicant prepared an EA process is the alternative environmental review approved for ESS and submitted it with its Site Permit Application pursuant to the Standard Review Process.²²⁵

~~202-205.~~ The Commission is required to determine the completeness of the EA. An EA is complete if it addresses the requirements identified in Minn. Stat. § 216I.05, subd. 4.²²⁶ On February 4, 2026, and following the January 13 and 14, 2026, public information and scoping meetings, Commission EIP Staff submitted a Scoping Summary and Recommendations, finding recommending that the Commission not require an EA addendum is not required for the Project.²²⁷ On February 25, 2026, the Commission issued an order finding that an EA addendum is not required for the Project.²²⁸ ~~The evidence in the record demonstrates that the EA is adequate.~~

~~206.~~ The record ~~further~~ establishes that the EA ~~otherwise~~ meets the relevant statutory criteria and contains the information prescribed by Minn. Stat. §§ 216I.05, subd.4 and 216I.07, subd. 3.

~~203-207.~~ Minnesota law requires the Commission to consider the EA and the entirety of the record related to human and environmental impacts when making a final decision on a site permit application.²²⁹

²²² Minn. Stat. § 216I.05, subd 87.

²²³ Affidavit of Publication (March 31, 2026) (eDocket No. [20263-229837-01](#)); Ex. PUC-12 (EQB Monitor Notice of Public Hearings and Availability of Draft Permit).

²²⁴ Ex. App.-1 at 43 (Application).

²²⁵ Minn. Stat. § 216I.07, subd. 3.

²²⁶ See Minn. Stat. § 216I.05, subd 4; Ex. App.-1 (Appx. B).

²²⁷ EIP Scoping Summary and Recommendations (February 4, 2026) (eDockets No. 20262-227828-

01)

²²⁸ February 25, 2026 Order.

²²⁹ Minn. Stat. § 216I.07, subd. 3(b).

CONCLUSIONS OF LAW

~~1. Any of the foregoing Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.~~

~~2.1. The Commission has jurisdiction over the Application for a site permit for the up to 600 MW proposed Project pursuant to Minn. Stat. §§ 216I.03, 216I.05 and 216I.07 (2025).~~

~~3.2. The Commission accepted the Application as complete on December 22, 2025.²³⁰~~

~~4.3. The Applicant prepared an EA for the Project for the purposes of this proceeding, which satisfies the requirements of Minn. Stat. §§ 216I.05, subd. 4 and 216I.07, subd. 3. The Commission has considered the EA and the entirety of the record related to human and environmental impacts as required by Minn. Stat. § 216I.07, subd. 3(b).~~

~~5.4. The Commission appropriately concluded that no addendum to the EA should be prepared.~~

~~6.5. Xcel Energy and the Commission have substantially complied with the notice and procedural requirements of Minn. Stat. Ch. 216I (2025).~~

~~7.6. Public hearings were held on March 18, 2026 (in-person) and March 19, 2026 (remote-access).²³¹ Proper notice of the public hearings was provided as required by §§ 216I.05, subd. 89, and 216I.07, subd. 4, and the public was given an opportunity to speak at the hearings and to submit written comments.²³²~~

~~8.7. The Commission has the authority under Minn. Stat. § 216I.05, subd. 12 (2025) to place conditions in an ESS site permit.~~

~~9.8. The record in this proceeding demonstrates that Xcel Energy has satisfied the criteria for a Site Permit as set forth in Minn. Stat. § 216I.05 (2025) and all other applicable legal requirements.~~

~~10.9. The Project, with the permit conditions discussed above, satisfies the Site Permit criteria for an ESS in Minn. Stat. § 216I.05 (2025) and meets all other applicable~~

²³⁰ Ex. PUC-2 (Notice of Site Permit Application Completeness Determination and Public Information Meetings (Resubmitted to serve PPSA General List)).

²³¹ Beker Public Hearing on 3-18-2026 Transcript (April 3, 2026) (eDocket No. 20264-229991-01); Virtual Public Hearing on 3-19-2026 Transcript (April 3, 2026) (eDocket No. 20264-229991-02).

²³² Ex. PUC-11 (Notice of Public Hearings and Availability of Draft Permit).

legal requirements. The record demonstrates that issuing a Site Permit for the Project is in the public interest.

10. The Project, with the permit conditions discussed above, does not present a potential for significant adverse environmental effects and will not significantly affect the quality of the environment pursuant to the ~~Minnesota Environmental Rights Act and/or the~~ Minnesota Environmental Policy Act.

11. The Project, with the permit conditions discussed above, will not result in the pollution, impairment, or destruction of the air, water, land, or other natural resources as defined in the Minnesota Environmental Rights Act.

12. Any of the foregoing conclusions of law which are more properly designated findings of fact are hereby adopted as such.

STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

**SITE PERMIT FOR
SHERCO SOUTH AND WEST ENERGY STORAGE PROJECT**

AN ENERGY STORAGE SYSTEM

**IN
SHERBURNE COUNTY**

**ISSUED TO
NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY**

PUC DOCKET NO. E002/ESS-25-319

In accordance with the requirements of Minnesota Statutes Chapter 216I this site permit is hereby issued to:

NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY

Northern States Power Company d/b/a Xcel Energy is authorized by this site permit to construct and operate a new battery energy storage system with a nominal power rating of up to 600 megawatts (MW) alternating current with approximately 2,400 megawatt-hours of energy capacity on a site consisting of approximately 60 acres adjacent to the Sherburne County Generating Station in the City of Becker of Sherburne County, Minnesota.

The energy storage system shall be constructed and operated within the site identified in this site permit and in compliance with the conditions specified in this site permit.

This site permit shall expire 30 years from the date of this approval.

Approved and adopted this ____ day of [Month, Year]

BY ORDER OF THE COMMISSION

Sasha Bergman,
Executive Secretary

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PROPOSED PERMIT

1 SITE PERMIT

The Minnesota Public Utilities Commission (Commission) hereby issues this site permit to Northern States Power Company d/b/a Xcel Energy (Permittee) pursuant to Minnesota Statutes Chapter 216I. This site permit authorizes the Permittee to construct and operate a battery energy storage system with a nominal power rating of up to 600 megawatts (MW) alternating current with approximately 2,400 megawatt-hours of energy capacity on a site consisting of approximately 60 acres adjacent to the Sherburne County Generating Station in the city of Becker, Sherburne County, Minnesota (Sherco South and West Energy Storage Project, henceforth known as the Project). The energy storage system shall be constructed and operated within the site identified in this site permit and in compliance with the conditions specified in this site permit.

1.1 Pre-emption

Pursuant to Minn. Stat. § 216I.18, this site permit shall be the sole site approval required for the location, construction, and operation of the energy storage system and this site permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose governments.

2 PROJECT DESCRIPTION

Xcel Energy will construct, own, and operate the 600 MW battery energy storage facility on their own property in Becker, MN.

The Project is located in the following:

County	Township Name	Township	Range	Sections
Sherburne	Becker	33N	29W	1, 2, 11, 12

2.1 Project Ownership

At least 14 days prior to the pre-construction meeting, the Permittee shall file a description of its ownership structure, identifying, as applicable:

- (a) the owner(s) of the financial and governance interests of the Permittee;
- (b) the owner(s) of the majority financial and governance interests of the Permittee's owners; and
- (c) the Permittee's ultimate parent entity (meaning the entity which is not controlled by any other entity).

The Permittee shall notify the Commission of:

- (a) a change in the owner(s) of the majority* financial or governance interests in the Permittee; or
- (b) a change in the owner(s) of the majority* financial or governance interests of the Permittee's owners; or
- (c) a sale which changes the ultimate parent entity of the Permittee

*When there are only co-equal 50/50 percent interests, any change shall be considered a change in majority interest.

In the event of an ownership change, the new Permittee must provide the Commission with a certification that it has read, understands, and is able to comply with the conditions of this permit.

3 DESIGNATED SITE

The site designated by the Commission for the Project is depicted on the site maps attached to this site permit (Designated Site). The site maps show the approximate location of the energy storage system and associated facilities within the Designated Site and identify a layout that seeks to minimize the overall potential human and environmental impacts of the Project, as they were evaluated in the permitting process.

The Designated Site serves to provide the Permittee with the flexibility to make minor adjustments to the layout to accommodate requests by landowners, local government units, federal and state agency requirements, and unforeseen conditions encountered during the detailed engineering and design process. Any modification to the location of the energy storage system or associated facility shall be done in such a manner as to have human and environmental impacts that are comparable to those associated with the layouts on the maps attached to this site permit. The Permittee shall identify any modifications in the Site Plan pursuant to Section 8.3.

4 GENERAL CONDITIONS

The Permittee shall comply with the following conditions during construction and operation of the energy storage system over the life of this site permit.

4.1 Site Permit Distribution

Within 30 days of issuance of this site permit, the Permittee shall provide all affected landowners with a copy of this site permit and the complaint procedures. An affected

landowner is any landowner or designee that is within or adjacent to the permitted site. In no case shall a landowner receive this site permit and complaint procedures less than five days prior to the start of construction on their property. The Permittee shall also provide a copy of this site permit and the complaint procedures to the applicable regional development commissions, county environmental offices, and city and township clerks. The Permittee shall file with the Commission an affidavit of its site permit and complaint procedures distribution within 30 days of issuance of this site permit.

4.2 Access to Property

The Permittee shall notify landowners prior to entering or conducting maintenance within their property, unless otherwise negotiated with the landowner. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3 Construction and Operation Practices

The Permittee shall comply with the construction practices, operation and maintenance practices, and material specifications described in the permitting record for this Project unless this site permit establishes a different requirement in which case this site permit shall prevail.

4.3.1 Field Representative

The Permittee shall designate a field representative responsible for overseeing compliance with the conditions of this site permit during construction of the Project. This person shall be accessible by telephone or other means during normal business hours throughout site preparation, construction, cleanup, and restoration.

The Permittee shall file with the Commission the name, address, email, phone number, and emergency phone number of the field representative at least 14 days prior to the pre-construction meeting. The Permittee shall provide the field representative's contact information to affected landowners, local government units and other interested persons at least 14 days prior to the pre-construction meeting. The Permittee may change the field representative at any time upon notice to the Commission, affected landowners, local government units and other interested persons. The Permittee shall file with the Commission an affidavit of distribution of its field representative's contact information at least 14 days prior to the pre-construction meeting and upon changes to the field representative.

4.3.2 Site Manager

The Permittee shall designate a site manager responsible for overseeing compliance with the conditions of this site permit during the commercial operation and decommissioning phases of

the Project. This person shall be accessible by telephone or other means during normal business hours for the life of this site permit.

The Permittee shall file the name, address, email, phone number, and emergency phone number of the site manager with the Commission within 14 days prior to the pre-operation meeting. The Permittee shall provide the site manager's contact information to landowners within or adjacent to the Project Boundary, local government units and other interested persons at least 14 days prior to the pre-operation meeting. The Permittee may change the site manager at any time upon notice to the Commission, landowners within or adjacent to the Project Boundary, local government units, and other interested persons. The Permittee shall file with the Commission an affidavit of distribution of its change to the site manager's contact information within 14 days of the change to the site manager.

4.3.3 Employee Training - Site Permit Terms and Conditions

The Permittee shall train and educate all employees, contractors, and other persons involved in the construction and ongoing operation of the energy storage system of the terms and conditions of this site permit. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.4 Independent Third-Party Monitoring

Prior to any construction, the Permittee shall propose a scope of work and identify an independent third-party monitor to conduct Project construction monitoring on behalf of the Commission. The scope of work shall be developed in consultation with and approved by Commission staff. This third-party monitor will report directly to and will be under the control of the Commission with costs borne by the Permittee.

The Permittee shall file with the Commission the approved scope of work and the name, address, email, and telephone number of the third party-monitor at least 14 days prior to beginning construction and upon any change in contact information that may occur during construction of the Project.

The Permittee shall keep records of compliance with this section and shall file status reports detailing the construction monitoring in accordance with the approved scope of work.

4.3.5 Public Services, Public Utilities, and Existing Easements

During Project construction, the Permittee shall minimize any disruption to public services or public utilities. To the extent disruptions to public services or public utilities occur these shall be temporary, and the Permittee shall restore service promptly. Where any impacts to utilities

have the potential to occur the Permittee shall work with both landowners and local entities to determine the most appropriate mitigation measures if not already considered as part of this site permit.

The Permittee shall cooperate with county and city road authorities to develop appropriate signage and traffic management during construction. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.6 Temporary Workspace

The Permittee shall select temporary workspace and equipment staging areas that limit the removal and impacts to vegetation. The Permittee shall not site temporary workspace in wetlands or native prairie as defined in sections 4.3.13 and 4.3.14. The Permittee shall site temporary workspace to comply with standards for development of the shorelands of public waters as defined in Section 4.3.13. The Permittee shall obtain temporary easements outside of the authorized Project Boundary from affected landowners through rental agreements. Temporary easements are not provided for in this site permit.

4.3.7 Noise

The Permittee shall comply with noise standards established under Minn. R. 7030.0010 to 7030.0080, at all times and at all appropriate locations during operation of the Project. The Permittee shall limit construction and maintenance activities to daytime working hours to the extent practicable.

4.3.8 Aesthetics

The Permittee shall consider input pertaining to visual impacts from landowners and the local unit of government having direct zoning authority over the area in which the Project is located. The Permittee shall use care to preserve the natural landscape, minimize tree removal and prevent any unnecessary destruction of the natural surroundings in the vicinity of the Project during construction and operation.

4.3.9 Topsoil Protection

The Permittee shall implement measures to protect and segregate topsoil from subsoil on all lands utilized for Project construction unless otherwise negotiated with affected landowner.

4.3.10 Soil Compaction

The Permittee shall implement measures to minimize soil compaction of all lands during all phases of the Project's life and shall confine compaction to as small an area as feasible. The Permittee shall use soil decompaction measures on all lands utilized for Project construction and travelled on by heavy equipment (*e.g.*, cranes and heavy trucks), even when soil compaction minimization measures are used.

4.3.11 Soil Erosion and Sediment Control

The Permittee shall implement those erosion prevention and sediment control practices recommended by the Minnesota Pollution Control Agency (MPCA) Construction Stormwater Program. If construction of the Project disturbs more than one acre of land or is sited in an area designated by the MPCA as having potential for impacts to water resources, the Permittee shall obtain a National Pollutant Discharge Elimination System/State Disposal System Construction Stormwater Permit from the MPCA that provides for the development of a Stormwater Pollution Prevention Plan that describes methods to control erosion and runoff.

The Permittee shall implement reasonable measures to minimize erosion and sedimentation during construction and shall employ perimeter sediment controls, protect exposed soil by promptly planting, seeding, using erosion control blankets and turf reinforcement mats, stabilizing slopes, protecting storm drain inlets, protecting soil stockpiles, and controlling vehicle tracking. Contours shall be graded as required so that all surfaces provide for proper drainage, blend with the natural terrain, and are left in a condition that will facilitate re-vegetation and prevent erosion. All areas disturbed during construction of the Project shall be returned to pre-construction conditions.

4.3.12 Public Lands

In no case shall the energy storage system and associated facilities including foundations, access roads, underground cable, and transformers, be located in the public lands identified in Minn. R. 7850.4400, subp. 1, or in federal waterfowl production areas. Energy storage systems and associated facilities shall not be located in the public lands identified in Minn. R. 7850.4400, subp. 3, unless there is no feasible and prudent alternative.

4.3.13 Wetlands and Water Resources

The Permittee shall not place the energy storage system or associated facilities in public waters and public waters wetlands, as shown on the public water inventory maps prescribed by Minnesota Statutes Chapter 103G, except that electric collector or feeder lines may cross or be placed in public waters or public waters wetlands subject to permits and approvals by the Minnesota Department of Natural Resources (DNR) and local units of government as implementers of the Minnesota Wetlands Conservation Act. The Permittee shall locate the

energy storage system and associated facilities in compliance with the standards for development of the shorelands of public waters as identified in Minn. R. 6120.3300, and as adopted, Minn. R. 6120.2800, unless there is no feasible and prudent alternative.

The Permittee shall construct in wetland areas during frozen ground conditions, to the extent feasible, to minimize impacts. When construction during winter is not possible, wooden or composite mats shall be used to protect wetland vegetation. The Permittee shall contain and manage soil excavated from the wetlands and riparian areas in accordance with all applicable wetland permits. The Permittee shall access wetlands and riparian areas using the shortest route possible in order to minimize travel through wetland areas and prevent unnecessary impacts.

The Permittee shall restore wetland and water resource areas disturbed by construction activities to pre-construction conditions in accordance with the requirements of applicable state and federal permits or laws and landowner agreements. The Permittee shall meet the USACE, DNR, Minnesota Board of Water and Soil Resources, and local government wetland and water resource requirements.

4.3.14 Native Prairie

The Permittee shall not place the energy storage system or associated facilities in native prairie, as defined in Minn. Stat. § 84.02, subd. 5, unless addressed in a prairie protection and management plan and not located in areas enrolled in the Native Prairie Bank Program. The Permittee shall not impact native prairie during construction activities unless addressed in a prairie protection and management plan.

The Permittee shall prepare a prairie protection and management plan in consultation with the DNR if native prairie, as defined in Minn. Stat. § 84.02, subd. 5, is identified within the Project Boundary. The Permittee shall file the prairie protection and management plan with the Commission at least 30 days prior to submitting the Site Plan required by Section 8.3 of this site permit. The prairie protection and management plan shall address steps that will be taken to avoid impacts to native prairie and mitigation to unavoidable impacts to native prairie by restoration or management of other native prairie areas that are in degraded condition, by conveyance of conservation easements, or by other means agreed to by the Permittee, the DNR, and the Commission.

4.3.15 Vegetation Management

The Permittee shall disturb or clear vegetation within the Designated Site only to the extent necessary to assure the safe construction, operation, and maintenance of the Project. The

Permittee shall minimize the number of trees removed within the Designated Site specifically preserving to the maximum extent practicable windbreaks, shelterbelts, and living snow fences.

4.3.16 Application of Pesticides

The Permittee shall restrict pesticide use to those pesticides and methods of application approved by the MDA, DNR, and the U.S. Environmental Protection Agency (EPA). Selective foliage or basal application shall be used when practicable. All pesticides shall be applied in a safe and cautious manner so as not to damage adjacent properties including crops, orchards, tree farms, apiaries, or gardens. The Permittee shall contact the landowner at least 14 days prior to pesticide application on their property. The Permittee may not apply any pesticide if the landowner requests that there be no application of pesticides within the landowner's property. The Permittee shall provide notice of pesticide application to landowners and beekeepers operating known apiaries within three miles of the pesticide application area at least 14 days prior to such application. The Permittee shall keep pesticide communication and application records and provide them upon the request of Commission staff.

4.3.17 Invasive Species

The Permittee shall employ best management practices to avoid the potential introduction and spread of invasive species on lands disturbed by Project construction activities. The Permittee shall develop an Invasive Species Prevention Plan and file it with the Commission at least 14 days prior to the pre-construction meeting. The Permittee shall comply with the most recently filed Invasive Species Prevention Plan.

4.3.18 Noxious Weeds

The Permittee shall take all reasonable precautions against the spread of noxious weeds during all phases of construction. When utilizing seed to establish temporary and permanent vegetative cover on exposed soil the Permittee shall select site-appropriate seed certified to be free of noxious weeds. To the extent possible, the Permittee shall use native seed mixes. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.19 Roads

The Permittee shall advise the appropriate governing bodies having jurisdiction over all state, county, city, or township roads that will be used during the construction phase of the Project. Where practical, existing roadways shall be used for all activities associated with construction of the Project. Oversize or overweight loads associated with the Project shall not be hauled across public roads without required permits and approvals.

The Permittee shall locate all perimeter fencing and vegetative screening in a manner that does not interfere with routine road maintenance activities and allows for continued safe travel on public roads.

The Permittee shall construct the fewest number of site access roads required. Access roads shall not be constructed across streams and drainage ways without the required permits and approvals. Access roads shall be constructed in accordance with all necessary township, county or state road requirements and permits.

The Permittee shall promptly repair private roads or lanes damaged when moving equipment or when accessing construction workspace, unless otherwise negotiated with the affected landowner. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.20 Archaeological and Historic Resources

The Permittee shall make every effort to avoid impacts to archaeological and historic resources when constructing the Project. In the event that a resource is encountered, the Permittee shall consult with the State Historic Preservation Office (SHPO) and the State Archaeologist. Where feasible, avoidance of the resource is required. Where not feasible, mitigation must include an effort to minimize Project impacts on the resource consistent with SHPO and State Archaeologist requirements.

Prior to construction, the Permittee shall train workers about the need to avoid cultural properties, how to identify cultural properties, and procedures to follow if undocumented cultural properties, including gravesites, are found during construction. If human remains are encountered during construction, the Permittee shall, in accordance with Minn. Stat. Ch. 307 (Private Cemeteries Act), immediately halt construction and promptly notify local law enforcement and the State Archaeologist. The Permittee shall not resume construction at such location until authorized by local law enforcement or the State Archaeologist. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.21 Interference

If interference with radio or television, satellite, wireless internet, GPS-based agriculture navigation systems or other communication devices is caused by the presence or operation of the Project, the Permittee shall take whatever action is necessary to restore or provide reception equivalent to reception levels in the immediate area just prior to the construction of

the Project. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.22 Drainage Tiles

The Permittee shall avoid, promptly repair, or replace all drainage tiles broken or damaged during all phases of the Project's life. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.23 Restoration

The Permittee shall restore the areas affected by construction of the Project to the condition that existed immediately before construction began to the greatest extent possible. The time period to complete restoration may be no longer than 12 months after the completion of construction. Restoration shall be compatible with the safe operation, maintenance, and inspection of the Project. Within 60 days after completion of all restoration activities, the Permittee shall file with the Commission a Notice of Restoration Completion.

4.3.24 Cleanup

The Permittee shall remove and properly dispose of all construction waste and scrap from the right-of-way and all premises on which construction activities were conducted upon completion of each task. The Permittee shall remove and properly dispose of all personal litter, including bottles, cans, and paper from construction activities daily.

4.3.25 Pollution and Hazardous Wastes

The Permittee shall take all appropriate precautions to protect against pollution of the environment. The Permittee shall be responsible for compliance with all laws applicable to the generation, storage, transportation, clean up and disposal of all waste generated during construction, restoration, and operation of the Project.

4.3.26 Damages

The Permittee shall fairly restore or compensate landowners for damage to crops, fences, private roads and lanes, landscaping, drain tile, or other damage sustained during construction. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

4.3.27 Public Safety

The Permittee shall provide educational materials to landowners within and adjacent to the Designated Site and, upon request, to interested persons about the Project and any restrictions or dangers associated with the Project. The Permittee shall also implement any necessary safety measures such as placing warning signs and gates for traffic control or restricting public access. The Permittee shall file with the Commission an affidavit of its public safety notifications at least 14 days before the pre-construction meeting.

The Permittee shall submit the location of all underground facilities, as defined in Minn. Stat. § 216D.01, subd. 11, to Gopher State One Call following the completion of the construction of the Project and shall file with the Commission confirmation of this provision upon its submission to Gopher State One.

4.3.28 Facility Lighting

The Permittee shall use shielded and downward facing lighting and LED lighting that minimizes blue hue.

4.3.29 Dust Control

The Permittee shall utilize non-chloride products for onsite dust control during construction.

4.3.30 Wildlife Friendly Erosion Control

The Permittee shall use only “bio-netting” or “natural netting” types of erosion control materials and mulch products without synthetic (plastic) fiber additives or malachite green dye.

4.3.31 Site Identification

The Permittee shall mark the energy storage system with a clearly visible identification number and/or street address.

4.4 Collector and Feeder Lines

The Permittee may use overhead or underground collector and feeder lines to carry power from an internal Project interconnection point to the energy storage system. The Permittee shall place overhead and underground collector and feeder lines that parallel public roads within the public right-of-way or on private land immediately adjacent to the road. The Permittee shall obtain approval from the landowner or government unit responsible for the affected right-of-way.

The Permittee shall locate collector and feeder lines in such a manner as to minimize interference with agricultural operations including but not limited to existing drainage patterns, drain tile, future tiling plans, and ditches. The Permittee shall place safety shields on all guy wires associated with overhead collector and feeder lines. The Permittee shall submit the engineering drawings of all collector and feeder lines with the Site Plan pursuant to Section 8.3.

4.5 Other Requirements

4.5.1 Safety Codes and Design Requirements

The Permittee shall design the energy storage system and associated facilities to meet or exceed all relevant local and state codes, the National Electric Safety Code, and North American Electric Reliability Corporation requirements. This includes standards relating to clearances to ground, clearance to crossing utilities, clearance to buildings, strength of materials, clearances over roadways, right-of-way widths, and permit requirements. The Permittee shall keep records of compliance with these standards and provide them upon the request of Commission staff.

4.5.2 Other Permits and Regulations

The Permittee shall comply with all applicable state statutes and rules. The Permittee shall obtain all required permits for the Project and comply with the conditions of those permits unless those permits conflict with or are preempted by federal or state permits and regulations.

At least 14 days prior to the pre-construction meeting, the Permittee shall file with the Commission an Other Permits and Regulations Submittal that contains a detailed status of all permits, authorizations, and approvals that have been applied for specific to the Project. The Other Permits and Regulations Submittal shall also include the permitting agency name; the name of the permit, authorization, or approval being sought; contact person and contact information for the permitting agency or authority; brief description of why the permit, authorization, or approval is needed; application submittal date; and the date the permit, authorization, or approval was issued or is anticipated to be issued.

The Permittee shall demonstrate that it has obtained all necessary permits, authorizations, and approvals by filing an affidavit stating as such and an updated Other Permits and Regulations Submittal prior to commencing Project construction. The Permittee shall provide a copy of any such permits, authorizations, and approvals at the request of Commission staff.

5 SPECIAL CONDITIONS

The special conditions shall take precedence over other conditions of this permit should there be a conflict.

5.1 Vegetation Management Plan

The Permittee shall develop a vegetation management plan (VMP), in coordination with the Vegetation Management Plan Working Group (VMPWG), using best management practices established by the DNR and BWSR. The Permittee shall file the VMP and documentation of the coordination efforts between the Permittee and the coordinating agencies with the Commission at least 14 days prior to the pre-construction meeting.

Landowner-specific vegetation requests resulting from individual consultation between the Company and a landowner need not be included in the VMP. The Permittee shall provide all landowners within the Designated Site copies of the VMP. The Permittee shall file with the Commission an affidavit of its distribution of the VMP to landowners at least 14 days prior to the pre-construction meeting.

The VMP must include the following:

- A. management objectives addressing short term (year 0-5, seeding and establishment) and long term (year 5 through the life of the Project) goals;
- B. a description of planned restoration and vegetation management activities, including how the site will be prepared, timing of activities, how seeding will occur (*e.g.*, broadcast, drilling, etc.), and the types of seed mixes to be used;
- C. a description of how the site will be monitored and evaluated to meet management goals;
- D. a description of the management tools used to maintain vegetation (*e.g.*, mowing, spot spraying, hand removal, fire, grazing, etc.), including the timing and frequency of maintenance activities;
- E. identification of the third-party (*e.g.*, consultant, contractor, site manager, etc.) contracted for restoration, monitoring, and long-term vegetation management of the site;
- F. identification of on-site noxious weeds and invasive species (native and non-native) and the monitoring and management practices to be utilized; and
- G. a marked-up copy of the Site Plan showing how the site will be revegetated and that identifies the corresponding seed mixes.

Best management practices should be followed concerning seed mixes, seeding rates, and cover crops.

5.2 Pre-construction Noise Modeling and Impact Assessment

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.

5.3 Noise Studies and Noise Mitigation

The permittee shall use low-noise air-cooled heat exchangers and perform operational phase noise monitoring to monitor effectiveness of this technology, as described below. The permittee shall update the noise modeling assessment when augmentation energy storage system units are to be installed.

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 constructed 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.

5.4 Tree Clearing

The Permittee shall coordinate with the DNR and the U.S. Fish and Wildlife Service (USFWS) regarding the timing of tree clearing and any related conservation measures to mitigate impacts to birds and bats. If the USFWS is not responsive to coordination requests, the Permittee may rely on existing USFWS guidance. The Permittee shall maintain an inventory of the trees cleared for the project sufficient to inform the tree replacement required by Section 5.7 of this permit. The Permittee shall keep records of compliance with this section and provide them upon the request of Commission staff.

5.5 Battery Augmentation

The Permittee shall notify the Commission of scheduled augmentation at least 30 days prior to commencing augmentation activities. In its filing, the Permittee shall describe the number and types of batteries included in the augmentation. The Permittee shall indicate the location of the augmentation on the project Site Plan. In its filing the Permittee shall demonstrate compliance

with the noise impact assessment submitted to the Commission as required in Section 5.2 of this permit.

5.6 Hazard Mitigation Analysis

The Permittee shall file a Hazard Mitigation Analysis detailing the results of the equipment testing, and the risks associated with the technology, along with an affidavit of distribution of the Hazard Mitigation Analysis to emergency responders with jurisdiction over the project, at least 30 days prior to the pre-construction meeting.

5.7 Tree Replacement Plan

The Permittee shall, in coordination with affected landowners and the DNR, develop a tree replacement plan to replace any trees that are removed for the construction of the Project and file the plan with the Commission at least 14 days before the pre-construction meeting. Replacement plantings may be new seedling or sapling trees. Replacement plantings may occur on public or private lands with the permission of the landowner or public entity and shall be prioritized within the county where the project is located. The tree replacement plan may include an alternative proposal to fund tree replacements through DNR Forestry Programs or other similar public programs.

5.8 Annual Report

The Permittee shall, by February 1st following each complete or partial year of Project operation, file a report with the Commission on the monthly availability of the facility including:

- a. the installed nameplate capacity of the permitted facility;
- b. the monthly and annual availability of the facility;
- c. the operational status of the facility and any major outages, major repairs, battery
- d. augmentation, or performance improvements occurring in the previous year; and
- e. any other information reasonably requested by the Commission.

The Permittee shall file this information in a format recommended by the Commission. This information shall be considered public and must be filed electronically.

5.9 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 of this permit.

5.10 State-Listed Species

Prior to the start of construction, the Permittees shall resubmit a Natural Heritage Review and continue to consult with the DNR regarding implementation of avoidance measures for state-protected threatened and endangered species. The Permittees will comply with applicable DNR requirements related to state-listed endangered and threatened species in accordance with Minnesota's Endangered Species Statute (Minn. Stat. § 84.0895) and associated Rules (Minn. R. 6212.1800 to 6212.2300 and Minn. R. 6134). The Permittees shall file records of coordination with the DNR at least 14 days before the pre-construction meeting.

6 DELAY IN CONSTRUCTION

If the Permittee has not commenced construction or improvement of the site within four years after the date of issuance of this site permit the Permittee shall file a Failure to Construct Report and the Commission shall consider suspension of this site permit in accordance with Minn. Stat. § 216I.24.

7 COMPLAINT PROCEDURES

At least 14 days prior to the pre-construction meeting, the Permittee shall file with the Commission the complaint procedures that will be used to receive and respond to complaints. The complaint procedures shall be in accordance with the requirements of Minn. R. 7829.1500 or Minn. R. 7829.1700, and as set forth in the complaint procedures attached to this site permit.

Upon request, the Permittee shall assist Commission staff with the disposition of unresolved or longstanding complaints. This assistance shall include, but is not limited to, the submittal of complaint correspondence and complaint resolution efforts.

8 COMPLIANCE REQUIREMENTS

Failure to timely and properly make compliance filings required by this site permit is a failure to comply with the conditions of this site permit. Compliance filings must be electronically filed with the Commission.

8.1 Pre-Construction Meeting

Prior to the start of construction, the Permittee shall participate in a pre-construction meeting with Commission staff to review pre-construction filing requirements, scheduling, and to coordinate monitoring of construction and site restoration activities. Within 14 days following the pre-construction meeting, the Permittee shall file with the Commission a summary of the topics reviewed and discussed and a list of attendees. The Permittee shall indicate in the filing the anticipated construction start date.

8.2 Pre-Operation Meeting

At least 14 days prior to commercial operation of the Project, the Permittee shall participate in a pre-operation meeting with Commission staff to coordinate field monitoring of operation activities for the Project. Within 14 days following the pre-operation meeting, the Permittee shall file a summary of the topics reviewed and discussed and a list of attendees with the Commission.

8.3 Site Plan

At least 14 days prior to the pre-construction meeting, the Permittee shall file with the Commission and the counties where the Project will be constructed with a Site Plan that includes specifications and drawings for site preparation and grading; specifications and locations of the energy storage system and associated facilities; and procedures for cleanup and restoration. The documentation shall include maps depicting the Designated Site, energy storage system, and associated facilities layout in relation to that approved by this site permit.

The Permittee may not commence construction until the earlier of (i) 30 days after the pre-construction meeting or (ii) until the Commission staff has notified the Permittee in writing that it has completed its review of the documents and determined that the planned construction is consistent with this site permit.

If the Commission notifies the Permittee in writing within 30 days after the pre-construction meeting that it has completed its review of the documents and planned construction, and finds that the planned construction is not consistent with this site permit, the Permittee may submit additional and/or revised documentation and may not commence construction until the Commission has notified the Permittee in writing that it has determined that the revised construction plan documentation is consistent with this site permit.

If the Permittee intends to make any significant changes in its Site Plan or the specifications and drawings after submission to the Commission, the Permittee shall notify the Commission and county staff at least five days before implementing the changes. No changes shall be made that would be in violation of any of the terms of this site permit.

8.4 Status Reports

The Permittee shall file with the Commission monthly Construction Status Reports beginning with the pre-construction meeting and until completion of restoration. Construction Status Reports shall describe construction activities and progress, activities undertaken in compliance with this site permit, and shall include text and photographs.

If the Permittee does not commence construction of the Project within six months of this site permit issuance, the Permittee shall file with the Commission Pre-Construction Status Reports on the anticipated timing of construction every six months beginning with the issuance of this site permit until the pre-construction meeting. The status updates shall include information on the Project's Midcontinent Independent System Operator (MISO) interconnection process, if applicable.

8.5 Labor Statistic Reporting

The Permittee shall file quarterly Labor Statistic Reports with the Commission within 45 days of the end of the quarter regarding construction workers that participated in the construction of the Project. The Labor Statistic Reports shall:

- (a) detail the Permittee's efforts and the site contractor's efforts to hire Minnesota workers; and
- (b) provide an account of:
 - i. the gross number of hours worked by or full-time equivalent workers who are Minnesota residents, as defined in Minn. Stat. § 290.01, subd. 7;
 - ii. the gross number of hours worked by or full-time equivalent workers who are residents of other states, but maintain a permanent residence within 150 miles of the Project; and
 - iii. the total gross hours worked or total full-time equivalent workers.

The Permittee shall work with its contractor to determine the suitable reporting metric. The report may not include personally identifiable data.

8.6 Prevailing Wage

The Permittee, its contractors, and subcontractors shall pay no less than the prevailing wage rate as defined in Minn. Stat. § 177.42 and shall be subject to the requirements and enforcement provisions under Minn. Stat. §§ 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45. The Permittee shall keep records of contractor and subcontractor pay and provide them at the request of Commission staff.

8.7 In-Service Date

At least three days before the Project is to be placed into service, the Permittee shall notify the Commission of the date on which the Project will be placed into service and the date on which construction was completed.

8.8 As-Builts

Within 90 days after completion of construction, the Permittee shall submit to the Commission copies of all final as-built plans and specifications developed during the Project construction.

8.9 GPS Data

Within 90 days after completion of construction, the Permittee shall submit to the Commission, in the format requested by the Commission, geo-spatial information (*e.g.*, ArcGIS compatible map files, GPS coordinates, associated database of characteristics) for all structures associated with the Project.

8.10 Right of Entry

The Permittee shall allow Commission designated representatives to perform the following, upon reasonable notice, upon presentation of credentials and at all times in compliance with the Permittee's site safety standards:

- (a) To enter upon the facilities easement of the property for the purpose of obtaining information, examining records, and conducting surveys or investigations.
- (b) To bring such equipment upon the facilities easement of the property as is necessary to conduct such surveys and investigations.
- (c) To sample and monitor upon the facilities easement of the property.
To examine and copy any documents pertaining to compliance with the conditions of this site permit.

8.11 Emergency Response

The Permittee shall prepare an Emergency Response Plan (ERP) in consultation with the emergency responders having jurisdiction over the Project prior to construction. The Permittee shall file the ERP, along with any comments from emergency responders to the Commission at least 14 days prior to the pre-construction meeting and a revised ERP, if any, at least 14 days prior to the pre-operation meeting. At least 14 days prior to the pre-operation meeting the Permittee shall file with the Commission an affidavit of the distribution of the ERP to emergency responders and Public Safety Answering Points (PSAP) with jurisdiction over the

Project. The Permittee shall obtain and register the Project address or other location indicators acceptable to the emergency responders and PSAP having jurisdiction over the Project.

8.12 Extraordinary Events

Within 24 hours of discovery of an occurrence, the Permittee shall notify the Commission of any extraordinary event. Extraordinary events include but shall not be limited to fires, acts of sabotage, collector or feeder line failure, and injured worker or private person. The Permittee shall, within 30 days of the occurrence, file a report with the Commission describing the cause of the occurrence and the steps taken to avoid future occurrences.

8.13 Wildlife Injuries and Fatalities

The Permittee shall report any wildlife injuries and fatalities to the Commission quarterly.

9 DECOMMISSIONING AND RESTORATION

9.1 Decommissioning Plan

The Permittee shall comply with the provisions of the most recently filed and accepted Decommissioning Plan. The initial version of the Decommissioning Plan was submitted for this Project as Appendix E to the Site Permit Application. The Permittee shall file an updated Decommissioning Plan incorporating comments and information from the permit application process and any updates associated with the final construction plans with the Commission at least fourteen 14 days prior to the pre-construction meeting. The Permittee shall update and file the Decommissioning Plan with the Commission every five years following the commercial operation date.

The Decommissioning Plan shall provide information identifying all surety and financial securities established for decommissioning and site restoration. The Decommissioning Plan shall provide an itemized breakdown of costs of decommissioning all Project components, which shall include labor and equipment.

The Permittee shall also submit the Decommissioning Plan to the local unit of government having direct zoning authority over the area in which the Project is located. The Permittee shall ensure that it carries out its obligations to provide for the resources necessary to fulfill its requirements to properly decommission the Project at the appropriate time. The Commission may at any time request the Permittee to file a report with the Commission describing how the Permittee is fulfilling this obligation.

9.2 Site Final Restoration

Upon expiration of this site permit or upon termination of operation of the Project, the Permittee shall have the obligation to dismantle and remove from the site all Project components in accordance with the most recently filed and accepted decommissioning plan. To the extent feasible, the Permittee shall restore and reclaim the site to pre-project conditions. Landowners may require the site be returned to agricultural production or may retain restored prairie vegetation, or other land uses as agreed to between the landowner and the Permittee. All access roads shall be removed unless written approval is given by the affected landowner requesting that one or more roads, or portions thereof, be retained. All such agreements between the Permittee and the affected landowner shall be filed with the Commission prior to commencing restoration activities. The Permittee shall restore the site in accordance with the requirements of this condition and file a Notification of Final Restoration Completion to the Commission within 18 months of termination of operation of the Project.

10 COMMISSION AUTHORITY AFTER SITE PERMIT ISSUANCE

10.1 Expansion of Designated Site Boundaries

No expansion of the site boundary described in this site permit shall be authorized without the approval of the Commission. The Permittee may submit to the Commission a request for a permit amendment for a change in the boundary of the site for the Project. The Commission will respond to the requested change in accordance with applicable statutes and rules.

10.2 Periodic Review

The Commission shall initiate a review of this site permit and the applicable conditions at least once every five years. The purpose of the periodic review is to allow the Commission, the Permittee, and other interested persons an opportunity to consider modifications in the conditions of this site permit. No modification may be made except in accordance with applicable statutes and rules.

10.3 Modification of Conditions

After notice and opportunity for hearing this site permit may be modified or amended for cause, including but not limited to the following:

- (a) violation of any condition in this permit;
- (b) endangerment of human health or the environment by operation of the Project; or
- (c) existence of other grounds established by rule.

10.4 More Stringent Rules

The issuance of this site permit does not prevent the future adoption by the Commission of rules, orders, or permit conditions more stringent than those now in existence and does not prevent the enforcement of these more stringent rules, orders, or permit conditions against the Permittee.

11 SITE PERMIT AMENDMENT

This site permit may be amended at any time by the Commission. Any person may request an amendment of the conditions of this site permit by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The Commission may amend the conditions after affording the Permittee and interested persons such process as is required under Minn. Stat. § 216I.09.

12 TRANSFER OF SITE PERMIT

The Permittee may request at any time that the Commission transfer this site permit to another person or entity (transferee). In its request, the Permittee must provide the Commission with:

- (a) the name and description of the transferee;
- (b) the reasons for the transfer;
- (c) a description of the facilities affected; and
- (d) the proposed effective date of the transfer.

The transferee must provide the Commission with a certification that it has read, understands and is able to comply with the plans and procedures filed for the Project and all conditions of this site permit.

The transferee must provide the Commission with the name and contact information for the site manager, as described in Section 4.3.2, and either a current version with eDocket reference, or a revised version of the following:

- (a) complaint procedures, as described in Section 7 and Attachment 1;
- (b) ERP, as described in Section 8.12; and
- (c) Decommissioning Plan, as described in Section 9.1.

The Commission may authorize transfer of the site permit after affording the Permittee, the transferee, and interested persons such process as is required under Minn. Stat. § 216I.13.

13 REVOCATION OR SUSPENSION OF SITE PERMIT

The Commission may initiate action to revoke or suspend this site permit at any time. The Commission shall act in accordance with the requirements of Minn. Stat. § 216I.24, to revoke or suspend this site permit.

14 EXPIRATION DATE

This site permit shall expire 30 years after the date this site permit was approved and adopted.

PROPOSED PERMIT

ATTACHMENT E
Complaint Handling Procedures for Permitted Energy Facilities

**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLAINT HANDLING PROCEDURES FOR
PERMITTED ENERGY FACILITIES**

A. Purpose

To establish a uniform and timely method of reporting and resolving complaints received by the permittee concerning permit conditions for site or route preparation, construction, cleanup, restoration, operation, and maintenance.

B. Scope

This document describes complaint reporting procedures and frequency.

C. Applicability

The procedures shall be used for all complaints received by the permittee and all complaints received by the Minnesota Public Utilities Commission (Commission) under Minn. R. 7829.1500 or Minn. R. 7829.1700 relevant to this permit.

D. Definitions

Complaint: A verbal or written statement presented to the permittee by a person expressing dissatisfaction or concern regarding site or route preparation, cleanup or restoration, or other permit conditions. Complaints do not include requests, inquiries, questions or general comments.

Substantial Complaint: A written complaint alleging a violation of a specific permit condition that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Unresolved Complaint: A complaint which, despite the good faith efforts of the permittee and a person, remains unresolved or unsatisfactorily resolved to one or both of the parties.

Person: An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private; however organized.

E. Complaint Documentation and Processing

1. The permittee shall designate a representative responsible for filing complaints to the Commission's eDocket system. This person's name, phone number and email address shall accompany all complaint submittals. The name and contact information for the representative shall be kept current in eDockets.
2. A person presenting the complaint should, to the extent possible, include the following information in their communications:
 - a. name, address, phone number, and email address;
 - b. initial date of the complaint;
 - c. tract, parcel number, or address of the complaint;
 - d. a summary of the complaint; and
 - e. whether the complaint relates to a permit violation, a construction practice issue, or other type of complaint.
3. The permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:
 - a. docket number and project name;
 - b. name of complainant, address, phone number and email address;
 - c. precise description of property or parcel number;
 - d. name of permittee representative receiving complaint and date of receipt;
 - e. nature of complaint and the applicable permit condition(s);
 - f. summary of activities undertaken to resolve the complaint; and
 - g. a statement on the final disposition of the complaint.

F. Reporting Requirements

The permittee shall commence complaint reporting at the beginning of project construction and continue through the term of the permit, unless otherwise required below. The permittee shall report all complaints to the Commission according to the following schedule:

Immediate Reports: All substantial complaints shall be reported to the Commission the same day received, or on the following working day for complaints received after working hours. Such reports are to be directed to the Commission's Consumer Affairs Office at 651-296-0406 or 800-657-3782 (voice messages are acceptable) or consumer.puc@state.mn.us. For e-mail reporting,

the email subject line should read “PUC EIP Complaint” and include the appropriate project docket number.

Monthly Reports: During project construction, restoration, and operation, a summary of all complaints, including substantial complaints received or resolved during the preceding month, shall be filed by the 15th of each month to the eDockets system. The eDockets system is located at: <https://efiling.web.commerce.state.mn.us/>. If no complaints were received during the preceding month, the permittee shall file a summary indicating that no complaints were received.

If a project has submitted twelve consecutive months of complaint reports with no complaints, monthly reports can terminate by a letter to eDockets notifying the Commission of such action. If a substantial complaint is received (by the company or the Commission) following termination of the monthly complaint report, as noted above, the monthly reporting should commence for a period of six months following the most recent complaint or upon resolution of all pending complaints.

If a permittee is found to be in violation of this section, the Commission may reinstate monthly complaint reporting for the remaining permit term or enact some other commensurate requirement via notification by the Executive Secretary or some other action as decided by the Commission.

G. Complaints Received by the Commission

Complaints received directly by the Commission from aggrieved persons regarding the permit or issues related to site or route preparation, construction, cleanup, restoration, or operation and maintenance will be promptly sent to the permittee.

The permittee shall notify the Commission when the issue has been resolved. The permittee will add the complaint to the monthly reports of all complaints. If the permittee is unable to find resolution, the Commission will use the process outlined in the Unresolved Complaints Section to process the issue.

H. Commission Process for Unresolved Complaints

Complaints raising substantial and unresolved permit issues will be investigated by the Commission. Staff will notify the permittee and appropriate people if it determines that the complaint is a substantial complaint. With respect to such complaints, the permittee and

complainant shall be required to submit a written summary of the complaint and its current position on the issues to the Commission. Staff will set a deadline for comments. As necessary, the complaint will be presented to the Commission for consideration.

I. Permittee Contacts for Complaints and Complaint Reporting

Complaints may be filed by mail or email to the permittee's designated complaint representative, or to the Commission's Consumer Affairs Office at 651-296-0406 or 800-657-3782 (voice messages are acceptable) or consumer.puc@state.mn.us. The name and contact information for the permittee's designated complaint representative shall be kept current in the Commission's eDocket system.

ATTACHMENT F
Compliance Filing Procedures for Permitted Energy Facilities

**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLIANCE FILING PROCEDURE FOR
PERMITTED ENERGY FACILITIES**

A. Purpose

To establish a uniform and timely method of submitting information required by Commission energy facility permits.

B. Scope and Applicability

This procedure encompasses all known compliance filings required by the permit.

C. Definitions

Compliance Filing: A filing of information to the Commission, where the information is required by a Commission site or route permit.

D. Responsibilities

1. The permittee shall file all compliance filings through the eDockets system. The eDockets system is located at: <https://efiling.web.commerce.state.mn.us/>

General instructions are provided on the eDockets website. Permittees must register on the website to file documents.

2. All filings must have a cover sheet that includes:
 - a. Date
 - b. Name of submitter/permittee
 - c. Type of permit (site or route)
 - d. Project location
 - e. Project docket number
 - f. Permit section under which the filing is made
 - g. Short description of the filing

3. The Commission may request a paper copy or USB drive of filings that are graphic intensive (e.g., maps and engineered drawings), in addition to being electronically filed. If requested, send a paper copy or USB drive to: Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN 55101-2147.

PERMIT COMPLIANCE FILINGS¹

PERMITTEE:

PERMIT TYPE:

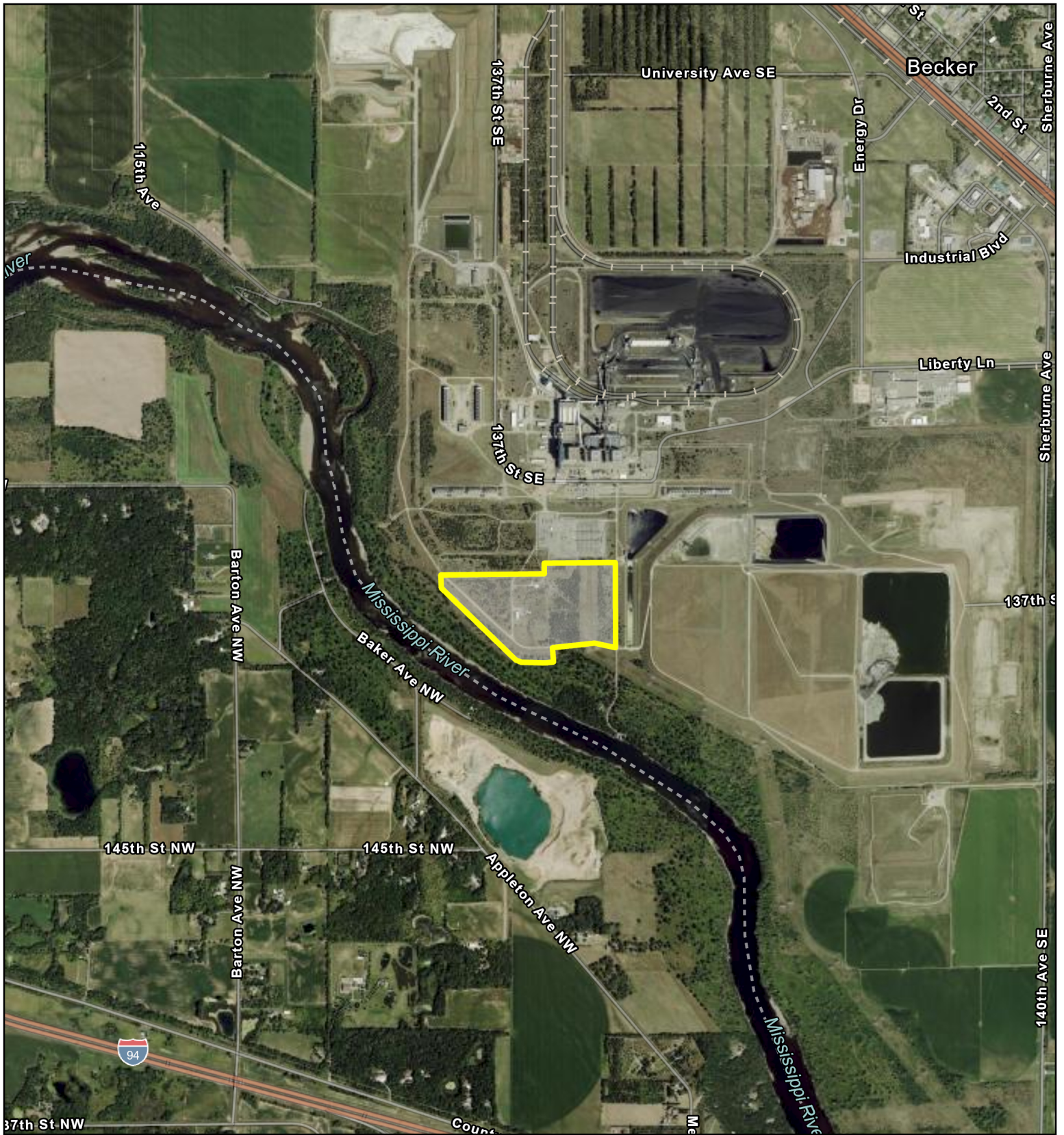
PROJECT LOCATION:

PUC DOCKET NUMBER:

Permit Section	Description of Compliance Filing	Due Date

¹ This compilation of permit compliance filings is provided for the convenience of the permittee and the Commission. It is not a substitute for the permit; the language of the permit controls.

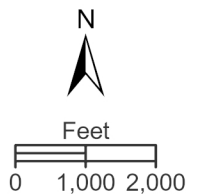
ATTACHMENT G
Site Permit Maps

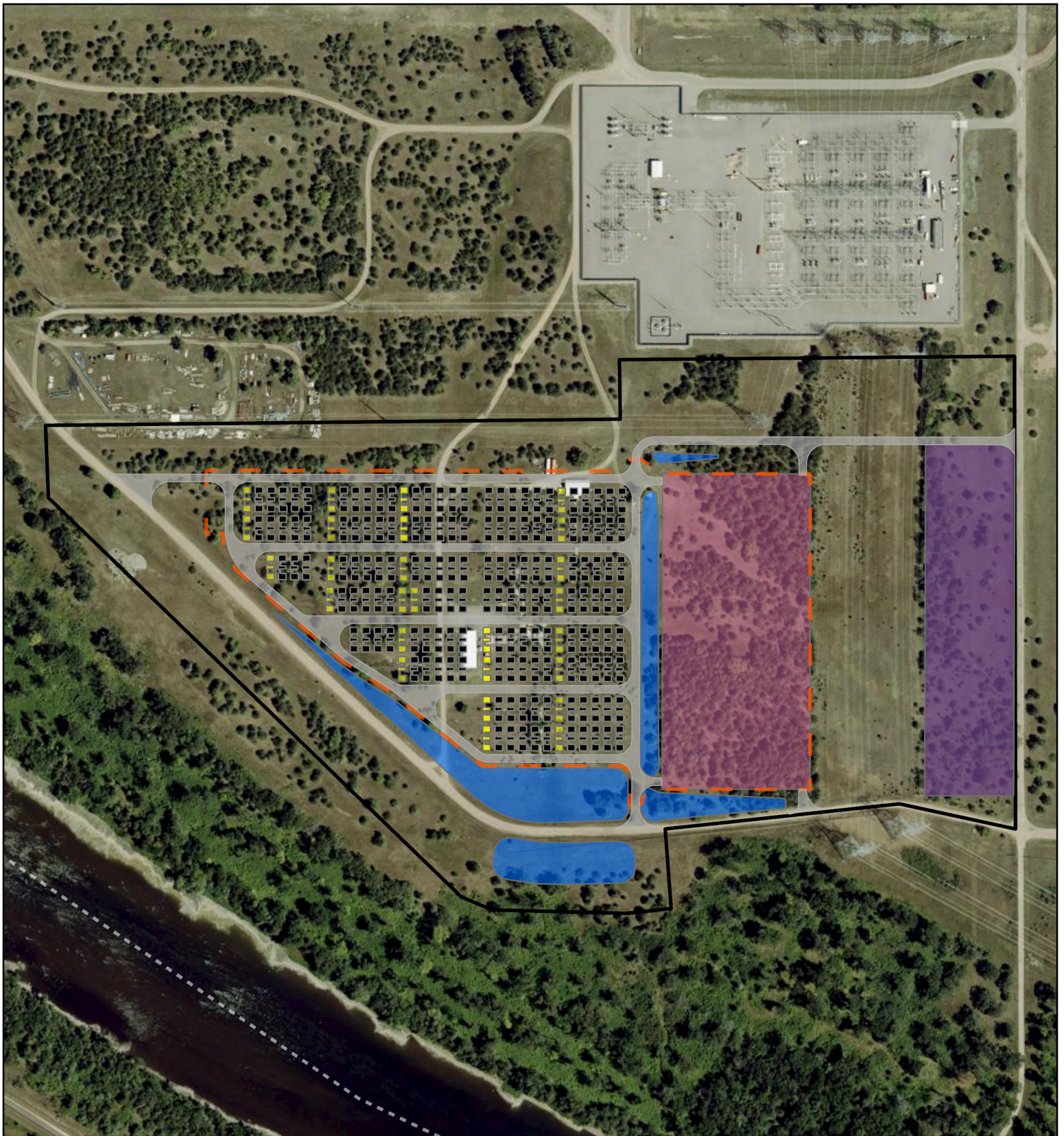


Sherco South and West Energy Storage System Project Site



 Site Boundary



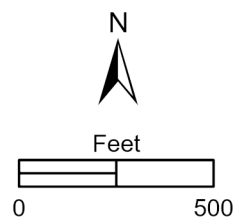


Sherco South and West Battery Energy Storage System Project Overview



Proposed Activities

- | | |
|---------------------|-------------------|
| Access Roads | Laydown Yard |
| BESS Container | Stormwater Basins |
| Future Augmentation | Substation |
| Fencing | Site Boundary |



Staff Briefing Papers

Meeting Date May 21, 2026 Agenda Item 2 **

Company Renville-Sibley Cooperative Power

Docket No. E136/C-26-113

In the Matter of a Formal Complaint by Larry Rauenhorst against Renville Sibley Cooperative Power Association

Issues 1) Does the Commission have jurisdiction over the subject matter of the Complaint?
 2) Are there reasonable grounds for the Commission to investigate these allegations?
 3) Is it in the public interest for the Commission to investigate these allegations?
 4) If the Commission chooses to investigate the Complaint, what procedures should be used to do so?
 5) Are there other issues or concerns related to this matter?

Staff Marc Fournier Marc.Fournier@state.mn.us 651-201-2214

 Relevant Documents	Date
Initial Filing Larry Rauenhorst and Exhibits A-E	February 6, 2026
Comments and exhibits of Minnesota Renewable Energies, Inc.	March 11, 2026
Comments of the CLEAR Coalition	March 13, 2026
Comments of the Minnesota Solar Energy Industries Association ("MnSEIA")	March 16, 2026
Comments of Clean Energy Economy Minnesota (CEEM)	March 16, 2026
Comments of Larry Rauenhorst (complainant)	March 16, 2026

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance. The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

 **Relevant Documents**

	Date
Comments of Renville Sibley Cooperative Power Association	March 16, 2026
Comments of Minnesota Rural Electric Association (MREA)	March 16, 2026
Comments of the Minnesota Department of Commerce	March 16, 2026
Reply Comments of the Minnesota Solar Energy Industries Association ("MnSEIA")	March 26, 2026
Reply Comments of the CLEAR Energy Coalition ("CLEAR")	March 26, 2026
Reply Comments of Larry Rauenhorst and Exhibits G-J and X	March 26 and 27, 2026
Reply Comments of CURE	March 26, 2026
Reply Comments of Renville Sibley Cooperative Power Association	March 26, 2026
Offer of Settlement Curtis P. Zaun (Larry Rauenhorst)	May 11, 2026

I. Statement of the Issues

- 1) Does the Commission have jurisdiction over the subject matter of the Complaint?
- 2) Are there reasonable grounds for the Commission to investigate these allegations?
- 3) Is it in the public interest for the Commission to investigate these allegations?
- 4) If the Commission chooses to investigate the Complaint, what procedures should be used to do so?
- 5) Are there other issues or concerns related to this matter?

II. Background

Historical Background (Abridged)

On February 24, 2025, Renville-Sibley's CEO met with the Complainant and Mr. Busse (a member of the Complainant's team) for a lengthy meeting to attempt to resolve the dispute. They could not reach agreement. On February 25, the Complainant, (Mr. Baumgartner a member of the Complainant's team), and Mr. Busse met with Renville-Sibley's board of directors, during which time Mr. Busse outlined his position—namely that the Complainant was entitled to be paid the average retail rate for all energy output and was seeking to sell the entire solar output at the average retail rate. Larry was not consuming energy at the Site for any home or business use. Mr. Busse (on Complainant's behalf) maintained that under Section 216B.164, the Complainant could put a system in an empty field without any existing service, and if that system was less than 40 kW, Renville-Sibley would break the law if it did not compensate him at the average retail rate.

Renville-Sibley's board of directors evaluated the Complainant's position, sought outside input, and considered possible compromise options. On March 21, 2025 (less than one month after the board meeting), Renville-Sibley sent the Complainant a letter, which outlined Renville-Sibley's position, explained the anticipated impact that the Complainant's proposal would have on Renville-Sibley's operating margin and its members, and offered to compensate him at a reasonable rate for energy generated from the solar facility. Larry and his team did not agree. Renville-Sibley then proposed mediation, as part of which Renville-Sibley would have been responsible for 90 percent of the mediation costs, as outlined in the Cogeneration Rules. Larry and his team did not agree.

In December 2025, the Complainant, represented by Curtis Zaun, commenced a lawsuit against Renville-Sibley, each of its board members (individually), and Renville-Sibley's CEO. On or

around February 9, 2026, while the lawsuit was still pending, the Complainant, again represented by Curtis Zaun, filed this Complaint with the Commission.¹

Procedural Background

On February 6, 2026, Larry Rauenhorst (Larry) filed a Verified Complaint pursuant to [Minn. R. 7829.1700-.1800](#), against Renville-Sibley Cooperative Power Association (Renville-Sibley). The Complaint concerns violations of law ([Minn. Stat. § 216B.164](#) and [Minn. R. 7835.3200 and 7835.3300](#)) arising from Mr. Rauenhorst's contention that the Cooperative is failing to comply with Minn. Stat. § 216B.164 and the related Minnesota Rules. Under Minn. Stat. § 216B.164, subd. 5, "[i]n the event of disputes between a public utility and a qualifying facility, either party may request a determination of the issue by the commission."

On December 13, 2026, the Commission issued a Notice of Comment Period (Notice). In the Notice, the Commission posed the following questions to the parties:

- Does the Commission have jurisdiction over the matters alleged in the complaint?
- Are there reasonable grounds to investigate the allegation?
- Is it in the public interest for the Commission to investigate these allegations?
- If the Commission opens an investigation, should a contested case, informal, expedited, or some other proceeding be used and why?
- Are there other issues or concerns related to this matter?

Comments on this matter were received from Minnesota Renewable Energies, Inc. on March 11, 2026, and from the CLEAR Coalition (CLEAR) on March 13, 2026. On March 16, 2026, Comments were received from Minnesota Solar Energy Industries Association ("MnSEIA"), Clean Energy Economy Minnesota (CEEM), Larry Rauenhorst (Larry), Renville Sibley Power Association (Renville Sibley), Minnesota Rural Electric Association (MREA), and the Minnesota Department of Commerce (Department).

Reply Comments were received from MNSEIA, the CLEAR Coalition, Larry Rauenhorst, CURE, and Renville Sibley Cooperative on March 26, 2026.

III. Comments

A. Does the Commission have jurisdiction over the matters alleged in the complaint?

Department

¹ Please see Renville Sibley's March 16, 2026, comments at pages 4-5.

The Department concludes that whether the Commission has jurisdiction over the subject matter of the complaint depends on whether the Cooperative has adopted a resolution and rules under Minn. Stat. § 216B.164, subd. 11. And it appears that the Cooperative has done so.

The “Renville-Sibley Cooperative Power Association Cogeneration Rules Implementing 216B.164” are included as Exhibit C to the complaint. Those rules, on their face, appear to be consistent with the requirements of Minn. Stat. § 216B.164, subd. 11, and include the mediation provision required by Minn. Stat. § 216B.164, subd. 11(b). Because the Cooperative adopted rules and regulations under Minn. Stat. § 216B.164, and the mediation provision in those rules is consistent with Minn. Stat. § 216B.164, subd. 11(b), it appears that the Cooperative is exempt from regulation by the Commission under the statute.

On this record, the Department concludes that the Cooperative is exempt from regulation by the Commission under Minn. Stat. § 216B.164 because it has adopted a resolution and rules as required by Minn. Stat. § 216B.164, subd. 11. The ultimate dispute here is whether the Cooperative is complying with those rules, and the appropriate pathway to resolve that dispute is through the mediation provision included in the rules and required by Minn. Stat. § 216B.164, subd. 11(b).²

Minnesota Rural Electric Association (MREA)

Section 216B.164, subdivision 11 of Minnesota Statutes exempts an electric cooperative association from Commission regulation on matters arising under that section if the cooperative has adopted the required resolution assuming jurisdiction and the required rules with a dispute resolution process that includes mediation. When an electric cooperative adopts the necessary resolution and rules, the statute places jurisdiction of matters under section 216B.164 exclusively in the hands of a cooperative association’s board of directors.

There is no dispute that Renville-Sibley adopted the required resolution assuming Public Utilities Commission authority under Section 216B.164 and the required rules, including a dispute resolution process. The Complainant’s disagreement with the outcome of Renville-Sibley’s process and the complainant’s decision to forego options such as mediation under that process do not justify filing this Complaint, which clearly has no jurisdictional basis under the applicable statute. The Complainant is free to continue pursuing his dispute in court and to that end he apparently filed a lawsuit before filing this Complaint. The Complainant clearly has options, but a complaint filed with the Commission is expressly not one of them. Accordingly, the Complaint should be dismissed for lack of subject matter jurisdiction under the plain language of Section 216B.164.³

² Please see Department March 16, 2026, comments at pages 2-5.

³ Please see MREA March 16, 2026, comments at pages 2-3.

Larry Rauenhorst (“Larry”)

The Commission has jurisdiction over the subject matter of this dispute. When read together, Minn. Stat. § 216B.17, subd. 1 and subd. 6a, state, in relevant part, that on the commission's own motion or upon a complaint made against cooperative electric association with “respect to service standards and practices,” “the commission shall proceed, with notice, to make such investigation as it may deem necessary.” Refusing to compensate Larry at RSCPA’s average retail rate because his QF is not located at this home, but rather his farmland, appears to be a service standard or practice that violates the plain language of Minn. Stat. § 216B.164, which should warrant an investigation.

It is also worth noting that even if the Commission did not want to initiate an investigation on its own motion, the Minnesota Department of Commerce (“Department”) could bring a complaint under this subdivision as well. The Department also is responsible for enforcement of Chapter 216B under Minn. Stat. § 216A.07, subd. 2, and would, presumably be interested in investigating a clear violation of Chapter 216B pursuant to Minn. Stat. § 216A.07, subd. 4. The Commission or Commerce could also refer this matter for legal action by the Office of Attorney General.

This matter is similar to the complaint recently filed by the Upper Sioux Community against Minnesota Valley Cooperative Power & Light Association (“Minnesota Valley”). Minnesota Valley refused to allow the Upper Sioux Community to interconnect its solar energy generating system to the cooperative’s distribution system in violation of Minn. Stat. § 216B.164. Minnesota Valley argued that it was not subject to the Commission’s jurisdiction because it was a “cooperative electric association organized under Minnesota Chapter 308A and furnishes electric service.” The commenters filing comments, including Commerce, disagreed with Minnesota Valley. The Commission also disagreed, stating, “The Community’s complaint involves the reasonableness of the Cooperative’s standards and practices regarding customer-sited solar generation.” Larry indicated this Formal Complaint also “involves the reasonableness of the Cooperative’s standards and practices regarding customer-sited solar generation.”

But this is not the only statute that provides the Commission with jurisdiction over disputes between a utility and its customers. Minn. Stat. § 216A.05 also provides the Commission with broad quasi-judicial functions. It states that the Commission “may adjudicate all proceedings brought before it in which the violation of any law or rule administered by the Department of Commerce is alleged.” The Department is responsible for enforcement of, among other laws, Chapter 216B, and Larry has alleged a violation of Chapter 216B. Accordingly, the Commission would also have jurisdiction under this statute.

The Commission appears to agree that it has broad authority over disputes under Minn. Stat. § 216A.05 because it passed a rule stating, “In case of a dispute between a utility and a qualifying facility or an impasse in the negotiations between them, either party may request the commission to determine the issue. When the commission makes the determination, the

burden of proof must be on the utility.” Under Minnesota Rules, for purposes of Minn. R. 7835.4500, a utility is defined as, “any public utility, including municipally owned electric utilities or cooperative electric associations, that sells electricity at retail in Minnesota.” No one disputes that Larry’s facility is a QF under Minnesota law, Renville Sibley Cooperative Power Association is a cooperative electric association, and there is a dispute or impasse in negotiations between them. Accordingly, this provision would also appear to provide the Commission with jurisdiction over this dispute.⁴

Minnesota Renewable Energies, Inc. (MREI)

MREI believes that it is time that someone holds Renville Sibley Coop Board members and their CEO accountable for breaking the MN net metering law and for breaking MN contract law when they purposefully deleted executed contract documents.⁵

CLEAR Energy Coalition (“CLEAR”)

Minnesota law clearly gives the Commission authority to resolve disputes between a utility and the owner of a solar facility.⁶

Minnesota Solar Energy Industries Association (“MnSEIA”)

MnSEIA believes the Commission has authority to hear Mr. Rauenhorst's complaint. The Commission's broad quasi-judicial authority under Minn. Stat. § 216A.05, subd. 1 empowers it to adjudicate all proceedings alleging a violation of any law administered by the Department of Commerce, and Renville Sibley Cooperative Power Association (Renville Sibley) refusal to pay the average retail utility energy rate (“ARUER”) Mr. Rauenhorst elected under Minn. Stat. § 216B.164, subd. 3(d) is such an alleged violation. RSCPA qualifies as a “utility” subject to Commission jurisdiction under both the governing statute and implementing rules, which expressly include cooperative electric associations within their scope. The required notice obligations under Minn. R. 7835.4600 and 7835.4700, requiring all cooperatives, including RSCPA, to inform customers that Commission dispute resolution is available, independently confirm the Commission's authority over dispute resolution.

The Commission has jurisdiction over Mr. Rauenhorst's complaint under applicable authority. Renville Sibley issued a written refusal to honor Mr. Rauenhorst's valid election under subdivision 3(d) to receive compensation at the average retail utility energy rate (ARUER), constituting an alleged violation of chapter 216B, a chapter the Department administers and enforces, triggering the Commission's adjudicative authority under Minn. Stat. § 216A.05, subd. 1. Although Minn. Stat. § 216B.164, subd. 11 grants cooperative utilities a narrow self-regulatory role in implementing statewide small power production standards; the grant does

⁴ Please see Larry Rauenhorst (“Larry”) March 16, 2026, comments at pages 1-4.

⁵ Please see MREI March 11, 2026, comments at pages 2-3.

⁶ Please see CLEAR Coalition March 13, 2026, comments at page 1.

not extend to immunizing a cooperative from Commission dispute resolution. Self-regulation over implementation is categorically distinct from insulation from adjudication.⁷

Clean Energy Economy Minnesota (“CEEM”)

Given the significant public policy matters at issue in this case, i.e., the rights of individual power producers using solar energy consistent with Minnesota law, and the jurisdictional authority of the Commission generally, the Commission does have jurisdiction over the subject matter of the complaint.⁸

Renville-Sibley Cooperative Power Association (“Renville-Sibley”)

Minnesota law expressly and unambiguously assigns jurisdiction over disputes between cooperatives and their members under Minnesota Statutes Section 216B.164 to cooperative boards of directors in lieu of the Commission.

Renville-Sibley is a cooperative which, under Section 216B.164, subdivision 11, assumed the Commission’s authority and adopted the required rules implementing the statute, including a dispute resolution process. Therefore, Renville-Sibley is “exempt from regulation by the Public Utilities Commission under this section,” and the Complaint falls outside the Commission’s jurisdiction.

Renville-Sibley followed its dispute resolution process by meeting with the Complainant, allowing him and his representatives (Mr. Baumgartner and Mr. Busse) to present to RenvilleSibley’s Board of Directors, and then sending the Complainant a letter outlining its position. When the Complainant disagreed, Renville-Sibley offered to participate in mediation. The Complainant declined and instead proceeded to commence a lawsuit. He then, for unknown reasons, filed this Complaint before the Commission. If this Complaint had been pending on May 31, 2017, it would have been terminated under Section 216B.164, subd. 11(c) and there is certainly no credible basis for the Complainant’s claim to Commission jurisdiction now. Accordingly, the Complaint should be dismissed for lack of subject matter jurisdiction under the plain language of Section 216B.164.⁹

Minnesota Solar Energy Industries Association (“MnSEIA”) Reply

The initial comments of RSCPA and MREA urge dismissal on the ground that the Cooperative’s 2017 Local Democracy Resolution and implementing rules permanently exempt it from Commission regulation. The Cooperative asserts that “Minnesota law expressly and unambiguously assigns jurisdiction ... to cooperative boards of directors in lieu of the Commission.” MREA echoes this, contending that “[t]he statute could not be more clear” and that the exemption “is obviously explicit and unambiguous.” Both arguments rest on the same

⁷ Please see MnSEIA’s March 16, 2026, comments at pages 2-3.

⁸ Please see CEEM’s March 16, 2026, comments at page 2.

⁹ Please see Renville Sibley’s March 16, 2026, comments at pages 5-7.

flawed premise that the exemption, once implemented, is permanent regardless of whether compliance is maintained afterwards.

Minn. Stat. § 216B.164, subd. 11(a) grants the exemption only to a cooperative that (1) elects by resolution to assume PUC authority and (2) “adopts and has in effect rules implementing this section.” (Emphasis added.) The present-tense phrase “has in effect” imposes a continuing obligation on cooperatives to maintain compliance with the rules implementing Minn. Stat. § 216B.164. There is no grandfather clause in statute for cooperatives implementing rules that were once compliant but have since been superseded or contradicted by rules that are not. The Department agrees that “a cooperative electrical association must be in compliance with Minn. Stat. § 216B.164, subd. 11, including the mediation provision, to be exempt from regulation by the Commission.” MnSEIA believes that a cooperative that ceases to maintain compliant rules loses the exemption by operation of statute, restoring the Commission’s authority under Minn. Stat. §§ 216A.05 and 216B.17, subd.6a. The record raises serious doubt that RSCPA currently “has in effect” rules in compliance with the rules implementing Minn. Stat. § 216B.164 and thus we believe the Commission has jurisdiction to investigate.¹⁰

CLEAR Energy Coalition (“CLEAR”) Reply

CLEAR continues to recommend that the Commission investigate the Formal Complaint by Larry Rauenhorst against Renville Sibley Cooperative Power Association because the e Commission has jurisdiction over the subject matter of the Formal Complaint.¹¹

Larry Rauenhorst (“Larry”) Reply

It is also important to note that everyone who filed Initial Comments, including people who had previously provided oversight for a municipal utility, agreed that RSCPA is violating the plain language of Minnesota law, and neither RSCPA nor MREA make any attempt to dispute this fact. Which is understandable because such an argument would violate Minn. R. 7829.0250, which requires every person “who signs a pleading, motion, or similar filing” with the Commission to have “a good faith belief that statements of fact made are true and correct, and that legal assertions are warranted by existing law or by a nonfrivolous argument for the extension or reversal of existing law or the modification or establishment of rules.” Instead, understandably, they try to limit the Commission’s focus to their argument that the Commission lacks authority over this dispute. As discussed below, this argument is superficial and does not survive detailed scrutiny.

The Commission has broad authority over disputes under a variety of sections, most of which do not fall under Section 216B.164. Disputes under Section 216B.164 are under subdivision 5, which states, “In the event of disputes between a public utility and a qualifying facility, either

¹⁰ Please see MnSEIA’s March 26, 2026, reply comments at pages 2-5.

¹¹ Please see CLEAR’s March 26, 2026, reply comments at pages 1-2.

party may request a determination of the issue by the commission.” While Section 216B.17 gives the Commission authority over, among other things, the standards and practices of cooperatives. Section 216A.05 gives the Commission authority to “adjudicate all proceedings brought before it in which the violation of any law or rule administered by the Department of Commerce is alleged.” And Minn. R. 7835.4500 states, “In case of a dispute between a utility and a qualifying facility or an impasse in the negotiations between them, either party may request the commission to determine the issue.” RSCPA challenges all of this authority by apparently relying exclusively on Minn. Stat. § 216B.164, subd. 11.

While RSCPA and MREA read this language as a broad exemption from any oversight by any state authority over RSCPA’s practices, acts or omissions, this provision creates two hurdles for RSCPA. First, it must prove that the rules it has “in effect” implement Section 216B.164. And second, if RSCPA can overcome this first hurdle, it must demonstrate that the dispute arises “under this section” because this exemption from “regulation” is limited to actions brought “under this section.”¹²

CURE Reply

CURE believes the Commission is bound to investigate under Minnesota Statute § 216B.17, because Renville appears to be providing “service [that] is inadequate or cannot be obtained,” and because Renville is “furnishing . . . electricity or any service in connection therewith [that] is in any respect unreasonable, insufficient, or unjustly discriminatory. “Choosing to arbitrarily not connect to or serve a member-owner customer is inadequate service that cannot be obtained, and singling Larry out for this treatment because he has solar is discrimination that is inconsistent with the law.

This is a matter that is squarely before the Commission even though the utility is a cooperative. Renville is clearly implementing a new “service standard” or “practice” by creating an interconnection prohibition for Larry that is not reflected in its official policy to interconnect member-owners with less than 40kW of solar generation. Its refusal to interconnect him on terms consistent with its own policy and Minnesota law are worth investigating, as the Commission must assure that such policies are worth the paper they’re written on – based on this record, it appears that Renville’s written policy does not reflect actual standards or practices experienced by member-owners.

Both Renville and the Minnesota Rural Electric Association argue for a plain language reading of the exemption from regulation for cooperatives that comply with Minnesota Statute § 216B.164, Subdivision 11. This is confusing and contradictory, because Renville is only in this situation because it refuses to apply the plain language contained in the rest of that section, and the plain language in its own policy adopted pursuant to this section. It would not be consistent to allow Renville to violate Minnesota law because of their view of the “spirit” of the

¹² Please see Larry Rauenhorst (“Larry”) March 16, 2026, reply comments at pages 7-10.

law, then find no Commission jurisdiction by ignoring the plain language purpose of the same section, which reads: “This section shall at all times be construed in accordance with its intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public.” A “plain language” reading does not support Renville’s take on subject matter jurisdiction or net metering.¹³

Renville-Sibley Cooperative Power Association (“Renville-Sibley”) Reply

First, some commenters asserted in their initial comments that the Commission has jurisdiction over this dispute under the broad powers enumerated under Minn. Stat. § 216A.05. However, this argument ignores the Legislature’s specific language in Section 216B.164, subdivision 11, exempting Renville-Sibley from the Commission’s jurisdiction in this exact type of member-cooperative dispute. (“A cooperative electric association that has adopted a resolution and rules under this subdivision is exempt from regulation by the Public Utilities Commission under this section.”). The clear and specific language in Section 216B.164, subdivision 11 forecloses any argument that the decades-old general language in Section 216A.05 supersedes the Legislature’s unambiguous language in Section 216B.164. Accordingly, Section 216A.05 does not give rise to the Commission’s jurisdiction in this dispute.

Second, some commenters allege the Commission has jurisdiction pursuant to Minn. Stat. § 216B.17. However, under this section, the Commission’s jurisdiction over a cooperative is limited to “service standards and practices only.” Minn. Stat. § 216B.17, subd. 6a. There is no service standard, as defined in Minn. Stat. § 216B.02, subd. 6, at issue in this dispute. Renville Sibley has not threatened to disconnect service to Complainant. Nor has Renville-Sibley engaged in any wrongful “practice” at all. This narrow dispute purely involves a single member’s disagreement as to the rate owed under Section 216B.164. As to this type of dispute, the Legislature expressly conferred jurisdiction to Renville-Sibley’s board of directors, not the Commission.

Third, some commenters argue that the Commission’s August 13, 2025, decision in *In the Matter of a Formal Complaint by the Upper Sioux Community Against Minnesota Valley Cooperative Light & Power Association* is analogous to the instant dispute and supports jurisdiction under Section 216B.17. *Against Minnesota Valley Coop. Light & Power Ass’s*, Docket No. E-123/C-25-219, Minn. Pub. Util. Comm’n., 2025 WL 2895789 (Aug. 13, 2025). To the contrary, the Upper Sioux Community’s complaint is entirely distinguishable from this one.

In the Upper Sioux Community case, a federally recognized Indian Nation filed a complaint regarding its plans to construct and operate a 2.5-megawatt solar generation facility to power a casino. Unlike this case, the solar facility in the Upper Sioux Community case was not merely a dispute over the rate owed for the output from the solar array to the cooperative’s system under Section 216B.164. Moreover, the Upper Sioux Community alleged that the cooperative had threatened to disconnect the Upper Sioux Community’s electric service if the Upper Sioux

¹³ Please see CURE’s March 26, 2026, reply comments at pages 1-4.

Community began operating its solar array. Accordingly, the Commission held jurisdiction in that case was proper under Section 216B.17, subdivision 6a, because the Upper Sioux Community's complaint plainly challenged the cooperative's service standards and practices.

The Commission's decision in the Upper Sioux Community case did not analyze whether Section 216B.164 applied. In contrast, this dispute is between a single cooperative member and Renville-Sibley about the rate Complainant seeks under Section 216B.164. Renville-Sibley has not threatened to disconnect Complainant's service. To the contrary, Renville-Sibley has assisted Complainant with establishing service, and the dispute relates solely to the appropriate rate owed for the output generated from the Complainant's array. Therefore, this rate dispute is squarely and exclusively within the four corners of Section 216B.164 and the Upper Sioux Community decision has no relevance to the jurisdictional analysis in this case.

Fourth, some commenters cite provisions of Minn. R. Ch. 7835, arguing these rules supersede the plain language in Section 216B.164. However, it is well settled that statutes are controlling over administrative rules. *Billon v. Comm'r of Rev.*, 827 N.W.2d 773, 781 (Minn. 2013). Accordingly, the unambiguous language in Section 216B.164, subdivision 11 precludes any argument that jurisdiction is proper in this dispute based on language included in any of the Chapter 7835 rules.¹⁴

B. Are there reasonable grounds to investigate the allegation?

Department

The Department indicated that If the Commission determines that it has jurisdiction over the subject matter of the complaint, the Department recommends that the Commission determine there are reasonable grounds to investigate the complaint. Pursuant to Minnesota Rules 7835.3200 and 7835.3300, as well as Minn. Stat. § 216B.164, subd. 3(d), Mr. Rauenhorst was entitled to elect to be compensated based on the average retail rate because his qualifying facility has a capacity less than 40 kW. The executed contract from November 2024 indicates that Mr. Rauenhorst in fact elected to be compensated using the average retail rate, but the Cooperative's March 2025 letter to Mr. Rauenhorst indicates the Cooperative was unwilling to compensate Mr. Rauenhorst at such a rate and offered a different compensation rate. Based on this record, it appears there are reasonable grounds to investigate the allegations in the complaint that the Cooperative is not paying the prescribed compensation rate.¹⁵

Minnesota Rural Electric Association (MREA)

MREA indicated given the absence of subject matter jurisdiction, there is no basis for Commission investigation of the Complaint. The plain language of Section 216B.164, subd. 11 places jurisdiction of this dispute exclusively in the hands of Renville-Sibley's Board of Directors

¹⁴ Please see Renville Sibley's March 26, 2026, reply comments at pages 1-4.

¹⁵ Please see Department March 16, 2026, comments at page 5.

with additional recourse to mediation, arbitration and/or the courts under Renville-Sibley's dispute resolution process.

This statutory language giving cooperative boards jurisdiction over matters under Section 216B.164 is free from any ambiguity, which means it cannot be disregarded under the pretext of pursuing the law's purported spirit or policy objectives. Yet, even if departure from the plain language of the statute were permitted in pursuit of policy objectives, the statutory language assigning jurisdiction exclusively to cooperative boards of directors fully aligns with the critical policy objective of respecting and protecting the democratic self-governance of member-owned cooperatives.

Investor-owned utilities have a fiduciary duty to their shareholders -- and that duty creates the need for regulatory oversight by the Commission to protect their customers. Unlike investor-owned utilities, electric cooperatives are not owned by shareholders seeking to maximize profits. Instead, cooperatives are owned by their members and governed by their members through democratically elected boards of directors. The local democracy framework in Section 216B.164 recognizes that, as member-owned non-profits, electric cooperatives have no interest other than the collective interests of all their members. Therefore, there is no justification for Commission regulation of member disputes with their respective cooperatives.¹⁶

Larry Rauenhorst ("Larry")

Larry believes there are reasonable grounds to investigate the allegations in the Formal Complaint. There is no dispute that RSCPA is refusing to compensate Larry at RSCPA's average retail utility energy rate ("average retail rate") for the net input of his QF into RSCPA's system even though Larry's QF has a capacity of less than 40 kW, which is a clear violation of the explicit language of Minn. Stat. § 216B.164, subd. 3. No one appears to dispute that RSCPA is violating the plain language of Minnesota law.¹⁷

Minnesota Renewable Energies, Inc. (MREI)

Based on the tenure of MREI's comments, MREI believes that reasonable grounds exist for the Commission to investigate this matter.¹⁸

CLEAR Energy Coalition ("CLEAR")

Electric cooperative utilities were allowed to regulate themselves regarding Minnesota's net metering law in 2017. Allowing monopolies to make sure they comply with the law is like asking the fox to watch the hen house. It is very troubling that a utility would so blatantly violate the clear letter of the law. If the allegations in the Formal Complaint are true, it is also troubling that RSCPA changed its bylaws to limit its members' right to ask the Commission, Minnesota

¹⁶ Please see MREA March 16, 2026, comments at pages 3-4.

¹⁷ Please see Larry Rauenhorst ("Larry") March 16, 2026, comments at page 4.

¹⁸ Please see MREI March 11, 2026, comments at pages 2-3.

courts or any other government regulator to protect them from illegal, fraudulent, unfair, discriminatory or abusive conduct. Electric cooperative members deserve the same protections as every other Minnesotan. This is especially important because cooperatives are monopolies, which doesn't allow their members to choose a different electric service provider when the monopoly violates the law or otherwise doesn't act in their interests. Initiating an investigation into a utility that is intentionally violating the law is clearly in the public interest.¹⁹

Minnesota Solar Energy Industries Association ("MnSEIA")

There are reasonable grounds to investigate Mr. Rauenhorst's complaint because RSCPA's refusal to honor his lawful election of the average retail utility energy rate is a violation of its statutory and regulatory obligations.

Minn. Stat. § 216B.164, subd. 3(a) requires that for any QF with less than 40 kW capacity connected to a cooperative electric association, "compensation to the customer shall be at a per kilowatt-hour rate determined under paragraph (c), (d), or (f)." Subdivision 3(d) further provides that a QF owner "may elect that the compensation for net input by the qualifying facility into the utility system shall be at the average retail utility energy rate." Minn. R. 7835.3300, subp. 3, requires that "when the energy generated by the qualifying facility exceeds that supplied by the utility during a billing period, the utility must compensate the qualifying facility for the excess energy at the average retail utility energy rate." Neither the statute nor the rule contains any exception, qualification, or grant of discretion to the utility to decline a request by a QF to be compensated at the ARUER.

Applying this framework to the complaint, there is no factual dispute on the element necessary to establish grounds for investigation. RSCPA's website, contract, and Interconnection Rules all confirm the legal obligation to offer the ARUER to systems sized under 40 kW. RSCPA's website expressly states that for any system "with a total capacity size of less than 40 kW," RSCPA "will buy the excess energy produced by the renewable system at an average retail energy rate." RSCPA is thus aware that its obligation to offer the ARUER exists. It is undisputed that Mr. Rauenhorst's system has a capacity of 36 kWac, well under the 40 kW statutory threshold to qualify for compensation at the ARUER under Minn. Stat. § 216B.164, subd. 3(d), and Minn. R. 7835.3300.8 Finally, Mr. Rauenhorst validly executed the Uniform Contract for Cogeneration and Small Power Production Facilities on November 27, 2024, electing to be compensated at the ARUER, before RSCPA cancelled it.

Despite these facts, after Mr. Rauenhorst executed the agreement, RSCPA cancelled it, and informed Mr. Rauenhorst that he was not eligible for ARUER compensation because his new service "was established to facilitate the export of solar energy to the cooperative." The utility offered no legal justification, and claimed only that the "spirit of the statute" envisions

¹⁹ Please see CLEAR Coalition March 13, 2026, comments at page 2.

consumers installing systems for self-supply rather than export. When Mr. Rauenhorst appealed to the Board of Directors, the Board denied his appeal on March 21, 2025, asserting without support that compliance would require rate increases for all members. Neither rationale has any basis in the statute. The law contains no "spirit" exception, no self-supply requirement, and no cost-impact exemption. Subdivision 3(d) states that a qualifying facility owner "may elect" the average retail rate, and RSCPA's refusal to honor it is a straightforward violation of Minnesota law.²⁰

Clean Energy Economy Minnesota ("CEEM")

Based on the totality of the circumstances involved in this action, there are reasonable grounds for the Commission to investigate the allegations set forth in the complaint.²¹

Renville-Sibley Cooperative Power Association ("Renville-Sibley")

Minnesota Statutes Section 645.16 provides that the letter of the law should not be disregarded "[w]hen the words of a law in their application to an existing situation are clear and free from all ambiguity." The plain language of Section 216B.164, subdivision 11 could not be more clear or unambiguous: cooperatives such as Renville-Sibley are exempt from Commission regulation with respect to any disputes with their members under Section 216B.164. Therefore, no further inquiry or consideration is warranted or appropriate.

The Complainant obviously disagrees with Renville-Sibley's decision, but the Commission is not the appropriate or lawful forum for addressing his disagreement. The Complaint is an unfortunate attempt to circumvent Section 216B.164, which clearly and unambiguously exempts Renville-Sibley from Commission regulation on matters arising under that section. As such, the Complaint asks the Commission to investigate a dispute over which it lacks jurisdiction. The Complainant can complete Renville-Sibley's dispute resolution, or pursue relief in other venues (e.g., his still-pending lawsuit). However, the Commission has no grounds for investigating or deciding the Complaint.²²

Minnesota Solar Energy Industries Association ("MnSEIA") Reply

MnSEIA believes the Department's conditional recommendations are instructive. It found that "it appears there are reasonable grounds to investigate the allegations ... that the Cooperative is not paying the prescribed compensation rate" and that "it is in the public interest for the Commission to ensure that utilities compensate the owners of qualifying facilities at a rate consistent with Minn. Stat. § 216B.164." The Department was "extremely concerned by the allegations that the Cooperative is refusing to comply with its own rules and statutory obligations." CEEM further warns that allowing utilities to use "unreasonable, vexatious, and

²⁰ Please see MnSEIA's March 16, 2026, comments at pages 7-8.

²¹ Please see CEEM's March 16, 2026, comments at page 2.

²² Please see Renville Sibley's March 16, 2026, comments at pages 7-9.

unjustly discriminatory actions to undermine [members'] electing to use DERs" would place "Minnesota's GHG emissions reduction laws ... at risk of being neutered." MnSEIA agrees.

As CEEM observes, "there are no material facts in dispute and a quick resolution is necessary because Complainant has invested in a 36 kWac solar system which was expected to be interconnected more than two years ago." MnSEIA supports the Department's recommendation to use an informal or expedited process under Minn. R. 7829.1800.²³

CLEAR Energy Coalition ("CLEAR") Reply

CLEAR continues to recommend that the Commission investigate the Formal Complaint by Larry Rauenhorst against Renville Sibley Cooperative Power Association because there are reasonable grounds for the Commission to investigate the allegations in the Formal Complaint.²⁴

Larry Rauenhorst ("Larry") Reply

The question this docket presents is who does the Minnesota Legislature expect to stand up and protect cooperative member/owners whose cooperative is flagrantly violating the law and actively trying to stop any state authority from intervening? Perhaps some lack the authority to protect cooperative member/owners, while others may simply refuse to use the authority they were given. Larry is just trying to make the world a better place by trying to provide an opportunity for farmers to keep farming in these trying times. Family farms are fading and will continue to do so unless someone or something provides them a way to do things better, more efficiently and economically. Agrivoltaics might provide that opportunity to save the family farm for generations to come, but we will never know until someone is allowed to try. Minnesota law gives every Minnesotan the right to try. So, it is unreasonable to believe that the Minnesota Legislature would allow a monopoly to take away that right with impunity.²⁵

CURE Reply

CURE believes the Department of Commerce's analysis falls short of what the law actually says regarding a cooperative's adoption of rules to implement the net metering standard. The Commission has jurisdiction here because the record contains sufficient evidence to suggest that Renville does not currently have "rules implementing this section" that are "in effect," a central requirement of the jurisdictional language cited by Renville and MREA. While Renville has a written copy of rules that appear to be consistent with Minnesota law, its communications with Larry and comments in this docket strongly suggest that it does not consider those rules or Minnesota law to be controlling on its actual practices. A policy on paper but not "in effect" is inadequate.

²³ Please see MnSEIA's March 26, 2026, reply comments at pages 5-6.

²⁴ Please see CLEAR's March 26, 2026, reply comments at page 2.

²⁵ Please see Larry Rauenhorst ("Larry") March 16, 2026, reply comments at page 23.

Currently there's insufficient record development about why Renville hasn't simply used the tool available to it in order to correctly set a rate for Larrys' customer class that would best serve all member-owners. Renville, like all other electric cooperatives, can charge its members a grid access fee to cover fixed costs not accounted for in a net metered rate. At this point CURE believes that Renville does have such a fee in place. That fee is meant to help avoid any unjust fixed costs caused by distributed generation among member-owners.

Not serving a member-owner customer in the cooperative's service territory is not legal, especially on a justification that does not stand up to scrutiny or make sense when Renville has legal tools to address fixed costs not covered in a net metering rate available in law.²⁶

Renville-Sibley Cooperative Power Association ("Renville-Sibley") Reply

Please see Renville Sibley's March 16, 2026, comments for its discussion of the question regarding reasonable grounds to investigate.²⁷

C. Is it in the public interest for the Commission to investigate these allegations?

Department

The Department indicated that if the Commission determines that it has jurisdiction over the subject matter of the complaint, the Department believes that it is in the public interest for the Commission to investigate the allegations. Minn. Stat. § 216B.164, subd. 1, provides: "This section shall at all times be construed in accordance with its intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public." Because the stated intention of Minn. Stat. § 216B.164 is to encourage cogeneration and small power production, it is in the public interest for the Commission to ensure that utilities compensate the owners of qualifying facilities at a rate that is consistent with Minn. Stat. § 216B.164, the related Minnesota Rules, and the owner's election made pursuant to those authorities.²⁸

Minnesota Rural Electric Association (MREA)

MREA indicated that the directors on a cooperative's board all have a duty to serve the interests of the cooperative, which necessarily means a duty to the members who own the cooperative. Importantly, what one cooperative member might seek from their cooperative in a dispute could be detrimental to other members and not in the best interests of the membership as a whole. To that end, it is the cooperative board's duty to make decisions that are consistent with applicable law and in the best interest of all the cooperative's members.

²⁶ Please see CURE's March 26, 2026, reply comments at pages 3-4.

²⁷ Please see Renville Sibley's March 16, 2026, comments at pages 7-9.

²⁸ Please see Department March 16, 2026, comments at page 5.

This board obligation to serve the interests of the cooperative's membership as a whole is especially relevant in the context of Section 216B.164, which involves issues related to the net metering compensation that a cooperative pays to individual members. Those individual payments create a cost that is borne by all cooperative members. Recognizing this dynamic, the Legislature understood that disputes under that section should be handled by a cooperative's democratically elected board rather than a state regulatory agency.²⁹

Larry Rauenhorst ("Larry")

Larry believes it is in the public interest to investigate the allegation in the Formal Complaint. No reasonable person would presumably dispute that it is in the public interest for utilities to comply with Minnesota law. The Minnesota Legislature surely expects member/owners of electric cooperatives to have the same rights and protections as every other Minnesotan, especially considering that utilities in Minnesota are monopolies, making it impossible for any utility customer to choose another electric service provider if theirs is violating rights guaranteed to them under Minnesota law or otherwise harming them. While RSCPA may not like Minnesota's long established net metering law, and has actively advocated to change it, any reasonable person would presumably agree that, if and until the law is changed, RSCPA is required to comply with it.

This matter is particularly important to the public interest because it is not just about a farmer trying to stabilize his energy costs and investigate an innovative way to transform farming operations. His solar facility is part of a University of Minnesota study to investigate agrivoltaics. Agrivoltaics is the integration of solar energy production into farming operations. There is constant concern that the installation of solar, especially large scale solar, it is taking prime farmland out of production. Agrivoltaics provide a way to integrate solar energy generation into farm operations without taking farmland out of production.³⁰

Minnesota Renewable Energies, Inc. (MREI)

Based on the tenure of MREI's comments, MREI believes that reasonable grounds exist for the Commission to investigate this matter.³¹

CLEAR Energy Coalition ("CLEAR")

CLEAR believes electric cooperative utilities were allowed to regulate themselves regarding Minnesota's net metering law in 2017. Allowing monopolies to make sure they comply with the law is like asking the fox to watch the hen house. It is very troubling that a utility would so blatantly violate the clear letter of the law. If the allegations in the Formal Complaint are true, it is also troubling that RSCPA changed its bylaws to limit its members' right to ask the Commission, Minnesota courts or any other government regulator to protect them from illegal,

²⁹ Please see MREA March 16, 2026, comments at pages 4-5.

³⁰ Please see Larry Rauenhorst ("Larry") March 16, 2026, comments at page 4-5.

³¹ Please see MREI March 11, 2026, comments at pages 2-3.

fraudulent, unfair, discriminatory or abusive conduct. Electric cooperative members deserve the same protections as every other Minnesotan. This is especially important because cooperatives are monopolies, which doesn't allow their members to choose a different electric service provider when the monopoly violates the law or otherwise doesn't act in their interests. Initiating an investigation into a utility that is intentionally violating the law is clearly in the public interest.³²

Minnesota Solar Energy Industries Association ("MnSEIA")

Minnesota's average retail rate requirement for QFs under 40 kW has been the law since 1981 and is the foundation of the state's net metering framework. When a utility openly defies the plain letter of the law it acknowledges on its own website, Commission investigation is plainly in the public interest. As the CLEAR Energy Coalition notes in its comments, the Commission may also wish to determine whether other cooperative electric utilities have adopted similar arbitration provisions that conflict with the requirements of Minn. Stat. § 216B.164, subd. 11.15 The systemic implications of allowing cooperatives to nullify members' statutory rights without consequence extend well beyond this single proceeding.³³

Clean Energy Economy Minnesota ("CEEM")

The allegations set forth in the complaint have implications for the right of every Minnesotan to be an electric power producer, so it is in the public interest for the Commission to investigate the allegations.³⁴

Renville-Sibley Cooperative Power Association ("Renville-Sibley")

Renville Sibley indicated that even if the Commission were to look beyond the statute's plain text, there is no public interest basis for further Commission investigation of the Complaint. Under Section 216B.164, subdivision 11, Renville-Sibley's board of directors "assume[d] the authority delegated to" the Commission. The clear purpose of this language is to empower Renville-Sibley's member-elected directors to assume the Commission's authority to implement rules and policies that align with and best serve the needs and interests of Renville-Sibley's member-owners.

Consistent with this delegation of power to Renville-Sibley's board, Renville-Sibley's member-elected directors are governed by Minnesota Statutes chapter 308A, which instructs the directors to act "in a manner the director reasonably believes to be in the best interests of the cooperative." Minn. Stat. § 308A.328, subd. 1. Renville-Sibley's board did just that by adopting rules and working with the Complainant to resolve the dispute related to such rules. Specifically, Renville-Sibley evaluated the Complainant's assertion that Renville-Sibley was

³² Please see CLEAR Coalition March 13, 2026, comments at page 2.

³³ Please see MnSEIA's March 16, 2026, comments at pages 8-10.

³⁴ Please see CEEM's March 16, 2026, comments at page 3.

required by law to compensate him at the average retail rate even though there was no genuine existing load to offset. Renville-Sibley considered whether the Complainant's November 2024 proposed Uniform Application complied with Renville-Sibley's 2024 Rules and determined that it did not. RenvilleSibley likewise evaluated whether and how the Complainant's request for average retail rate would impact rates paid by other cooperative members and, in turn, whether his proposal was in the best interests of the cooperative. It was not. Renville-Sibley also offered mediation under its dispute resolution process, with Renville-Sibley paying 90% of the mediation cost. The Complainant declined.³⁵

Minnesota Solar Energy Industries Association ("MnSEIA") Reply

MnSEIA believes the Department's recommendations are instructive that it is in the public interest for the Commission to ensure that utilities compensate the owners of qualifying facilities at a rate consistent with Minn. Stat. § 216B.164.³⁶

CLEAR Energy Coalition ("CLEAR") Reply

CLEAR continues to recommend that the Commission investigate the Formal Complaint by Larry Rauenhorst against Renville Sibley Cooperative Power Association because It is in the public interest for the Commission to investigate the allegations in the Formal Complaint.³⁷

Larry Rauenhorst ("Larry") Reply

Larry believes that there is a public interest in addressing it along with the other issues in this docket.³⁸

CURE Reply

CURE recommends that the Commission investigate in order to assure that rural residents who are served by electric cooperatives have not been illegally discouraged from adopting cogenerated distributed solar. Though this is a complaint regarding one cooperative, it could provide insight and guidance for many others.

Cure believes it appears that Renville is attempting to eliminate its member-owners' right to judicial review of its actions, employing an arbitration clause that would prevent appeal to state courts. The Commission could never limit appeal rights to its own orders, so Renville and any other electric cooperative standing in the Commission's position under Minnesota Statute § 216B.164, Subd. 11, cannot impose arbitration on member-owners. To the extent that Renville does not remove the arbitration clause from its policies, the Commission should also investigate

³⁵ Please see Renville Sibley's March 16, 2026, comments at pages 7-9.

³⁶ Please see MnSEIA's March 26, 2026, reply comments at page 5.

³⁷ Please see CLEAR's March 26, 2026, reply comments at page 2.

³⁸ Please see Larry Rauenhorst ("Larry") March 16, 2026, reply comments at page 23.

this case to assure that this cooperative and others are not violating the law by keeping disputes out of courts and the public record.³⁹

Renville-Sibley Cooperative Power Association (“Renville-Sibley”) Reply

Renville Sibley indicated some commenters have suggested Renville-Sibley is acting against the public interest in maximizing cogeneration. Renville-Sibley wishes to make clear that it fully supports consumer owned renewable energy initiatives. In fact, Renville-Sibley has one of the highest rates of distributed energy resources per capita among all electric cooperatives statewide. Renville Sibley’s support for these initiatives is why it agreed to assist Complainant and his team with their agrivoltaics project. Moreover, the Legislature made clear that the relevant public interest under Section 216B.164 is to maximize “cogeneration and small power production consistent with protection of the ratepayers and the public.” Minn. Stat. § 216B.164, subd. 1. Renville-Sibley has acted consistent with this public interest.⁴⁰

D. If the Commission chooses to investigate the Complaint, what procedures should be used to do so?

Department

The Department indicated that the Commission may address a formal complaint through a contested case proceeding, informal proceeding, or expedited proceeding. The Department has not identified any contested material facts that would necessitate a contested case proceeding to resolve. The Department therefore recommends using the process set forth in Minn. R. 7829.1800, which provides the Cooperative with 20 days from the Commission’s Order establishing jurisdiction to file a response to the complaint and an additional 20 days for other parties to respond.⁴¹

Minnesota Rural Electric Association (MREA)

The MREA believes the Complaint should be dismissed for lack of subject matter jurisdiction without any further Commission proceedings.⁴²

Larry Rauenhorst (“Larry”)

Larry believes Because the Commission has jurisdiction over this dispute, there is a reasonable basis to investigate the allegations, and it is in the public interest to ensure that all utilities are complying with the law, the Commission should use the procedure established by Minn. R. 7829.1800. After the Answer is filed, the Commission should proceed with either an informal or expedited proceeding under Minn. R. 7829.1900 because there are no material facts in

³⁹ Please see CURE’s March 26, 2026, reply comments at pages 4-5.

⁴⁰ Please see Renville Sibley’s March 26, 2026, reply comments at pages 3-4.

⁴¹ Please see Department March 16, 2026, comments at page 5.

⁴² Please see MREA March 16, 2026, comments at page 5.

dispute and RSCPA is undisputably violating the plain language of Minn. Stat. § 216B.164, subd. 3.⁴³

CLEAR Energy Coalition (“CLEAR”)

The CLEAR Coalition indicated that material facts are not in dispute and RSCPA’s claim that paying the average retail rate is not in the “spirit” of the law is easy to address based on the clear letter of the law. “When the words of a law in their application to an existing situation are clear and free from all ambiguity, the letter of the law shall not be disregarded under the pretext of pursuing the spirit.” So, an informal or expedited proceeding would appear to be the quickest way to correct RSCPA’s violation of the law.⁴⁴

Minnesota Solar Energy Industries Association (“MnSEIA”)

The Commission should resolve this matter through an informal or expedited proceeding under Minn. R. 7829.1900, as the material facts are undisputed and the law is unambiguous.⁴⁵

Clean Energy Economy Minnesota (“CEEM”)

CEEM believes the Commission should ideally use an expedited proceeding in this matter. Based on the record, there are no material facts in dispute and a quick resolution is necessary because Complainant has invested in a 36 kWac solar system which was expected to be interconnected more than two years ago. On equitable grounds and in keeping with the clear meaning of the net metering black letter law, Complainant should be granted immediate relief.⁴⁶

Renville-Sibley Cooperative Power Association (“Renville-Sibley”)

Renville Sibley indicated there is no procedure for exercising jurisdiction over, and investigating, a complaint by a cooperative member against a cooperative under Section 216B.164.

The absence of Commission jurisdiction over the Complaint is so clear and unassailable that there is no need to reach this procedural issue, much less the merits of the dispute. Further inquiry without subject-matter jurisdiction over this matter would be inappropriate. Accordingly, the Complaint should be dismissed without further Commission inquiry or process.⁴⁷

E. Are there other issues or concerns related to this matter?

⁴³ Please see Larry Rauenhorst (“Larry”) March 16, 2026, comments at page 5.

⁴⁴ Please see CLEAR Coalition March 13, 2026, comments at page 2.

⁴⁵ Please see MnSEIA’s March 16, 2026, comments at pages 10-11.

⁴⁶ Please see CEEM’s March 16, 2026, comments at pages 4-5.

⁴⁷ Please see Renville Sibley’s March 16, 2026, comments at pages 7-9.

Department

The Department has not identified any other issues relating to this matter.⁴⁸

Minnesota Rural Electric Association (MREA)

Did not identify any other issues.

Larry Rauenhorst (“Larry”)

Did not identify any other issues.

Minnesota Renewable Energies, Inc. (MREI)

Did not identify any other issues.

CLEAR Energy Coalition (“CLEAR”)

Considering electric cooperative utilities are only exempt from regulation by the Commission regarding compliance with Minnesota’s net metering laws if they meet certain requirements, which includes having a dispute resolution process where members can “request” mediation and the cooperative utility has to pay 90 percent of the cost of the mediation, the Commission may want to investigate whether other cooperatives are passing bylaws or other requirements that are changing this process. Requiring arbitration where the member has to pay 50 percent of the cost of the arbitration is clearly inconsistent with this provision and creates a barrier for cooperative members protecting their rights. If other cooperative utilities are engaging in similar conduct, the Commission should investigate whether those cooperative utilities are no longer exempt from regulation by the Commission regarding net metering laws.⁴⁹

Minnesota Solar Energy Industries Association (“MnSEIA”)

Did not identify any other issues.

Clean Energy Economy Minnesota (“CEEM”)

CEEM believes the allegations in the complaint raise serious questions about institutional respect for Minnesota’s net metering law. The Commission should investigate the allegations in the complaint as a means by which to uphold the integrity of the net metering law, and to signal to other electric utilities, including electric cooperatives, that no one is above the law.⁵⁰

Renville-Sibley Cooperative Power Association (“Renville-Sibley”)

Did not identify any other issues.

Minnesota Solar Energy Industries Association (“MnSEIA”) Reply

MnSEIA agrees with CEEM.⁵¹

⁴⁸ Please see Department March 16, 2026, comments at page 6.

⁴⁹ Please see CLEAR Coalition March 13, 2026, comments at page 2.

⁵⁰ Please see CEEM’s March 16, 2026, comments at page 3-6.

⁵¹ Please see MnSEIA’s March 26, 2026, reply comments at page 5-6.

Public Comments

There were six public comments regarding this matter. These comments were filed between March 3, 2026, and April 13, 2026. All six supported the Commission opening an investigation into the formal complaint submitted by Larry Rauenhurst against Renville-Sibley Cooperative Power Association (“RSCPA”).

Staff Analysis

The first question is whether the Commission has jurisdiction to investigate this matter. The parties do not agree regarding the Commission’s jurisdiction over this matter due to the nature and interpretation of Minn. Stat. § 216B.164 overall and specifically Minn. Stat. § 216B.164, subd. 11. The Commission will need to make that determination based upon the facts before it. If the Commission determines it does not have jurisdiction, it must dismiss the complaint.

Staff confirms that the Commission has historically only investigated matters against coops if they involve, “service standards and practices only.” Minn. Stat. § 216B.17, subd. 6a. There is no service standard, as defined in Minn. Stat. § 216B.02, subd. 6, at issue in this dispute. Renville Sibley has not threatened to disconnect service to Complainant, as in the Minnesota Valley docket. Nor have commenters identified other “practices” at all. This narrow dispute purely involves a single member’s disagreement as to the rate owed under Section 216B.164. While commenters supporting the complaint make several policy and legal arguments, they all center around the rate they believe Renville-Sibley owes the complainant.

Second, in the event the Commission determines that it has jurisdiction over this matter, are there reasonable grounds to investigate this matter? Again, the parties disagree regarding the reasonable grounds to investigate. The Commission will need to make that determination based on the facts before it. As part of this decision, under Minn. Stat. § 216B.17, subd. 1, the Commission should consider whether a hearing on the merits of the complaint is in the public interest; if it determines that a hearing is not in the public interest, the Commission may dismiss the complaint without a hearing.

In the event the Commission determines that it has jurisdiction over this matter and there are reasonable grounds to investigate, Staff agrees with the Department of Commerce and using an expedited process as authorized in Minn R. 7829.1900, subp 1 aligned with the process set forth in [Minn. R. 7829.1800](#), providing the Cooperative with 20 days from the Commission’s Order establishing jurisdiction to file an answer to the complaint and an additional 20 days for other parties to respond.⁵² Staff recommends that the Commission do the following:

⁵² The Department did not identify any contested material facts that would necessitate a contested case

1. The respondent must file an answer to the complaint within 20 days from the Commission's Order establishing jurisdiction to file a response to the complaint.
2. The parties will have 20 days to respond.

IV. Decision Options

A. Does the Commission have jurisdiction over this matter?

1. Find that the Commission does not have jurisdiction over this matter, and dismiss the complaint. (Renville Sibley, MREA, and Department) **OR**
2. Find that the Commission has jurisdiction over this matter. (MREI, CLEAR, MNSEIA, CEEM, Larry, and CURE)

[If the Commission selects decision option 2 the Commission should consider decision options #3 or, #4.]

B. Are there reasonable grounds to investigate the allegation?

3. Find that there are no reasonable grounds to investigate this matter and a hearing is not in the public interest, and dismiss the complaint. **OR**
4. Find that there are reasonable grounds to investigate this matter. (MREI, CLEAR, MNSEIA, CEEM, Larry, Department, and CURE)

[If the Commission selects decision options 2 and 4, the Commission should consider decision options #5, or #6.]

C. If the Commission chooses to investigate the complaint, what procedure should be used to do so?

5. Require Renville Sibley to file and serve an answer to the allegations of the complaint within 20 days of Commission's Order establishing jurisdiction as set forth in Minn. R. 7829.1800. (MREI, CLEAR, MNSEIA, CEEM, Larry, Department, and CURE)

proceeding to resolve. Please see Department March 16, 2026, comments at page 5.

AND *[along with decision option 5, the Commission should also consider one of 6, 7, or 8.]*

6. Establish an expedited process in which all comments on the merits of the complaint must be filed within 20 days of Renville Sibley's answer. (Staff interpretation of MREI, CLEAR, MNSEIA, CEEM, Larry, Department, and CURE)

OR

7. Authorize an informal proceeding with the comment deadlines set forth in Minn. R. 7829.1900.

OR

8. Refer the matter to the Court of Administrative Hearings for a contested case proceeding.

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May 18, 2026

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East
Suite 350
St. Paul, MN 55101-2147

**In the Matter of a Formal Complaint by Larry
Rauenhorst against Renville Sibley
Cooperative Power Association**

Docket Number: E136/C-26-113

Re: Additional Decision Options

Dear Executive Secretary;

Larry Rauenhorst respectfully submits to the Minnesota Public Utilities Commission (“Commission”) the following additional Decision Options (“DO”) for the May 21, 2026, Agenda Meeting regarding the above-referenced docket.

In an effort to provide a more complete record that accurately reflects all of the arguments submitted by stakeholders, Larry submits the following DO.

- 1.5. Find that because Renville Sibley Cooperative Power Association changed the terms of its interconnection rules in 2024 such that it no longer has “in effect rules implementing” Section 216B.164, it no longer meets the requirements and Section 216B.164, subd. 11, and, thus, is no longer “exempt from regulation by the Public Utilities Commission under this section.”

In support of this DO, Larry notes that, in addition to the other arguments that support the jurisdiction of the Commission over this dispute, several parties specifically highlighted that the changes that Renville Sibley Cooperative Power Association (RSCPA) made to its interconnection rules in 2024, which RSCPA included as Exhibit B, no longer implement the requirements of Section 216B.164. Rather, they limit the rights of their cooperative members or potential cooperative members in ways that are inconsistent with the terms of Section 216B.164. Specifically, RSCPA’s 2024 interconnection rules limit the number of solar facilities that are entitled to receive the average retail utility energy rate a cooperative member can receive to one within one mile.¹ Section 216B.164 contains no such limitation. The CLEAR Energy Coalition, which include, Solar United Neighbors, Cooperative Energy Futures, the Institute for Local Self-Reliance, Vote Solar, Community Power, Sierra Club North Star Chapter, and Minnesota Interfaith

¹ See RSCPA Exhibit B, 2024 Cooperative Cogeneration Rules Implementing 216B.164, Section M, subp. 4.

Power & Light, MnSEIA, and Larry all made this argument in their Reply Comments.²

The new 2024 rules also state in the Definition of a “Member,” “Membership cannot be established solely for the purpose of interconnecting generation facilities to a Cooperative’s system.”³ This language violates subdivision 8 of Section 216B.164, which requires every utility “to interconnect with a qualifying facility that offers to provide available energy or capacity and that satisfies the requirements of this section.” Larry made the argument that because this provision violates Section 216B.164, RSCPA no longer meets the requirements of Section 216B.164, subd. 11, in his Reply Comments.⁴ It would also appear to violate the service obligations that every utility has under Section 216B.37.

Because the Staff Briefing Papers filed on May 13, 2026, do not reference what some might consider the strongest legal arguments regarding the jurisdiction of the Commission over this dispute, nor provide any legal analysis regarding them, it would appear necessary to have a complete record to include them and have a DO regarding them.

In addition, because Larry specifically requested in his Formal Complaint that the Commission determine that electric cooperative’s do not have the authority under Section 216B.164, subd. 11, to change the dispute resolution process required by Minn. Stat. 216B.164,⁵ Larry would also request the following DO:

9. Determine that because the dispute resolution process required by Minn. Stat. § 216B.164 requires electric cooperatives to provide cooperative members with the option to resolve disputes through mediation, with the electric cooperative paying 90% of the cost of the mediation, it does not allow electric cooperatives to require binding arbitration for any disputes under Section 216B.164.

Based on the statutory language and purpose of Minn. Stat. § 216B.164, subd. 11, it is reasonable to determine that the Minnesota Legislature did not intend for electric cooperatives to be able to eliminate all state oversight of their actions.

By electronically filing this document, all parties have been electronically served pursuant to Minn. R. 7829.0400.

Respectfully,

/s/ Curtis P. Zaun

² *In the Matter of a Formal Complaint by Larry Rauenhurst against Renville Sibley Cooperative Power Association*, Dkt. 26-113, CLEAR Energy Coalition, REPLY COMMENTS, p. 1-2 (March 26, 2026); *In the Matter of a Formal Complaint by Larry Rauenhurst against Renville Sibley Cooperative Power Association*, Dkt. 26-113, MnSEIA, REPLY COMMENTS, p. 4 (March 26, 2026); *In the Matter of a Formal Complaint by Larry Rauenhurst against Renville Sibley Cooperative Power Association*, Dkt. 26-113, Larry Rauenhurst, REPLY COMMENTS, p. 9-13 (March 26, 2026).

³ See RSCPA Exhibit B, 2024 Cooperative Cogeneration Rules Implementing 216B.164, Section A, subp. 6a.

⁴ *In the Matter of a Formal Complaint by Larry Rauenhurst against Renville Sibley Cooperative Power Association*, Dkt. 26-113, Larry Rauenhurst, REPLY COMMENTS, p. 12-13 (March 26, 2026).

⁵ *In the Matter of a Formal Complaint by Larry Rauenhurst against Renville Sibley Cooperative Power Association*, Dkt. 26-113, Larry Rauenhurst, FORMAL COMPLAINT, p. 11 (Feb. 6, 2026).

COOPERATIVE COGENERATION RULES IMPLEMENTING 216B.164

A. DEFINITIONS.

Subpart 1. Applicability. For purposes of these rules, the following terms have the meanings given them in this part.

Subp. 2. Average retail cooperative energy rate or average retail rate. "Average retail cooperative energy rate" or "average retail rate" means, for any class of Cooperative member, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. For purposes of determining the "average retail cooperative energy rate" the Cooperative may consider a retail demand rate as a fixed charge and may exclude such annual revenue from the calculation. Data from the most recent 12-month period available must be used in the computation.

Subp. 3. Backup power. "Backup power" means electric energy or capacity supplied by the Cooperative to replace energy ordinarily generated by a qualifying facility's own generation equipment during an unscheduled outage of the facility.

Subp. 4. Capacity. "Capacity" means the capability to produce, transmit, or deliver electric energy, and is measured by the number of kilowatts alternating current at the point of interconnection between a qualifying facility and a Cooperative's electric system during a 15-minute interval period.

Subp. 5. Capacity costs. "Capacity costs" means the costs associated with providing the capability to deliver energy. The Cooperative capital costs consist of the costs of facilities from the Cooperative and the Cooperative's wholesale provider used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

Subp. 6. Cooperative. "Cooperative" means Renville-Sibley Cooperative Power Association.

Subp. 6a. Member. "Member" means any person, firm, association, or corporation, or any agency of the federal, state, or local government purchasing electricity from the Cooperative to meet their electricity needs at their home or business premise. Membership cannot be established solely for the purpose of interconnecting generation facilities to a Cooperative's system.

Subp. 7. Energy. "Energy" means electric energy, measured in kilowatt-hours.

Subp. 8. Energy costs. "Energy costs" means the variable costs associated with the production of electric energy. They consist of fuel costs and variable operating and maintenance expenses.



Subp. 9. Firm power. "Firm power" means energy delivered by the qualifying facility to the Cooperative with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum metered capacity delivered to the Cooperative during the on-peak hours for the month.

Subp. 10. Interconnection costs. "Interconnection costs" means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the Cooperative that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a qualifying facility. Costs are considered interconnection costs only to the extent that they exceed the costs the Cooperative would incur in selling electricity to the qualifying facility as a non-generating Member.

Subp. 11. Interruptible power. "Interruptible power" means electric energy or capacity supplied by the Cooperative to a qualifying facility subject to interruption under the provisions of the Cooperative's tariff applicable to the retail class of members to which the qualifying facility would belong irrespective of its ability to generate electricity.

Subp. 12. Maintenance power. "Maintenance power" means electric energy or capacity supplied by the Cooperative during scheduled outages of the qualifying facility.

Subp. 13. On-peak hours. "On-peak hours" means either those hours formally designated by the Cooperative as on-peak for ratemaking purposes or those hours for which its typical loads are at least 85 percent of its average maximum monthly loads.

Subp. 14. Point of common coupling. "Point of common coupling" means the point where the qualifying facility's generation system, including the point of generator output, is connected to the Cooperative's electric power grid.

Subp. 15. Purchase. "Purchase" means the purchase of electric energy or capacity or both from a qualifying facility by the Cooperative.

Subp. 16. Qualifying facility. "Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, part 292. The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions. The qualifying facilities must be owned by the Member.

Subp. 17. Sale. "Sale" means the sale of electric energy or capacity or both by the Cooperative to a qualifying facility.

Subp. 18a. Standby charge. "Standby charge" means the charge imposed by the Cooperative upon a qualifying facility for the recovery of costs for the provision of

standby services necessary to make electricity service available to the qualifying facility.

Subp. 18b. Standby service. "Standby service" means the service to potentially provide electric energy or capacity supplied by the Cooperative to a qualifying facility greater than 40 kW.

Subp. 19. Supplementary power. "Supplementary power" means electric energy or capacity supplied by the Cooperative which is regularly used by a qualifying facility in addition to that which the facility generates itself.

Subp. 20. System emergency. "System emergency" means a condition on a Cooperative's system which is imminently likely to result in significant disruption of service to customers or to endanger life or property.

B. SCOPE AND PURPOSE.

The purpose of these rules are to implement certain provisions of Minnesota Statutes, section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code, title 16, section 824a-3; and the Federal Energy Regulatory Commission regulations, Code of Federal Regulations, title 18, part 292. These rules shall be applied in accordance with its intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public.

C. FILING REQUIREMENTS

Annually the Cooperative shall file for review and approval, a cogeneration and small power production tariff with its Board of Directors. The tariff must contain schedules 1 - 5

Subpart 1. Schedule 1. Schedule 1 shall contain the calculation of the average retail cooperative energy rates to be updated annually.

Subp. 2. Schedule 2. Schedule 2 shall contain all standard contracts to be used with qualifying facilities, containing applicable terms and conditions.

Subp. 3. Schedule 3. Schedule 3 shall contain the Cooperative's adopted interconnection process, safety standards and technical requirements for distributed energy resource systems.

Subp. 4. Schedule 4. Schedule 4 shall contain procedures for notifying affected qualifying facilities of any periods of time when the Cooperative will not purchase electric energy or capacity because of extraordinary operational circumstances which would make the costs of purchases during those periods greater than the costs of internal generation.

Subp. 5. Schedule 5. Schedule 5 shall contain the estimated average incremental

energy costs by seasonal, peak and off-peak periods for the Cooperative's power supplier from which energy purchases are first avoided. Schedule 5 shall also contain the net annual avoided capacity costs, if any, stated per kilowatt-hour and averaged over the on-peak hours and over all hours for the Cooperative's power supplier from which capacity purchases are first avoided. Both the average incremental energy costs and net annual avoided capacity costs shall be increased by a factor equal to 50 percent of the Cooperative and the Cooperative's power supplier's overall line losses due to distribution, transmission and transformation of electric energy.

D. AVAILABILITY OF FILINGS.

All filings shall be maintained at the Cooperative's general office and any other office of the Cooperative where rate tariffs are kept. The filings shall be made available for Member inspections during normal business hours. To the extent possible, Cooperative shall supply the current year's distributed generation rates, interconnection procedures and applications on the Cooperative website.

E. REPORTING REQUIREMENTS

Annually the Cooperative shall report to the Cooperative Board of Directors for their review and approval an annual report including information in Subp. 1 – 3. The Cooperative shall still comply with other federal and state reporting of distributed generation to federal and state agencies expressly required by statute.

Subpart. 1. Summary of Average Retail Cooperative Energy Rate. A summary of the qualifying facilities that are currently served under average retail cooperative energy rate.

Subp. 2. Other Qualifying Facilities. A summary of the qualifying facilities that are not currently served under average retail cooperative energy rate.

Subp. 3. Wheeling. A summary of the wheeling undertaken with respect to qualifying facilities.

F. CONDITIONS OF SERVICE

Subpart. 1. Requirement to Purchase. The Cooperative shall purchase energy and capacity from any qualifying facility which offers to sell energy and capacity to the Cooperative and agrees to the conditions in these rules.

Subp. 2. Written Contract. A written contract shall be executed between the qualifying facility and the Cooperative.

G. ELECTRICAL CODE COMPLIANCE.

Subpart 1. Compliance; standards. The interconnection between the qualifying facility and the Cooperative must comply with the requirements in the most recently published edition of the National Electrical Safety Code issued by the Institute of

Electrical and Electronics Engineers. The interconnection is subject to subparts 2 and 3.

Subp. 2. Interconnection. The qualifying facility is responsible for complying with all applicable local, state, and federal codes, including building codes, the National Electrical Code (NEC), the National Electrical Safety Code (NESC), and noise and emissions standards. The Cooperative shall require proof that the qualifying facility is in compliance with the NEC before the interconnection is made. The qualifying facility must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

Subp. 3. Generation system. The qualifying facility's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

H. RESPONSIBILITY FOR APPARATUS.

Subpart 1. Member owned facilities. The qualifying facility, without cost to the Cooperative, must furnish, install, operate, and maintain in good order and repair any apparatus the qualifying facility needs in order to operate in accordance with schedule 3.

Subp. 2. Cooperative owned facilities. The Cooperative shall furnish, install, operate, own and maintain in good working order distribution facilities required for the operation of the qualifying facility. The Cooperative retains ownership of any distribution facilities it furnishes including any additions or modifications to the Cooperative's distribution system to accommodate the qualifying facility regardless of any financial contribution to said facilities by member(s).

I. TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.

Subpart 1. Service to be offered. The Cooperative shall offer maintenance, interruptible, supplementary, and backup power to the qualifying facility upon request.

Subp. 2. Standby service. The Cooperative shall offer a qualifying facility standby service at the Cooperative applicable standby rate schedule.

J. DISCONTINUING SALES DURING EMERGENCY.

The Cooperative may discontinue sales to the qualifying facility during a system emergency, if the discontinuance and recommencement of service is not discriminatory.

K. RATES FOR COOPERATIVE SALES TO A QUALIFYING FACILITY

Rates for sales to a qualifying facility must be governed by the applicable tariff(s) for the class of electric cooperative member to which the qualifying facility belongs or would belong were it not a qualifying facility. Such rates are not guaranteed and may

change from time to time at the discretion of the Cooperative.

L. STANDARD RATES FOR PURCHASES FROM QUALIFYING FACILITIES.

Subpart 1. Qualifying facilities with 100 kilowatt capacity or less. For qualifying facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The Cooperative shall make available three types of standard rates, described in parts M, N and O. The qualifying facility with a capacity of 100 kilowatts or less must choose interconnection under one of these rates, and must specify its choice in the written contract required in part U. Any net credit to the qualifying facility must, at its option, be credited to its account with the Cooperative or returned by check or comparably electronic payment service within 15 days of the billing date. The option chosen must be specified in the written contract required in part U. Qualifying facilities remain responsible for any monthly service charges and demand charges specified in the tariff under which they consume electricity from the Cooperative.

Subp. 2. Qualifying facilities over 100 kilowatt capacity. A qualifying facility with more than 100 kilowatt capacity has the option to negotiate a contract with the Cooperative or any other Minnesota utility or, if it commits to provide firm power, be compensated under standard rates.

Subp. 3. Grid Access Charge. A qualifying facility shall be assessed a monthly Grid Access Charge to recover the fixed costs not already paid by the member through the member's existing billing arrangement. The additional charge shall be reasonable and appropriate for the class of member based on the most recent cost of service study defining the Grid Access Charge. The cost of service study for the Grid Access Charge shall be made available for review by the member of the Cooperative upon request.

Subp. 4. Renewable energy credits. The renewable energy credits for the qualifying facility are the property of the qualifying facility owner unless the qualifying facility owner chooses to assign ownership of the renewable energy credit to a different entity.

M. AVERAGE RETAIL COOPERATIVE ENERGY RATE.

Subpart 1. Applicability. The average retail cooperative energy rate is available only to a Member-owned qualifying facility that:

- a) Has a nameplate capacity of less than 40 kilowatts; and
- b) Will not offer electric power for sale on either a time-of-day basis or roll-over credit basis.

Subp. 2. Method of billing. The Cooperative shall bill the qualifying facility for the excess of energy supplied by the Cooperative above energy supplied by the qualifying facility during each billing period according to the Cooperative's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the Cooperative to the Member at the same site during the same billing period, the Cooperative shall compensate the qualifying facility for the excess energy at the average retail cooperative energy rate.

Subp. 4. One-Mile Test for Multiple Qualifying Facilities.

A. Multiple qualifying facilities of the same generation type (e.g., solar) will be considered a single facility for purposes of determining eligibility for average retail rate compensation if those facilities are:

(1) located within the same one-mile radius; and

(2) owned in whole or part, directly or indirectly through a business entity, by the same member or members as identified by a taxpayer ID or social security number.

B. A member who owns more than one qualifying facility within the same one-mile radius as set forth in Item A of this subpart may elect average retail rate compensation for one of those facilities, provided it would otherwise meet the eligibility requirements for compensation at that rate. The other qualifying facilities within the one-mile radius shall be compensated at the applicable avoided cost rate or at an alternative wholesale rate agreed to between the cooperative and the member.

N. TIME-OF-DAY PURCHASE RATES.

Subpart 1. Applicability. Time-of-day rates are required for qualifying facilities with capacity of 40 kilowatts or more and less than or equal to 100 kilowatts, and they are optional for qualifying facilities with capacity less than 40 kilowatts. Time-of-day rates are also optional for qualifying facilities with capacity greater than 100 kilowatts if these qualifying facilities provide firm power.

Subp. 2. Method of billing. The qualifying facility must be billed for all energy and capacity it consumes during each billing period according to the Cooperative's applicable retail rate schedule.

Subp. 3. Compensation to qualifying facility; energy purchase. The Cooperative shall purchase all energy which is made available to it by the qualifying facility. Compensation to the qualifying facility must be the energy rate shown on schedule 5.

Subp. 4. Compensation to qualifying facility; capacity purchase. If the qualifying facility provides firm power to the Cooperative, the capacity component must be the capacity cost per kilowatt shown on schedule 5 divided by the number of on-peak hours in the billing period. The capacity component applies only to deliveries during

on-peak hours. If the qualifying facility does not provide firm power to the Cooperative, no capacity component may be included in the compensation paid to the qualifying facility.

O. ROLL-OVER CREDIT PURCHASE RATES.

Subpart 1. Applicability. The roll-over credit rate is available only to qualifying facilities with capacity of less than 40 kilowatts which choose not to offer electric power for sale on average retail cooperative energy rate basis, time-of-day basis or simultaneous purchase and sale basis.

Subp. 2. Method of billing. The Cooperative shall bill the qualifying facility for the excess of energy supplied by the Cooperative above energy supplied by the qualifying facility during each billing period according to the Cooperative's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the Cooperative during a billing period, the Cooperative shall apply the excess kilowatt hours as a credit to the next billing period kilowatt hour usage. Excess kilowatt hours that are not offset in the next billing period shall continue to be rolled over to the next consecutive billing period. Any excess kilowatt hours rolled over that are remaining at the end of each calendar year shall cancel with no additional compensation.

P. CONTRACTS NEGOTIATED BY MEMBER.

A qualifying facility with capacity greater than 100 kilowatts must negotiate a contract with the Cooperative setting the applicable rates for payments to the Member of avoided capacity and energy costs.

Subpart 1. Amount of Capacity Payments. The qualifying facility which negotiates a contract under Part Q must be entitled to the full avoided capacity costs of the Cooperative. The amount of capacity payments will be determined by the Cooperative and the Cooperative's wholesale power provider.

Subp. 2. Full Avoided Energy Costs. The qualifying facility which negotiates a contract under Part Q must be entitled to the full avoided energy costs of the Cooperative. The costs must be adjusted as appropriate to reflect line losses.

Q. WHEELING.

Qualifying facilities with capacity of 30 kilowatts or greater, are interconnected to the Cooperative's distribution system and choose to sell the output of the qualifying facility to any other utility, must pay any appropriate wheeling charges to the Cooperative.

R. NOTIFICATION TO MEMBERS

Subpart 1. Contents of Written Notice. Following each annual review and approval

by the Cooperative of the cogeneration rate tariffs the Cooperative shall furnish in the monthly newsletter or through similar notice to each of its members that the Cooperative is obligated to interconnect with and purchase electricity from cogenerators and small power producers.

Subp. 2. Availability of Information. The Cooperative shall make available to all members on the cooperative's website, the interconnection process and requirements adopted by the Cooperative, pertinent rate schedules and sample contractual agreements.

S. DISPUTE RESOLUTION

Subpart 1. Cooperative Dispute Resolution Process. Member(s) should make reasonable efforts to resolve a disputes with Cooperative staff including the Cooperative's General Manager before taking a dispute to the Cooperative's Board of Directors. The Board of Directors shall provide timely opportunity for any member(s) with a dispute to bring the issue(s) to the Board for resolution. The Cooperative Board of Directors shall weigh the issues and circumstances of the case and make a determination on any dispute brought to the Board which must be recorded in the minutes of the meeting. In the event the member(s) and the Cooperative cannot resolve the dispute, either the member(s) or the Cooperative may request mediation as outlined in Subparts 2 and 3.

Subp. 2. Mediator. The Cooperative and the member(s) involved in the dispute must mutually agree upon the selection of a mediator, who must be listed on the roster of neutrals for civil matters established by the state court administrator under Rule 114.12 of the Minnesota's General Rules of Practice for the District Courts.

Subp. 3. Cost Sharing. The Cooperative and the member(s) involved in the dispute shall cost share the expense for a mediator for mediation. The Cooperative shall be responsible for 90% of the mediator's cost and the member(s) who initiated the dispute shall by pay 10% of the cost of the mediator.

T. INTERCONNECTION CONTRACTS

Subpart 1. Interconnection Standards. The Cooperative shall provide the member with a copy of, or electronic link to, the Cooperative's adopted interconnection process and requirements.

Subp. 2 Existing Contracts. Any existing interconnection contract executed between the Cooperative and a qualifying facility with capacity of less than 40 kilowatts remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract. The Cooperative has assumed all dispute responsibilities as listed in existing interconnection contracts. Disputes are resolved through the process in Section T.

Subp. 3 Renewable Energy Credits; Ownership. Generators own all renewable energy credits unless other ownership is expressly provided for by a contract between a generator and the Cooperative.

U. UNIFORM AGREEMENT.

The form for uniform agreement shall be used between the Cooperative and a qualifying facility having less than 40 kilowatts of capacity is as shown in subpart 1.

Subpart 1. Cooperative Agreement for Cogeneration and Small Power Production Facilities. (see attached uniform contract)

STATE OF MINNESOTA BEFORE THE MINNESOTA

PUBLIC UTILITIES COMMISSION

Katie Sieben, Chair
Hwikwon Ham, Commissioner
Audrey Partridge, Commissioner
Joseph Sullivan, Commissioner
John Tuma, Commissioner

May 19, 2026

In the Matter of a Formal Complaint by Larry
Rauenhorst against Renville Sibley
Cooperative Power Association

PUC Docket Number E136/C-26-113

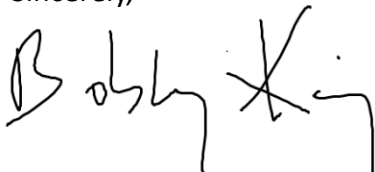
To provide a complete record for the PUC in this matter, the CLEAR Energy Coalition submits these preferred Decision Options regarding the above-referenced docket. CLEAR supports Decision Options 2, 4, 5, and 6.

In addition, CLEAR supports new Decision Options 1.5 and 9, filed by Larry Rauenhorst, which states:

1.5 Find that because Renville Sibley Cooperative Power Association changed the terms of its interconnection rules in 2024 such that it no longer has “in effect rules implementing” Section 216B.164, it no longer meets the requirements and Section 216B.164, subd. 11, and, thus, is no longer “exempt from regulation by the Public Utilities Commission under this section.”

9. Determine that because the dispute resolution process required by Minn. Stat. § 216B.164 requires electric cooperatives to provide cooperative members with the option to resolve disputes through mediation, with the electric cooperative paying 90% of the cost of the mediation, it does not allow electric cooperatives to require binding arbitration for any disputes under Section 216B.164.

Sincerely,



Bobby King on behalf of the CLEAR Energy Coalition
Minnesota State Director
Solar United Neighbors
bking@solarunitedneighbors.org



117 South First Street • Montevideo, MN 56265

May 19, 2026

Submitted via eDockets

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: *In the Matter of a Formal Complaint by Larry Rauenhorst against Renville Sibley Cooperative Power Association; Docket No. E136/C-26-113*

Executive Secretary Bergman,

In light of the additional decision options proposed by Mr. Rauenhorst, CURE submits our preferred decision options in the above-referenced matter:

- Staff Briefing Paper DOs: 2, 4, 5, and 6
- Rauenhorst Proposed DOs: 1.5 and 9

We believe it is also necessary to clarify the record regarding CURE’s position about the service standards and practices at issue. Staff Briefing Papers state, “There is no service standard, as defined in Minn. Stat. § 216B.17, subd. 6a.... Nor have commenters identified other ‘practices’ at all.... While commenters supporting the complaint make several policy and legal arguments, they all center around the rate they believe Renville-Sibley owes the complainant.”¹

However, CURE explicitly argued in reply comments that the cooperative’s “service standards and practices” have been violated:

Renville is clearly implementing a new “service standard” or “practice” by creating an interconnection prohibition for Larry that is not reflected in its official policy to interconnect member-owners with less than 40kW of solar generation. Its refusal to interconnect him on terms consistent with its own policy and Minnesota law are worth investigating, as the Commission must assure that such policies are worth the paper they’re written on – based on this record, it appears that Renville’s written policy does not reflect actual standards or practices experienced by member-owners.²

¹ Minnesota Public Utilities Commission, *Staff Briefing Papers*, 10.

² *Id.* at 9, quoting CURE, *Reply Comment*, 2.

We appreciate the opportunity to submit this filing. CURE looks forward to responding to any questions the Commission may have.

/s/ Sarah Mooradian

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