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November 5, 2013

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: EA Scoping – Alternative Routes
Great River Energy's Elko New Market Cleary Areas HVTL Project
Docket No. ET2/TL-12-1245

Dear Dr. Haar:

In compliance with the Commission's Order of September 9, 2013, the Minnesota Department of Commerce (Department) Energy Environmental Review and Analysis (EERA) staff is presenting draft route alternatives raised during the scoping process for the Commission's consideration so that it can provide input into the Department's Environmental Assessment scoping decision.

Great River Energy submitted a route permit application for construction of 5.4 miles of new double-circuit 115-kV transmission line, and the rebuilding of approximately 11.3 miles of existing 69-kV transmission line to 115-kV standards in the Elko New Market, and Cleary Lake areas of Scott and Rice counties. The project is to connect with the nearby Scott-Faribault 69 kV transmission system, located to the west of the proposed project, by building a double-circuit line between the two transmission lines in order to alleviate identified deficiencies on the Scott-Faribault system.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'David E. Birkholz', written in a cursive style.

David E. Birkholz
EERA Staff

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF MINNESOTA DEPARTMENT OF COMMERCE ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS

DOCKET NOS. ET2/TL-12-1245

Date: November 5, 2013

EERA Staff: David Birkholz.....651-539-1838

In the Matter of the Applications of Great River Energy for a Route Permit for a 115 kV Transmission Line Project in the Elko, New Market and Cleary Lake Areas in Scott and Rice Counties

Issues Addressed: These comments and recommendations discuss the environmental assessment scoping process and route alternatives proposed during the scoping period for this project.

Documents Attached: Route Alternatives Maps

Additional documents and information can be found on eDockets:

<https://www.edockets.state.mn.us/EFiling/search.jsp> (12-1245) and on the Department's energy facilities permitting website: <http://mn.gov/commerce/energyfacilities/Docket.html?Id=32989>.

This document can be made available in alternative formats (i.e., large print or audio) by calling 651-539-1530 (voice).

Introduction and Background

On June 20, 2013, Great River Energy (GRE) filed a route permit application under the alternative permitting process to upgrade a 69 kilovolt (kV) transmission line to 115 kV and build an additional double-circuit 115 kV line in Scott and Rice counties.¹ On September 9, 2013, the Public Utilities Commission (Commission) accepted the Application as complete and requested that Department of Commerce, Energy Environmental Review and Analysis staff present route alternatives for review and consideration by the Commission.²

¹ Application to the Public Utilities Commission for a Certificate of Need and a Route Permit, Elko New Market and Cleary Lakes Areas Project (Application), June 20, 2013, eDocket nos. [20136-88345-01](#), [-02](#), [-03](#) and [-04](#)

² Order Finding Application Complete, Granting Variance, And Referring Application To The Office Of Administrative Hearings (Completeness Order), September 9, 2013, eDocket no. [20139-91094-01](#)

Following input from the Commission, the Deputy Commissioner of the Department of Commerce (Department) will finalize and issue the scoping decision for the Environmental Assessment that will be prepared for the project.³

Project Description

GRE is planning to construct approximately 5.4 miles of new double-circuit 115kV transmission line and to rebuild approximately 11.3 miles of existing 69 kV transmission line to 115 kV specifications in Scott and Rice counties.

The Applicant proposes to rebuild the 115 kV lines along the same routes as the existing 69 kV lines and to construct the new double-circuit 115 kV line between the existing Minnesota Valley Electric Cooperative (MVEC) New Market distribution substation in Scott County and the Veseli Breaker Station, owned by Northern States Power Company, doing business as Xcel Energy, in Rice County. The Applicant anticipates start of construction in spring 2015 and energizing the lines in summer 2016.

GRE is requesting a 300 foot route width for the project. GRE proposes to use existing rights-of-way for the rebuild portion of the Project and would acquire new right-of-way for the new portion. In the areas where new right-of-way is necessary, Xcel Energy is proposing a right-of-way (easement) of 70 feet. GRE may acquire additional easements along the existing 69 kV line where necessary.

Although the alternative review process only requires one route proposal, GRE included two possible alternatives⁴ in their Application. On the very north end of the Project, GRE provided an alternative to the west of the existing 69 kV line because the existing Great River Energy easement in this area is only 60 feet wide (rather than the Great River Energy standard of 70 feet). There are a number of homes very close to the line and the terrain contains several ponds and a ravine that would make rebuilding the line somewhat difficult.

On the southern end, GRE provided two separate alternatives to connect from the MV-PN on 250th Street down to the Veseli Breaker Station. A west option runs along Panama Avenue to 280th Street; an east option would run along Texas Avenue to 280th Street.

Regulatory Process and Procedures

In Minnesota, no person may construct a high voltage transmission line (HVTL) without a route permit from the Commission (Minnesota Statute 216E.03). A high voltage transmission line is defined as a conductor of electric energy designed for and capable of operation at a voltage of 100 kV or more and greater than 1,500 feet in length (Minnesota Statute 216E.01). The Project by definition requires a Route Permit from the Commission.⁵

³ Minnesota Rule 7850.3700

⁴ Application at Section 1.5

⁵ GRE's proposed project, as a large energy facility, also requires a Certificate of Need (CN) from the Commission (see docket number ET2/CN-12-1235). These comments and recommendations do not address the CN.

Applications for HVTL route permits are subject to environmental review conducted by EERA.⁶ GRE's proposed project qualifies for alternative review and will proceed under the alternative permitting process.⁷ The alternative permitting process requires the preparation of an Environmental Assessment. An EA is a document that describes the potential human and environmental impacts of a proposed project and potential mitigative measures.

After providing opportunity for public comment on the scope of the EA, the Department determines the scope of EA.⁸ Minnesota Statute 216E.04 anticipates that the Commission will have opportunity to provide input to the Department on which routes to include in the scope of the EA.⁹ The Commission has requested that the Department present these route alternatives to the Commission to facilitate the Commission's input.¹⁰ The EA will contain information on the human and environmental impacts of the proposed project "and other sites or routes identified by the commission"¹¹ and will address mitigating measures for all of the routes considered.

Scoping Process Summary

Commission staff and EERA staff held joint public information and Environmental Assessment scoping meetings on October 1, 2013, in the cities of Elko New Market and Savage. Total attendance at the two meetings was approximately 25 persons. Comments were received from several persons at these meetings, with one comment including a specific route alternative.¹² That alternative would move the line east from Panama Avenue to Zachary Avenue.

A comment period, ending on October 15, 2013, provided the public an opportunity to submit comments to EERA staff on issues and route alternatives for consideration in the scope of the EA. Comments were received from five federal and state agencies,¹³ the applicant,¹⁴ and from 13 residents.¹⁵ Only two of these comments included specific route or alignment alternatives for consideration in the EA. The first reiterated the Zachary Avenue alternative. The second was a proposal from the Applicant to widen the route width where it intersects the CapX 2020 line, and in one place where two homes closely front Texas Avenue.

After the close of the comment period, EERA staff conferred with the Applicant on the alternatives proposed for study in the EA. ("The commissioner shall provide the applicant with an opportunity to respond to each request that an alternative be included in the environmental assessment."¹⁶)

⁶ Minnesota Statute 216E.04, Subd. 5

⁷ Minnesota Statute 216E.04, Subd. 2 (describing those projects which qualify for alternative review)

⁸ Minnesota Rule 7850.3700, Subp. 2

⁹ Minnesota Statute 216E.04, Subd. 5

¹⁰ Completeness Order at 6 (Item 3)

¹¹ Minnesota Statute 216E.04, Subd. 5

¹² Public Meeting Comments from Public Information and EA Scoping Meetings (Oral Comments), October 1, 2013, eDockets no. [201310-92747-06](#)

¹³ Written Agency Comments on Scope of EA (Agency Comments), eDockets no. [201310-92747-02](#)

¹⁴ Written Applicant Comment on Scope of EA (Applicant Comments), eDockets no. [201310-92747-04](#)

¹⁵ Written Public Comments on Scope of EA (Public Comments), eDockets no. [201310-92747-08](#)

¹⁶ Minnesota Rule 7850.3700, Subp. 2 (B)

EERA Staff Analysis and Comments

The scoping process for environmental review in Minnesota is designed to identify and analyze “only those potentially significant issues relevant to the proposed project” and alternatives to the project.¹⁷ With respect to route alternatives, the Department is charged with including alternatives “only if the commissioner determines that evaluation of the proposed site or route will assist in the commission[er]’s ultimate decision on the permit application.”¹⁸

When route and site alternatives are proposed during the scoping process that could be carried forward for evaluation in the environmental review document for a project, EERA staff analyzes these alternatives using five criteria:

- 1) Was the alternative submitted within the scoping period, i.e., prior to the end of the public comment period for scoping?
- 2) Does the alternative contain “an explanation of why the site or route should be included in the [environmental review document]”?¹⁹ EERA staff interprets this text to require that route and site alternatives – to be included in the scope of the environmental review document – must mitigate a potential impact of the proposed project, and this mitigation must be, in general terms, explained by the proposer of the route or site alternative.²⁰ The proposer need not provide extensive supporting data for their alternative, but must provide enough explanation such that it is fairly clear the potential impact(s) being mitigated by the route or site alternative.
- 3) Is the alternative outside of areas prohibited in Minnesota Rule 7850.4300, e.g., state and national parks?
- 4) Does the alternative meet the applicant’s stated need for the project?
- 5) Is the alternative feasible?

EERA staff has used the above the criteria to review and analyze the route and alignment alternatives proposed during the scoping process.

As an initial matter, and with respect to the above criteria, the alternatives proposed during the scoping process were timely, provided adequate explanation of the impact(s) to be mitigated, were outside areas prohibited in Minnesota Rule 7850.4300, and met the applicant’s stated need for the project. Thus, the only criteria discussed here are whether the alternative is feasible and whether the alternative will aid in the Commission’s decision on GRE’s route permit application.

¹⁷ Minnesota Rule 4410.2100, Subp. 1

¹⁸ Minnesota Rule 7850.3700, Subp. 2 (B)

¹⁹ Id.

²⁰ As an example, if a proposed transmission line proceeds past 10 residences and a citizen suggests route alternative A, which also proceeds past 10 residences but in another location, it is not clear how alternative A mitigates potential impacts of the project.

Applicant Requested Alternatives

GRE has requested two adjustments²¹ to its proposed route alternatives. First, GRE requested an expanded route width at either of two possible route intersections with the Brookings to Hampton 345 kV Transmission Line with a 250 foot radius at the intersection. Second, in conjunction with public comment,²² GRE requested a widened (additional 500 feet) route width south of 250th Street along Texas Avenue to accommodate the two households immediately across the avenue from one another. EERA staff will be recommending these two alternative route widths for inclusion in the scope of the EA.

Zachary Avenue

One local resident recommended looking at a route along Zachary Avenue as an alternative to the Applicant's "west" option. The resident expressed concern over proximity to wetlands and the presence of migratory birds. GRE had evaluated this avenue as a possible route during its route application development. An assessment was included in the Application at "Rejected Route Alternatives." According to GRE, "This route was rejected because, in comparison to the other possible routes, it would: 1) add an additional crossing of Porter Creek and a DNR wetland on Zachary Avenue; 2) have to be constructed in more rolling topography; 3) require more angle structures, which would add cost to the Project and increase aesthetic impacts; and 4) be located along more rural residential roads rather than county/state roads on which the proposed routes are located."²³

GRE additionally responded to an EERA request for comments on the Alternatives, "...there are 12 homes within 150 feet of the road centerline [Zachary Avenue] and a dozen or more that are just outside the 150 foot boundary. In contrast, our possible west option has only 5 homes within 150 feet of the line and our possible east option has 11."²⁴

EERA staff believes this alternative does not "mitigate a potential impact of the proposed project" but rather shifts the same issues to a different location. In addition, an alternative already exists to the west option in the Applicant's east option. So EERA does not intend to recommend this alternative for inclusion in the scope of the EA.

EERA Recommendation

EERA staff plans to recommend to the Deputy Commissioner of the Department that the Scoping Decision for the Elko New Market Cleary Areas HVTL Project include the route and route alternatives proposed by Great River Energy in its route permit application,²⁵ as well as the Applicant's width adjustment requests (see attached map) for evaluation in the EA.

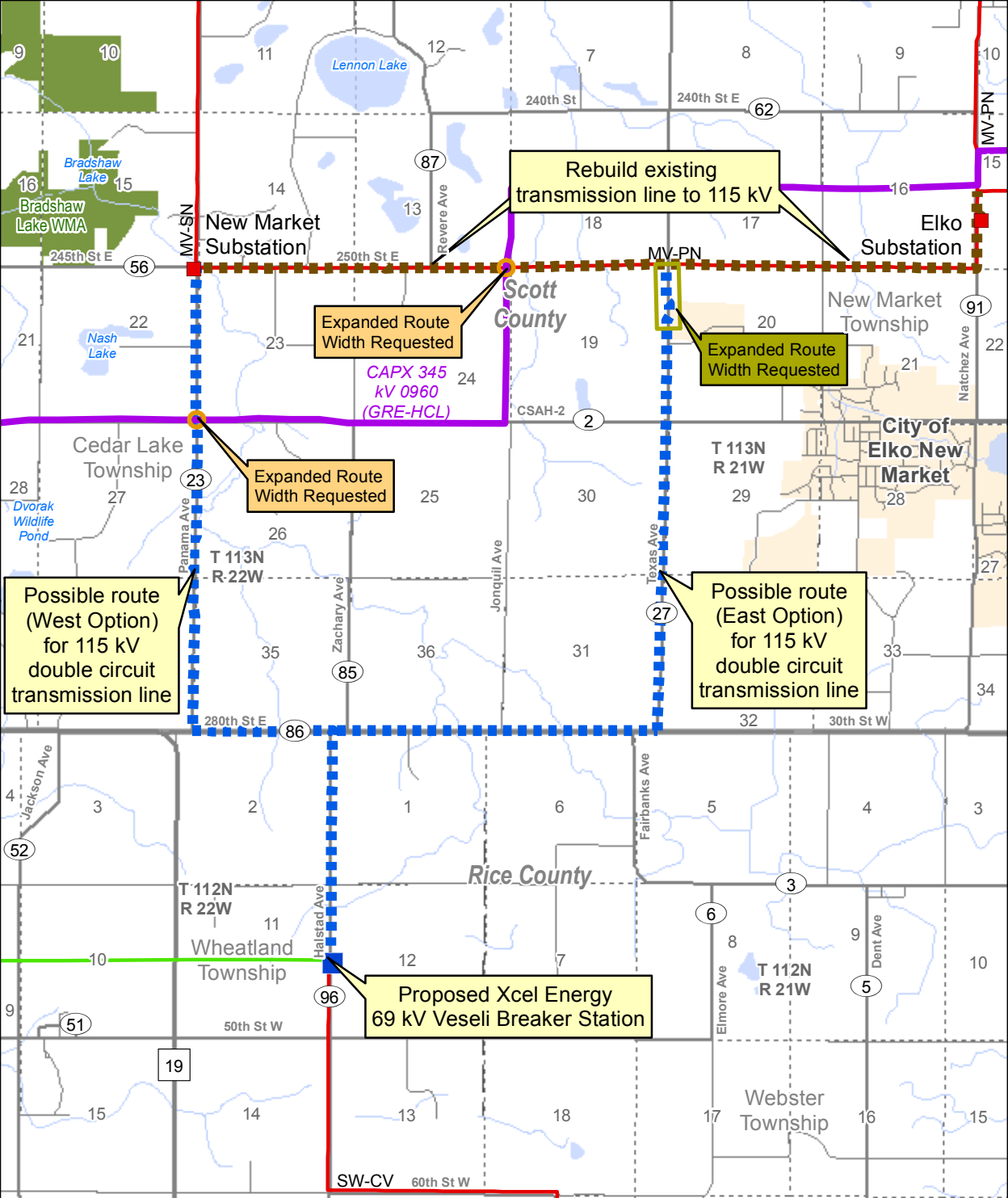
²¹ Applicant Comments

²² Oral Comments

²³ Application at Section 7.2

²⁴ Email Letter, Carole Schmidt, October 27, 2013

²⁵ Minnesota Statute 216E.04, Subd. 5.



- Proposed Great River Energy 115 kV Transmission Line
- Existing Great River Energy 69 kV Transmission Line
- Proposed Xcel Energy 69 kV Transmission Line
- Possible New Route
- Rebuild Route
- Existing Cooperative
- Distribution Substation
- Proposed Xcel Energy 69 kV Breaker Station
- Existing Xcel Energy 69 kV Transmission Line
- Distribution Substation
- Additional Corridor Required
- Crossings (250 feet)
- Pinch Point (800' total width)
- CapX Transmission Line

Elko New Market and Cleary Lake Areas Project
Additional Corridor
Figure 1
Proposed Project

