

Staff Briefing Papers

Meeting Date January 9, 2020 Agenda Item 9**

Company Northern States Power Company (Xcel Energy)

Docket No. **E002/MC-19-697**

In the Matter of the Application for a Minor Alteration of Xcel Energy's 115 kV Transmission Line 0881 in Cottage Grove, Minnesota

Issues Should the Commission approve the request for a minor alteration to construct an approximately 0.58 mile 115 kilovolt (kV) high-voltage transmission line and distribution substation? If so, what conditions, if any, should be placed on the Minor Alteration?

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Relevant Documents

Date

Xcel Energy Initial Filing Requesting a Minor Alteration	November 4, 2019
Notice of Comment Period	November 18, 2019
DOC EERA Comments and Recommendations	December 5, 2019
Metropolitan Council Comments (filed as Public Comment)	December 6, 2019
Xcel Reply Comments	December 12, 2019

Attachments

- A. Minnesota Statutes 216E.03, Subd. 7 Considerations in Designating Sites and Routes
- B. Sample HVTL Permit Complaint Handling Procedures

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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.

I. Statement of the Issue

Should the Commission approve the request for a minor alteration to construct an approximately 0.58-mile 115 kilovolt (kV) high-voltage transmission line and distribution substation? If so, what conditions, if any, should be placed on the Minor Alteration?

II. Statutes and Rules

Minnesota Statute 216E.03 Subdivision 7 provides guidance for the Commission's consideration when designating sites and routes (enclosed as Attachment A).

Minnesota Rule 7850.1300, Subpart 2 states: "No person may construct a high voltage transmission line without a route permit from the commission. A high voltage transmission line may be constructed only within a route approved by the commission."

Minnesota Rule 7850.1500, Subpart 1 provides exceptions to these requirements in certain circumstances. Minnesota Rule 7850.1500, Subpart 2 states that, in the event a modification or other change in an existing substation, high voltage transmission line, or large electric power generating plant does not qualify for an exception under Subpart 1, the modification or change may qualify for a minor alteration under Minnesota Rule 7850.04800.

Under Minn. R. 7850.4800, no person may make a minor alteration to a large electric power generating plant or high-voltage transmission line without approval from the Commission. A minor alteration is defined as a change in a large electric power generating plant or high-voltage transmission line that does not result in significant changes in the human or environmental impact of the facility. An applicant requesting a minor alteration must submit a request to the Commission describing the alteration to be made and an explanation why the alteration is minor.

In evaluating minor alteration requests, the Commission is asked to consider whether the project would result in significant human or environmental impacts based on the criteria of Minnesota Rule 4410.1700, Subp. 7:

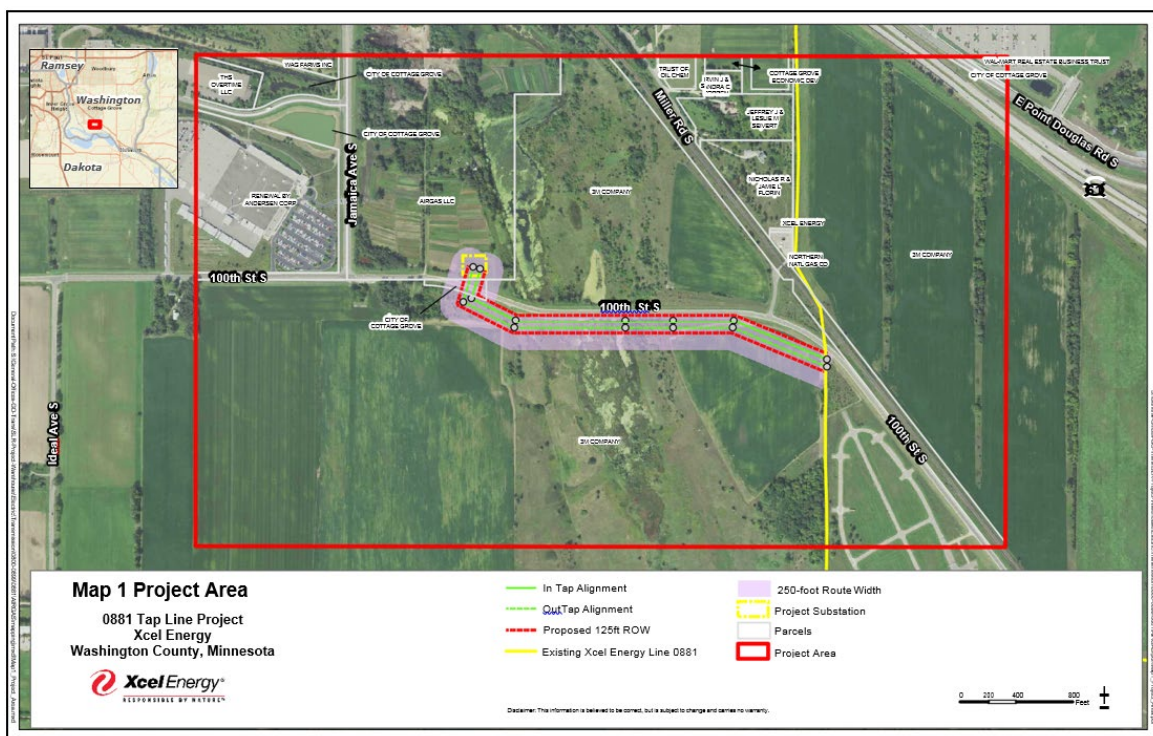
- A. type, extent, and reversibility of environmental effects;
- B. cumulative potential effects: whether the cumulative potential effect is significant; whether the contribution from the project is significant when viewed in connection with other contributions to the cumulative potential effect; the degree to which the project complies with approved mitigation measures specifically designed to address the cumulative potential effect; and the efforts of the proposer to minimize the contributions from the project;
- C. the extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority based only upon mitigation measures that are specific and that can be reasonably expected to effectively mitigate the identified environmental impacts of the project; and

D. the extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer.

Upon receiving a minor alteration application the Commission is required to provide at least a 10-day period for interested persons to submit comments on the request. After the close of the comment period, the Commission must decide whether to authorize the minor alteration and impose reasonable conditions, as necessary, or determine that the alteration is not minor and requires a full permitting decision.

III. Background

Northern States Power Company (Xcel Energy) petitioned the Commission on November 4, 2019 for a minor alteration to construct an approximately 0.58 mile 115 kV High Voltage Transmission Line (HVTL) and new distribution substation in Cottage Grove, Minnesota. The construction would support the operation of a nearby industrial gas manufacturing facility owned and operated by Airgas, LLC. The proposed project would be constructed on property owned by Airgas, LLC, 3M Corporation, and the City of Cottage Grove.



Xcel stated that it has contacted and received approval for the project alignment from 3M Corporation and the City of Cottage Grove. Xcel's petition provided a Project Impact Summary and an Assessment of Impacts of the Requested Alignment. If approved, project construction is anticipated to begin in Spring of 2020 and be completed in Fall 2020.

On November 18, 2019, the Commission issued a Notice of Comment Period on the Petition for a Minor Alteration. Initial comments were received through December 5, 2019 and reply

comments through December 12, 2019. Comments were received from the Department of Commerce Energy Environmental Review and Analysis staff (DOC EERA), the Metropolitan Council (Met Council), and Xcel Energy.

IV. Comments Received

DOC EERA

DOC EERA stated the proposed action is consistent with its interpretation of Minn. Rule 7850.4800. According to DOC EERA, the proposal constitutes a minor alteration of an existing high voltage transmission line that does not result in significant changes in the human or environmental impact of the facility. DOC EERA recommended the Commission approve the minor alteration request subject to the following conditions.

1. **Best Management Practices.** Xcel Energy must take precautions to avoid the spread of invasive plants by heavy equipment during construction and maintenance activities; use wildlife-friendly erosion control materials (<http://files.dnr.state.mn.us/eco/nongame/wildlife-friendly-erosion-control.pdf>) to reduce mortality to small nongame species; work with landowners to preserve, wherever possible, low-growing shrub species that can provide wildlife habitat; and use only native seed mixes where reseeding of vegetated areas is needed.
2. **Complaint Procedures.** Prior to the start of construction, Xcel Energy must submit to the Commission the procedure that will be used to receive and respond to complaints. The procedure shall be in accordance with the requirements set forth in the Commission's standard complaint handling procedures.
3. **Notification to Landowners.** Xcel Energy shall provide all affected landowners with a copy of the Commission's order authorizing a minor alteration. Xcel Energy shall also provide all affected landowners with a copy of the complaint procedure upon contacting landowners to begin construction.
4. **Notification to Commission.** At least three days before the line is to be placed into service, Xcel Energy shall notify the Commission of the date on which the line will be placed into service and the date on which construction was complete. Within 60 days after completion of construction, Xcel Energy shall submit to the Commission geo-spatial information for all above ground structures associated with the project.
5. **Plan and Profile.** At least 30 calendar days before right-of-way preparation for construction begins on any segment or portion of the project, Xcel Energy shall provide the Commission with a plan and profile of the right-of-way and the specifications and drawings for right-of-way preparation, construction, structure specifications and locations, cleanup, and restoration for the transmission line. The documentation shall include maps depicting the plan and profile including the right-of-way, alignment, and structures in relation to the route and alignment approved. Xcel Energy may not

commence construction until the Commission has advised Xcel Energy in writing that it has completed its review of the documents and determined that the planned construction is consistent with the authorized minor alteration. If Xcel Energy intends to make any significant changes in its plan and profile or the specifications and drawings after submission to the Commission, it shall notify the Commission at least five days before implementing the changes.

6. **Field Representative.** At least 14 days prior to commencing construction, Xcel Energy shall advise the Commission in writing of the person or persons designated to be the field representative. The field representative's address, phone number, emergency phone number, and email shall be provided to the Commission and shall be made available to affected landowners, residents, public officials and other interested persons.

Metropolitan Council

The Local Planning Assistance Unit of the Metropolitan Council noted that the site plan of the proposed project would cross an interceptor near the east end of the project and requested that initial plans be reviewed to assess potential impacts to its interceptor system prior to construction.

Xcel Energy

In their December 12, 2019 Reply Comments, Xcel noted that the Commission had requested comments from nearby landowners, and local, state and federal government officials.

Xcel agreed with DOC EERA's comments and recommendations, including its prerequisite conditions for approval of the project.

Xcel noted that its project would not affect the interceptor referenced by the Met Council and agreed to provide final plan and profile documents as requested prior to construction.

Based on the record developed, Xcel stated the project would not significantly change the human or environmental impacts of the facility, and requested the Commission approve the minor alteration.

V. Staff Analysis

Staff notes that the 0.58-mile 115 kV transmission line technically meets the definition of a High Voltage Transmission Line in Minnesota Statute 216E.01, Subdivision 7 because it is a conductor of electric energy and associated facilities designed for, and capable of operation at a nominal voltage of 100 kilovolts or more and is greater than 1,500 feet in length.

In reaching a decision on a request for approval of a minor alteration, the Commission may determine that the project constitutes a minor alteration, or determine that the alteration is

really a major change and require Xcel to submit a new application under the appropriate permitting process.

In evaluating minor alteration requests, the Commission should consider whether the project would result in significant human or environmental impacts based on the criteria of Minnesota Statute 216E.03, Subdivision 7. DOC EERA's recommended conditions are consistent with those found in recent HVTL route permits. Based on the record developed staff agrees that the project meets the requirements for approval as a minor alteration provided the recommendations from the Metropolitan Council and DOC EERA are incorporated into the Commission's decision. In reference to DOC EERA's Recommended Condition 2, staff has enclosed its Proposed Complaint Handling Procedures from its current Sample HVTL Permit as Attachment B.

VI. Decision Options

Line 0881 High-Voltage Transmission Line - Minor Alteration Petition

1. Authorize a Minor Alteration without additional conditions.
2. Authorize a Minor Alteration with additional conditions as recommended by DOC EERA and the Met Council.
4. Determine that the requested change is not a Minor Alteration and requires a full permitting decision.
5. Take some other action deemed appropriate.

Staff Recommendation: 2.

Subd. 7. Considerations in designating sites and routes.

(a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high-voltage transmission lines and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; and

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

ATTACHMENT B
Complaint Handling Procedures for Permitted Energy Facilities

SAMPLE PERMIT

**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 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 preparation, cleanup or restoration or other route and associated facilities 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 an individual to summarize complaints for the Commission. This person's name, phone number and email address shall accompany all complaint submittals.
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. date of complaint;
 - c. tract or parcel number; and
 - d. whether the complaint relates to a permit matter or a compliance issue.
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. activities undertaken to resolve the complaint; and
 - g. 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. 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 1-800-657-3782 (voice messages are acceptable) or consumer.puc@state.mn.us. For e-mail reporting, the email subject line should read "PUC EFP Complaint" and include the appropriate project docket number.

Monthly Reports: During project construction and restoration, 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 Daniel P. Wolf, Executive Secretary, Public Utilities Commission, using the eDockets system. The eDockets system is located at:
<https://www.edockets.state.mn.us/EFiling/home.jsp>

If no complaints were received during the preceding month, the permittee shall file a summary indicating that no complaints were received.

G. Complaints Received by the Commission

Complaints received directly by the Commission from aggrieved persons regarding site preparation, construction, cleanup, restoration, operation and maintenance shall be promptly sent to the permittee.

H. Commission Process for Unresolved Complaints

Commission staff shall perform an initial evaluation of unresolved complaints submitted to the Commission. Complaints raising substantial permit issues shall be processed and resolved by the Commission. Staff shall notify the permittee and appropriate persons if it determines that the complaint is a substantial complaint. With respect to such complaints, each party shall submit a written summary of its position to the Commission no later than ten days after receipt of the staff notification. The complaint will be presented to the Commission for a decision as soon as practicable.

I. Permittee Contacts for Complaints and Complaint Reporting

Complaints may filed by mail or email to:

[Name]

[Mailing Address]

[Phone]

[Email]

This information shall be maintained current by informing the Commission of any changes as they become effective.