

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: **June 2, 2016** **Agenda Item # 1***

Company: Mankato Energy Center II, LLC

Docket No. IP6949/GS-15-620

In the Matter of the Application of Mankato Energy Center II, LLC for a Site Permit for the 345 MW Expansion of the Mankato Energy Center

Issue(s): Should the Commission find that the Environmental Assessment and the record on this project adequately address the issues identified in the Scoping Decision? Should the Commission approve the proposed findings of fact and issue a site permit for the proposed natural gas electric generating facility?

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Relevant Documents

Calpine - Site Permit Application (3 parts: App, Figures, Appendices)..... August 5, 2015
DOC EERA Environmental Assessment February 18, 2016
ALJ Summary Report April 13, 2016
Calpine - Revised Findings of Fact (Proposed) April 22, 2016
DOC EERA – Comments and Recommendation May 6, 2016
Calpine – Notice (2)..... May 5, 2016
Calpine – Letter (1)..... May 5, 2016

Attachments

- A – Proposed Findings of Fact
- B – Proposed Site Permit
- C – Minn. Statute 216E.03 and Minn. Rule 7850.2100

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

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I. Statement of the Issue

Should the Commission find that the Environmental Assessment and the record on this project adequately address the issues identified in the Scoping Decision? Should the Commission approve the proposed findings of fact and issue a site permit for the proposed natural gas electric generating facility expansion?

II. Project Description

Mankato Energy Center II, LLC (MEC II or the Applicant) has proposed to expand the existing Mankato Energy Center (MEC) by adding a combustion turbine generator (CTG), a heat recovery steam generator (HRSG), and associated equipment (the Project). The initial phase of the MEC facility was constructed in 2006 to accommodate an expansion.¹ The existing MEC facility has one CTG, one HSRG, and a steam turbine. Existing infrastructure installed for the MEC (electrical transmission, gas pipeline, and water service) will be used for the project². After the expansion the facility would have two CTGs and two HSRGs. The two HSRGs will drive the existing and sole steam turbine. The project will use natural gas as a fuel source. The expansion of the MEC would allow for the production of an additional 345 MW of electrical power – adding 290 MW of baseload capacity and 55 MW of peaking capacity. The project is anticipated to be operational by June 1, 2019 and is estimated to cost between \$220 and \$300 million dollars.

III. Regulatory Review Process

In accordance with Minnesota Rule 7850.1300, Subpart 1, “No person may construct a large electric generating plant without a site permit from the commission. A large electric power generating plant may be constructed only on a site approved by the commission.”

In this case Minnesota Rule 7850.1000, subpart 11, defines a large electric power generating plant as:

“...electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts or more. Associated facilities include, but are not limited to, coal piles, cooling towers, ash containment, fuel tanks, water and wastewater treatment systems, and roads.”

¹ The original facility was granted a site permit by the Environmental Quality Board. A site permit was issued on September 16, 2004 and is available here: [DOC-EQB File Register: 2004 MEC Site Permit](#)

² A generator breaker, disconnect, and dead-end structure will be added to the switch yard for the new CTG. These components will be within the existing facility site.

The site permit application has been reviewed under the alternative permitting process (Minnesota Rules 7850.2800 -.3900) of the Power Plant Siting Act (Minnesota Statutes Chapter 216E.04). The alternative permitting process is anticipated to review projects in a shorter time frame than the full permitting procedure and does not require the applicant to propose alternative sites, it does however, require the applicant to disclose any alternative sites examined but rejected and to provide an explanation of why they were rejected.

Under the alternative process, Commission staff, in coordination with the staff of the Department of Commerce Energy Environmental Review and Analysis division (EERA), hold a public information and environmental assessment (EA) scoping meeting. The EERA then develops the scope of the environmental assessment and prepares the environmental document.

After the release of the EA, the Commission holds a public hearing. In this docket, the Commission requested a summary report from the Administrative Law Judge (ALJ) that presided over the hearing. The ALJ report included a summary of public comments provided at the hearing and subsequent comment period. No recommendations were made by the ALJ (as it was not recommended they do so).

A. Application and Acceptance

On June 29, 2015, the Applicants submitted a letter to the Commission providing notice of its intent to submit a Site Permit Application under the Alternative Permitting Process. On August 5, 2015, the Applicants filed a Site Permit Application for the MEC Expansion Project. On October 14, 2015 the Commission issued the *Order Accepting Application Complete, Requesting Summary Report, and Granting Variance* (Completeness Order).

B. Public Information and Environmental Assessment Scoping Meeting

A Public Information and EA Scoping meeting was held on October 13, 2015, in Mankato, Minnesota, in accordance with Minnesota Rules 7850.3700. Approximately three people attended the public meeting. Commission and EERA staff received informal comments and questions regarding the MEC Expansion Project but no formal oral comment were provided as part of the meeting.

EERA staff received no written comments regarding project alternatives. Comments were received by the Minnesota Department of Transportation which requested coordination of deliveries if impacts to road usage is anticipated to occur. The Minnesota State Historic Preservation Office provided comment that there were no properties listed in the National or State Registers of Historic Places, or known or suspected archaeological properties in the area

that would be affected by the project. One member of the public submitted a comment expressing his support for the expansion.

The EA was filed with the Commission and made available on February 18, 2016.

C. Public Hearing

Pursuant to the Commission's Completeness Order, the Office of Administrative Hearings (OAH) appointed the Honorable James E. LaFave to preside over the public hearing which was held in Mankato, Minnesota on March 7, 2016. The ALJ provided an opportunity for members of the public to ask questions or comment on the proposed project verbally and/or to submit question/comments in writing. Fifteen members of the public attended the public hearing, three persons asked questions or provided comments.

The ALJ filed the Summary of Public Comments on April 13, 2016. The main concerns or questions discussed at the public hearing were related to the need for the thermal-based project in light of the state's renewable goals and mandates, water usage and loss³, use of union labor and the prevailing wages of construction workers, the source of the natural gas, and the project's proposed timeline.

Two written comments were received by the ALJ. The first, from the Minnesota Pollution Control Agency (MPCA), which indicated it had no comments at this time, but cautioned that its comments did not constitute approval for the purpose of pending or future permitting actions by the MPCA. Second, MEC/Calpine provided comments that it had reviewed the EA and agreed with the conclusions of the report. Calpine also provided several points of clarifications. Calpine additionally requested that the site permit template, under Section **4.2.4. Noise**, be modified to allow construction to occur outside daytime working hours.⁴ Calpine asserted that it would comply with all applicable noise standards during construction of the MEC Expansion Project, but it would need to perform some construction-related activities outside of daytime hours.

D. Standards for Permit Issuance

The Power Plant Siting Act sets standards and criteria and outlines the factors to be considered in determining whether to issue a permit for a large electric power generating plant (Minnesota Statute § 216E and Minnesota Rules 7850.4100). The law also allows the Commission to place conditions on permits (Minnesota Statute § 216E.04, Subd. 9(a) and Minnesota Rule

³ The water for the expansion project, like that of the original facility, would be sourced from the Mankato water treatment plant and not a ground- or fresh-water resource.

⁴ Commission issued site permits have historically restricted activities to daytime hours only, but this has been modified in some recent dockets (ex. Motley Area HVTL Project TL-15-204)

7850.4600) that it believes are appropriate.

IV. Party/Participant Recommendations

A. Mankato Energy Center II, LLC

As requested by Commission and DOC EERA staff, MEC II submitted proposed Findings of Fact into the record on April 15, 2016, and a revised version on April 22, 2016. The proposed Findings of Fact concluded (in part) that the Commission should: 1) find that the applicable statutory and rule requirements have been met, 2) find that the record shows that the proposed Project satisfies the site permit factors, 3) issue a site permit to the Applicants for the proposed project, and 4) include or consider the following site permit conditions comments or changes to the Site Permit Template filed as part of the EA:

1. Permit Condition **4.2.4. Noise** – MEC II requested that the Commission allow construction during non-daytime hours and in accordance with all applicable state and local noise regulations.
2. Permit Condition **4.2.6 Soil and Sediment Control** – MEC II clarified that only disturbed areas outside the project boundary would be returned to pre-construction conditions. Those areas inside the project boundary would not be restored to pre-construction conditions as they would be part of the modified facility.
3. Permit Condition **8.3 Notification to Commission** – Requires MEC II to notify the Commission at least 10 days prior to: a) the date on which the facility will be placed into service and b) the date on which construction was complete. MEC II noted it would provide the required notifications to the Commission when: a) the date the facility is declared commercially available, and b) the date when the Engineering, Procurement and Construction contractor turns over care, custody and control of the Expansion Project to the Applicant.

B. Department of Commerce Energy Environmental Review and Analysis

Missed Notice and Proposed Remedy

During its review, EERA staff identified that the applicant had not provided an early public notice as required pursuant Minn. Stat. § 216E.03, Subd. 4 and to Minnesota Rule 7850.2100, Subp. 2. MEC II has since taken remedial actions. EERA highlighted an issue found at proposed Finding of Fact 149 and suggested the Commission revisit this finding upon its final decision. MEC II has since taken remedial actions. This issue is discussed in further detail below.

Proposed Findings of Fact

EERA staff reviewed the Applicant's proposed Finding of Fact and provided revisions, clarifications, and additional findings as outlined in their May 6, 2016 comments.

Proposed Permit Conditions

EERA recommended including the permit condition revision suggested by MEC II regarding **4.2.4 Noise** to allow for daytime and nighttime construction activities at the project site, provided that all activities are in compliance with Minnesota noise standards. EERA did not suggest any further modifications or clarifications to the Site Permit Template as requested by MEC II. EERA believes those items were related to interpretations of the site permit language and were not necessary permit modifications.

V. Notice Issue and Remedy

Upon EERA's review of the record, it was discovered that MEC II had not provided notice of submittal of its site permit application in accordance with Minn. Stat. § 216E.03, Subd. 4 and Minnesota Rule 7850.2100, Subp. 2 and 3. The required notice did not have an associated comment period. The full text of this rule is included at the end of this paper.

A. Intended Notice Recipients

Minn. Rule 7850.2100, Subp.2 requires that within 15-days after submission of an application to the Commission, the applicant shall mail written notice to:

- A. Commission's General Interest List,
- B. Regional development commissions, county, incorporated municipality, and township in which any part of the site is proposed to be located, and,
- C. Affected and adjacent property owners.

Additionally, the notice was to be published in a legal newspaper in each affected county.

B. Required Notice Contents

Under Minn. Rule 7850.2100, Subp. 3 notice is required to include: a description of the project, a map of the project, a statement that the application has been provided to the Commission, information on how an application may be obtained, an overview of the statutes and rules to be followed, the timeframe in which the Commission has to act, a statement that a public meeting and hearing will be held, information on how the environmental review will be conducted, a Commission contact, among other items.

C. Failure to Give Notice Provision

Minn. R. 7850.2100, subp. 6, states, "The failure of the applicant to give the requisite notice does not invalidate any ongoing permit proceedings provided the applicant has made a bona fide attempt to comply, although the commission may extend the time for the public to participate if the failure has interfered with the public's right to be informed about the project."

D. MEC II's Comments and Proposed Remedy

On May 5, 2016, following the discovery of this omissions, MEC II filed a letter with the Commission that discussed the notice failure, outlined the methods in which the public *was* able to participate in the process, discussed the ramifications of the failure, and MEC's proposed remedy (supplemental notice).

MEC II believes that the failure to provide the required notice did not in any way prejudice the ability of interested parties to participate in the proceedings.

MEC II proposed to, and provided documentation of, the following actions in completed in April and May 2016:

- 1) Creation of a notice outlining the issue and inclusive of the information required by rule.
- 2) Issuance of the notice to the required persons outlined in Minn. Rule 7850.2100.
- 3) Publication of the notice in a local newspaper.
- 4) Establishment of an additional comment period.

MEC indicated that the mailed notices and newspaper publication included information required by the original notice, project information, and a discussion of the process failure. The notice allowed for a 10-day comment period. The comment period was provided to allow any person who believed their ability to be informed of the project had been adversely affected by the failure to receive notice. **Staff note:** No comments were received by the public during this 10-day period which ended on May 17, 2016.

Lastly, MEC II requested that the Commission either 1) confirm that MEC II has met the requirements of Minn. Stat, 216E.03, Subd. 4 and Minn. Rule 7850.2100, Subp.2, and/or 2) vary the rule. MEC II argued that a variance would be appropriate and outlined its rationale for each of the three-factor test under the Commission variance authority in Minn. Rule 7829.3200.

VI. Staff Discussion

Staff concludes that the alternative permitting process has been conducted in accordance with Minnesota Rules 7850.2900 to 7850.3900 (absent the noticing error), that the EA evaluated

issues identified in the scope, and that the record supports issuing a site permit with conditions.

A. Notice Issue and MEC's Proposed Remedy

Staff believes MEC II's proposed remedy is reasonable and is an appropriate method to attempt to rectify the notice deficiency. Staff believes that the steps taken by MEC II combined with the lack of public comment related to the project as a whole, and specifically, during the additional 10-day comment period is a sufficient basis to determine that 1) MEC has made a bona fide attempt to comply with Minn. Statute § 216E.03, Subd. 4 and Minn. Rule 7850.2100, and 2) no member of the public has been compromised in their right to be informed of the project. Staff believes that other solutions, such as restarting or 'redoing' the permitting process are not appropriate in this instance due to the reasons outlined above. However, if this issue were to occur in a more controversial docket where there *was* public concern about the failed notice, staff could see additional process steps being necessary.

Staff believes Finding 149 can be read broad enough to reflect staff's position. Staff has also added Finding 150, as cited below, to acknowledge the notice-related issue in the findings. If the Commission believes another conclusion is appropriate, Finding 149 and 150 should be amended in some manner.

(149) The Applicant provided notice to the Commission, public and local governments in satisfaction of Minnesota statutes and rules.⁵ [FOF footnote 359]

(150) The Applicant did not provide the notice of application submittal within the 15-day time limit prescribed under Minnesota Rule 7850.2100, subpart 2. Upon recognizing the oversight the Applicant, on May 5, 2016, issued a Notice of Site Permit Proceedings and Additional Comment Period in accordance with the rule requirements. Although not required by rule, the notice provided for a 10-day period within which parties could provide comment on the Expansion project to ensure adequate opportunity to participate in the project record. No additional comments were received during the 10-day comment period.⁶ [FOF footnote 360]

B. Findings of Fact

Staff has included the proposed Findings of Fact as an attachment to this briefing paper. Staff has made non-substantial modifications to the EERA's proposed findings. The modifications were administrative in nature, clarifying, or additive, but would not change the conclusions drawn. The proposed Finding of Fact summarize that the permitting process has been conducted in

⁵ Exhibit 1; Exhibit 7.

⁶ See Docket IP6949/GS-15-620 Document ID: 20165-121277-01, 20165-121072-01, 20165-121062-01, and 20165-121071-01

accordance with Minnesota Rules Chapter 7850, identify impacts and mitigation measures, and draw conclusions.

C. Site Permit

Staff has included a proposed Site Permit as an attachment to this briefing paper. Staff has incorporated MEC II and EERA's modification regarding **4.2.4 Noise** which allows for construction outside of daytime working hours. This has been a modification the Commission has authorized in recent dockets and is reasonable considering the applicant will still be required to comply with state noise standards.

Staff has modified **4.2.6 Soil and Sediment Control** due the comments provided by MEC II. Staff believes it is reasonable to add the words 'as practicable' to the end of this permit condition. It would be unreasonable to assume that areas where disturbances which were not intended to be restored are required to be restored. For example where the location of the installation of the combustion turbine is anticipated will clearly not be restored to preconstruction conditions. Staff has spoken with the EERA staff who agree this is a reasonable modification to the site permit.

Last, staff has *not* modified **8.3 Notification to Commission**. MEC II provided their understanding of when the notification would be required. Staff believes that is an interpretation on MEC II's part, and doesn't warrant a modification of the site permit language.

VII. Commission Decision Alternatives

A. Findings of Fact

1. Approve and adopt the Findings of Fact for the MEC II Expansion Project.
2. Amend the Findings of Fact as deemed appropriate.
3. Take some other action.

B. Environmental Assessment

1. Find that the environmental assessment and the record address the issues identified in the environmental assessment scoping decision.
2. Find the environmental assessment is inadequate, and request a supplement.
3. Take some other action.

C. Site Permit

1. Issue the proposed site permit with appropriate conditions to MEC II.
2. Modify the proposed site permit and issue to MEC II.
3. Take some other action.

D. Administrative or Consistency Authorization

1. Allow Commission staff to make modification to the proposed Findings of Fact or the proposed Site Permit, as necessary, to ensure consistency and/or to allow for administrative corrections following the Commission's oral decision on this matter.

Staff recommends: A1, B1, C1, D1

MINNESOTA PUBLIC UTILITIES COMMISSION
FINDINGS OF FACT AND CONCLUSIONS OF LAW

STATEMENT OF ISSUE

Has the Applicant satisfied the factors set forth in Minnesota Statutes Section 216E.04 and Minnesota Rules Chapter 7850 for a Site Permit for a 345 megawatt ("MW") expansion of the Mankato Energy Center (the "Expansion Project")¹ in Mankato, Blue Earth County, Minnesota?

SUMMARY OF CONCLUSIONS

Specific details regarding the proposed construction and operation of the Expansion Project were presented within the Site Permit Application² and additional subsequent submittals provided by the Applicant. The Expansion Project was further analyzed within an Environmental Assessment (EA)³ by the Department of Commerce for the Commission that evaluated the Expansion Project. Based on information submitted by the Applicant and in the EA, potential impacts of the Project are anticipated to be minimal.⁴

The Commission concludes that the Applicant has satisfied the criteria set forth in Minnesota law for a Site Permit.

Based on information in the Application, the EA, testimony at the public hearing, written comments, and exhibits received in this proceeding, the Commission makes the following:

FINDINGS OF FACT

I. Applicant

1. Mankato Energy Center II, LLC (MEC II) is the Applicant requesting the Site Permit for the Expansion Project.⁵ The existing facility, including the associated land, is owned by Mankato Energy Center I, LLC (MEC I) and is operated by Calpine Operating Services Company, Inc. (COSCI).⁶

¹ See Exhibit 2 (Site Permit Application) at 1-1. See Relevant Document and Exhibit List (Mar. 17, 2016) (eDockets No. 20163-119205-01).

² Exhibit 2.

³ Exhibit 12 (Environmental Assessment, (EA))

⁴ *Id.* at 52.

⁵ Exhibit 2 at 2-1.

⁶ *Id.*

2. All entities are wholly owned indirect subsidiaries of Calpine Corporation (Calpine).^{7, 8}
3. Calpine owns and operates a fleet of gas-fired and geothermal power plants in North America, with a portfolio of 84 power plants located throughout the U.S. and Canada with a combined total of more than 27,000 MW of electric generating capacity.⁹

II. Description of the Proposed Project

4. MEC II proposes to expand the existing Mankato Energy Center, which is a 375 Megawatt (MW) dual fuel combined-cycle generating facility¹⁰ located in the City of Mankato in Blue Earth County, Minnesota (Existing Facility).
5. The expansion involves the planned completion of the Existing Facility, through the addition of one natural gas-fired combustion turbine generator (CTG), an additional heat recovery steam generator (HRSG)¹¹, and related ancillary equipment (the Expansion Project).
6. The Expansion Project will result in an additional 345 MW¹² of integrated combined-cycle and peaking capacity, as measured under winter conditions.
7. The Expansion Project will be fueled by natural gas from an existing local pipeline.¹³ The Expansion Project will continue to receive service water from the Mankato municipal water supply system, and cooling water from the Mankato Waste Water Treatment Plant (WWTP).¹⁴
8. The Combined Facility is anticipated to be complete and operational by June 1, 2019.¹⁵
9. The Combined Facility will have a combined capacity of 720 MW, consisting of approximately 580 MW of baseload and 140 MW of peaking capacity at winter conditions.¹⁶
10. The current construction costs for the Expansion Project are estimated to be between \$220 and \$300 million.¹⁷ This range will continue to fluctuate until the project's

⁷ *Id.*

⁸ MEC I is the permit holder for the Existing Facility. MEC II will be the permit holder for the proposed Expansion Project.

⁹ Exhibit 2 at 2-1.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ Exhibit 12 at 16.

¹⁴ *Id.*

¹⁵ Summary of Public Testimony at 5 (April 13, 2016) (eDockets No. 20164-120013-01).

¹⁶ Exhibit 2 at 2-5.

¹⁷ Exhibit 12 at 19.

commercial operation date has been determined and definitive documentation has been executed.¹⁸

11. The Expansion Project is anticipated to have a useful life of at least 30 years.¹⁹ Annual operating costs during the life of the Expansion Project are expected to be below those of a new combined cycle plant because of the operating synergies with the Existing Facility.²⁰
12. Annual project operating costs are expected to be between \$3.5 and \$5 million.²¹ This range will continue to fluctuate until the project's commercial operation date has been determined and definitive documentation has been executed.²² Operating costs include labor, materials, management, and all applicable taxes paid to the appropriate jurisdictions.²³
13. Minn. Stat. § 216B.243 generally requires a Certificate of Need (CON) to construct a generation facility with a total capacity of 50 MW or more; a CON is not required if the facility is selected in a bidding process established by the Commission (Minnesota Statute § 216B.2422, Subd. 5(b)).²⁴ The Expansion Project was selected in such a process by the Commission.²⁵ Accordingly, the Expansion Project is exempt from the CON process.²⁶
14. The Existing Facility is located in Blue Earth County within the municipal limits of the City of Mankato, with the address 1 Fazio Lane.²⁷ The Existing Facility is located east of U.S. Highway 169, north of U.S. Highway 14, and west of County Road 5 (3rd Avenue).²⁸
15. The Existing Facility site is approximately 25 acres in size and within an area zoned Class 3A – Commercial/Industrial/Public Use.²⁹
16. The Expansion Project will be located, constructed, and operated within the Existing Facility site.³⁰

¹⁸ *Id.*

¹⁹ Exhibit 2 at 2-11.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ Exhibit 2 at 1-1.

²⁵ Commission Order Approving Power Purchase Agreement with Calpine, Approving Power Purchase Agreement with Geronimo, and Approving Price Terms with Xcel, Docket No. E-002/CN-12-1240 (February 5, 2015) (eDockets No. 20152-107070-01) [hereinafter Commission PPA Order].

²⁶ Exhibit 12 at 5.

²⁷ Exhibit 2 at 2-3.

²⁸ *Id.*

²⁹ Exhibit 2 at 4-1.

³⁰ Exhibit 2 at 2-3.

III. Procedural Background

17. On September 16, 2004, the Mankato Energy Center received a Site Permit to construct a primarily natural gas fired, combined cycle electric generating facility in Blue Earth County, Minnesota.³¹ The facility was permitted to consist of two combined-cycle power trains, one steam generator and other ancillary equipment. Each combined cycle power train includes one combustion turbine generator and one heat recovery steam generator.³²
18. The Mankato Energy Center was constructed and commenced operations with only one combined cycle power train.³³
19. On February 5, 2015, the Minnesota Public Utilities Commission ("Commission") issued an Order in Docket No. E002/CN-12-1240 approving a draft power purchase agreement ("PPA") between MEC II and Northern States Power Company, dba, Xcel Energy ("NSP") pursuant to which NSP would purchase energy and capacity from a planned expansion of the Mankato Energy Center.³⁴
20. On May 6, 2015, the PPA was subsequently executed by MEC II and NSP and submitted as part of a compliance filing with the Commission.³⁵
21. On June 29, 2015, notification of the Applicant's intent to submit the Site Permit Application under the alternative site permitting process was provided to the Commission.³⁶
22. On August 8, 2015, the Application for a Site Permit was submitted to the Commission by the Applicant.³⁷
23. On August 10, 2015, the Commission provided notice of a public comment period regarding Site Permit Application completeness.³⁸
24. On August 24, 2015 the Commission received comments on Site Permit Application completeness from the Department of Commerce, Energy Environmental Review and Analysis ("DOC EERA") unit.³⁹ The DOC EERA recommended that the Commission accept the application for the Project as complete. Additionally, DOC EERA staff recommended that the Commission take no action on an advisory task force.⁴⁰

³¹ Exhibit 2 at 2-1.

³² *Id.*

³³ *Id.*

³⁴ Exhibit 2 at 1-1; see also Commission PPA Order.

³⁵ Exhibit 2 at 1-1; see also Power Purchase Agreement Between Northern States Power Company and Mankato Energy Center II, LLC (May 6, 2015) (eDockets No. 20155-110185-04).

³⁶ Exhibit 1.

³⁷ Exhibit 2.

³⁸ Exhibit 3.

³⁹ Exhibit 4.

⁴⁰ *Id.*

25. On September 18, 2015, the Commission issued a Public Information and Scoping Meeting notice.⁴¹
26. On October 5, 2015, the Applicant submitted an Affidavit of Publication from Blue Earth County showing that the meeting notice for the October Public Information and Scoping Meeting had been published in the newspaper titled "The Free Press and the Land".⁴²
27. On October 13, 2015, a Public Information and Scoping meeting was held at the County Inn & Suites in Mankato, Minnesota. Commission and DOC EERA staff were present to answer questions and gather comments from the public regarding the Expansion Project.⁴³ The Applicant was also present at the meeting.⁴⁴ Three members of the public attended the meeting but had only informal comments.⁴⁵ There were no formal comments presented by the public at the meeting.⁴⁶
28. On October 14, 2015, the Commission issued an Order Finding the Site Permit Application complete, requesting a summary report and granting a variance to extend the time period of Minn. R. 7850.3700, subp. 3, to extend the 10-day time limit for the Department of Commerce to issue its scoping decision.⁴⁷
29. On October 27, 2015, the Minnesota Department of Transportation ("MnDOT") submitted comments to the DOC EERA regarding the project noting that the current design would not impact the state trunk highway system and requesting notification if design changes occur that could impact MnDOT right-of-way in the area.⁴⁸ MnDOT also requested that the Applicant coordinate with MnDOT when planning hauling routes for oversized loads.⁴⁹
30. On October 29, 2015, the DOC EERA published a summary of comments on the scope of the Environmental Assessment (EA) for the Expansion Project.⁵⁰ Comments were received from the Minnesota State Historic Preservation Office ("SHPO"), noting that no archaeological or historic resources would be impacted by the project; comments were also received from MnDOT, as described above.⁵¹ In addition, comments were also received from one citizen expressing support for the Expansion Project and its location.⁵²

⁴¹ Exhibit 6.

⁴² Exhibit 7.

⁴³ Exhibit 6.

⁴⁴ Exhibit 8.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ Exhibit 5.

⁴⁸ MnDOT Comment Letter (Oct. 27, 2015) (eDockets No. 201510-115129-01).

⁴⁹ *Id.*

⁵⁰ Exhibit 8.

⁵¹ *Id.*

⁵² *Id.*

31. On November 4, 2015, the DOC EERA issued an environmental assessment scoping decision for the Expansion Project.⁵³ No alternative sites were included in the scope of the EA.⁵⁴
32. On November 5, 2015, the DOC EERA issued notice of the environmental assessment scoping decision for the Expansion Project.⁵⁵
33. On January 27, 2016, the DOC EERA filed their Requests to Applicant for Additional Project Information and Applicant Responses.⁵⁶
34. On February 8, 2016, the Commission issued a Notice of Public Hearing for the Site Permit Application⁵⁷ and provided the generic template for large electric power generating plant site permits.⁵⁸
35. On February 9, 2016, the Commission submitted a request for state agency participation in Record Development and Public hearings regarding the Expansion Project.⁵⁹
36. On February 16, 2016, the Applicant submitted an Affidavit of Publication from Blue Earth County showing that the February public hearing notice had been published in the newspaper titled "The Free Press and the Land".⁶⁰
37. On February 18, 2016, the DOC EERA issued the EA for the Expansion Project.⁶¹ DOC EERA subsequently issued a Notice of Availability for the EA, stating that the DOC EERA had issued the EA for the Expansion Project, making it available for public review and comment.⁶²
38. On February 29, 2016, Notice of Availability of the EA was published in the Environmental Quality Board (EQB) Monitor.⁶³
39. Copies of the EA were distributed to public agencies with authority to permit or approve the Expansion Project.⁶⁴

⁵³ Exhibit 9.

⁵⁴ *Id.*

⁵⁵ Exhibit 10.

⁵⁶ Exhibit 11.

⁵⁷ Exhibit 17.

⁵⁸ Exhibit 16.

⁵⁹ Request for State Agency Participation (Feb. 9, 2016) (eDockets No. 20162-118097-01).

⁶⁰ Affidavit of Publication (Feb. 16, 2016) (eDockets No. 20162-118323-01).

⁶¹ Exhibit 12.

⁶² Exhibit 13.

⁶³ Exhibit 15.

⁶⁴ Exhibit 14.

40. On March 7, 2016, a Public Hearing was held at the County Inn and Suites in Mankato, Minnesota and was held before Administrative Law Judge James LaFave.⁶⁵ Staff from the Commission and the DOC EERA were present as well as the Applicant. Information related to the Site Permit process, the EA and the Expansion Project were briefly provided by Mr. Ray Kirsch of the DOC EERA, Ms. Tricia DeBleeckere of the Commission and by Mr. John Flumerfelt on behalf of the Applicant.⁶⁶ There were three members of the public that provided verbal comments and questions at the hearing. Responses to the verbal questions and comments from the public were provided during the hearing from the Applicant, Commission staff, and DOC EERA staff⁶⁷.
41. On March 17, 2016, the Office of Administrative Hearings published the March 7 public hearing sign in sheets and transcripts.⁶⁸
42. On March 18, 2016, the Applicant submitted a comment letter on the Environmental Assessment prepared for the Project.⁶⁹
43. On March 21, 2016, the Commission issued a summary of the comments received via mail or the Commission's SpeakUp webpage during the public hearing comment period. The summary stated that there were no public or agency comments received.⁷⁰
44. On March 31, 2016, the Minnesota Pollution Control Agency ("MPCA") filed a letter with the Commission regarding comments on the Environmental Assessment prepared for the Project. The MPCA indicated that they had no comments on the EA or the Expansion Project at that time.⁷¹
45. No other public comments were received during the public hearing comment period.

IV. Public and Agency Participation

46. For projects seeking a Site Permit under the alternative permitting process, the DOC EERA prepares an EA for the Commission containing information on the human and environmental impacts of the proposed project.⁷² The EA is the only State environmental review document required to be prepared for the Project.⁷³
47. The scoping process is the first step in developing an EA. The DOC EERA is required to "provide the public with an opportunity to participate in the development of the

⁶⁵ Summary of Public Testimony (April 13, 2016) (eDockets No. 20164-120013-01).

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ March 7 Public Hearing Sign-in Sheets (Mar. 17, 2016) (eDockets No. 20163-119205-02); March 7 Public Hearing Transcript (Mar. 17, 2016) (eDockets No. 20163-119204-01).

⁶⁹ Calpine Comments (Mar. 18, 2016) (eDockets No. 20163-119274-01).

⁷⁰ Summary of Comments (Mar. 21, 2016) (eDockets No. 20163-119292-01).

⁷¹ MPCA Comments (Mar. 31, 2016) (eDocket No. 20163-119582-01).

⁷² Minn. Stat. § 216E.04, Subd. 5.

⁷³ *Id.*

scope of the environmental assessment by holding a public meeting and by soliciting public comments.”⁷⁴

48. The Commission published a notice of a Public Information and Scoping Meeting for the preparation of the EA for the Expansion Project on September 18, 2015.⁷⁵ The Public Information and Scoping Meeting was held on October 13, 2015.⁷⁶ There were no oral comments submitted during the public meeting.⁷⁷ There was one written comment letter provided by the public related to the scoping of the EA.⁷⁸ The letter expressed support of the Expansion Project, stating the Existing Facility was sited in a good location within an industrial area and the facility is a good clean source of reliable energy.⁷⁹
49. There were two agency comment letters related to the Scoping of the EA submitted to the DOC EERA. One letter was submitted by the State Historic Preservation Office (SHPO)⁸⁰ and the other letter was submitted by the Minnesota Department of Transportation (MnDOT).⁸¹ The letter from SHPO stated that there are no historic properties listed on the State or Federal Register that would be impacted by the Expansion Project and that there are no known archeological properties in the area that would be impacted.⁸² The letter from MnDOT stated that the Applicant will need to coordinate with MnDOT as necessary for transportation and delivery of large, oversized loads and equipment during the construction of the Expansion Project to ensure impacts to roadways and transportation construction projects do not occur.⁸³ The MnDOT letter further stated that in the event that the construction of the Expansion Project impacts MnDOT right-of-way, the Applicant should notify MnDOT and coordinate with them in the planning of such activities that could impact road right-of-way.⁸⁴
50. The Commission published a notice of a Public Hearing and the opportunity for comment on the EA for the Expansion Project on February 8, 2016.⁸⁵ The DOC EERA staff published the EA and made it available for review and comment on February 18, 2016.^{86, 87} The Public Hearing was held before Administrative Law Judge James

⁷⁴ Minnesota Rules 7850.3700, subp. 2A.

⁷⁵ Exhibit 6.

⁷⁶ Exhibit 8.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ MnDOT Comment Letter (October 27, 2015) (eDockets Number 201510-115129-01).

⁸² Exhibit 8.

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ Exhibit 17.

⁸⁶ Exhibit 12.

⁸⁷ Exhibit 13.

LaFave on March 7, 2016.⁸⁸ At the hearing there were verbal comments submitted by three members of the public.⁸⁹

51. Mr. Drew Campbell, a commissioner for Blue Earth County, asked several questions related to the need for the Expansion Project and how it would fit into the existing mandates in Minnesota for renewable energy.⁹⁰ Comments and questions from Mr. Campbell were addressed by a combination of the Applicant, DOC EERA staff and Commission staff.⁹¹ Mr. Campbell also asked about the increased water need for the Expansion Project.⁹² This question was answered by DOC EERA staff who indicated that the water would continue to come from the Mankato Wastewater Treatment Plant and that this item is addressed within the EA.⁹³ Mr. Campbell also asked if there would be prevailing wages paid to workers for the construction of the Expansion Project.⁹⁴ The Applicant indicated that it had not conducted outreach for construction jobs but that it was sure that the answer would be "yes."⁹⁵
52. Mr. Cameron Rather asked questions related to the pipeline and gas usage for the Existing Facility and the Expansion Project, wanting to know if sufficient gas supply is available and who is responsible for providing the natural gas to operate the facility.⁹⁶ These questions were addressed by Mr. John Flumerfelt from the Applicant who explained the infrastructure needed to deliver the natural gas required for the Expansion Project is already in place and that Xcel Energy is responsible for ensuring there is sufficient gas quantity available and Xcel is further responsible for delivering the natural gas to the lateral pipeline that serves the facility.⁹⁷
53. Mr. Randy Westman asked a question related to the timing for start of construction for the Expansion Project.⁹⁸ This question was answered by Mrs. Heidi Whidden from the Applicant who stated that the current schedule is for construction of the Expansion Project to begin in the fourth quarter of 2016.⁹⁹
54. There were no letters submitted by the public commenting on the EA.¹⁰⁰ There was one letter submitted by a state agency, the Minnesota Pollution Control Agency

⁸⁸ Summary of Public Testimony (April 13, 2016) (eDockets Number 20164-120013-01).

⁸⁹ *Id.*

⁹⁰ *Id.* at 4.

⁹¹ *Id.*

⁹² *Id.*

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.* at 5.

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ Summary of Comments (Mar. 21, 2016) (eDockets No. 20163-119292-01).

(MPCA).¹⁰¹ The MPCA letter stated that they had no comments on the EA for the Expansion Project.¹⁰²

55. The Applicant submitted a comment letter on the EA for the Expansion Project.¹⁰³ The letter from the Applicant stated agreement with the analysis and conclusions in the EA and provided clarifying information related to the topics of impervious surface, wetlands, and construction practices related to stormwater control.¹⁰⁴ The Applicant stated that construction of the project should not be limited to daytime hours by Minnesota noise standards, but instead should be allowed to proceed during daytime and nighttime hours while meeting Minnesota noise standards.¹⁰⁵

V. Factors for Site Permit

56. Minnesota Statutes Chapter 216E (2015) requires a site permit for the proposed Project.¹⁰⁶
57. Minn. Stat. § 216E.09¹⁰⁷ provides that site permits issued by the Commission “shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.”
58. The Power Plant Siting Act (“PPSA”), Minnesota Statutes Chapter 216E, requires that “it to be the policy of the state to locate large electric power facilities in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the commission shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.”¹⁰⁸
59. Under the Minn. Stat. § 216E.03, Subd. 7, the Commission must be guided by the following responsibilities, procedures, and 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;

¹⁰¹ MPCA Comments (March 31, 2016) (eDockets Number 20163-119582-01).

¹⁰² *Id.*

¹⁰³ Calpine Comments (March 18, 2016) (eDockets Number 20163-119274-01)

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ Minn. Stat. § 216E.

¹⁰⁷ Minn. Stat. § 216E.09.

¹⁰⁸ Minn. Stat. § 216E.02, Subd. 1.

- (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 subdivision 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 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.
60. In addition, the Commission is governed by Minnesota Rules 7850.4100, which mandates consideration of the following factors when determining whether to issue a site permit for a large electric power generating plant:
- A. effects on human settlement, including, but not limited to, displacement, noise, aesthetics, cultural values, recreation, and public services;
 - B. effects on public health and safety;
 - C. effects on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining;
 - D. effects on archaeological and historic resources;
 - E. effects on the natural environment, including effects on air and water quality resources and flora and fauna;
 - F. effects on rare and unique natural resources;
 - G. application of design options that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission or generating capacity;

- H. use or paralleling of existing rights-of-way, survey lines, natural division lines, and agricultural field boundaries;
- I. use of existing large electric power generating plant sites;
- J. use of existing transportation, pipeline, and electrical transmission systems or rights-of-way;
- K. electrical system reliability;
- L. costs of constructing, operating, and maintaining the facility which are dependent on design and route;
- M. adverse human and natural environmental effects which cannot be avoided; and
- N. irreversible and ir retrievable commitments of resources.

VI. Application of Siting Factors

A. Environmental Setting

61. The Combined Facility, which is the Existing Facility plus the Expansion Project, is located within an industrial area in the City of Mankato.¹⁰⁹ Adjacent properties consist of numerous industrial and manufacturing facilities including Xcel Energy's Wilmarth Generating Plant and electrical substation, a waste processing company, auto salvage yards, scrap metal operations, a construction company, a U.S. Postal Service mail processing facility, and a household hazardous waste collection site.¹¹⁰ There are numerous railroad tracks and spur lines in the area as well as overhead electrical transmission lines.¹¹¹ Previously there was a single residential dwelling located approximately 2,000 feet north of the fence line of the Existing Facility, however this property is now vacant.¹¹² The nearest residential areas of Mankato lie more than one-half mile to the south on the other side of U.S. Highway 14.¹¹³
62. The Minnesota River is located approximately 1,800 feet west of the Existing Facility.¹¹⁴ The river and adjacent wooded river bottoms provide wildlife habitat as well as recreational opportunities in the form of boating, fishing, and hunting.¹¹⁵ There are also trails, parks, and other recreational facilities in the general area.¹¹⁶ A large drainage ditch is located along the east side of the site, which flows in a north/northwesterly direction to the Minnesota River.¹¹⁷ The Minnesota River valley extends approximately one mile to the east of the site at which point steep bluffs rising 150 feet dominate the landscape.¹¹⁸ Outlying rural areas to the north and east

¹⁰⁹ Exhibit 2 at 4-1.

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

of the site in Lime Township consist predominately of agricultural and conservation lands.¹¹⁹

B. Required Permits and Approvals

The table below lists the permits identified as needed for the Expansion Project.¹²⁰

Table 1: List of Expansion Project Permits

Unit of Government	Type of Approval	Regulated Activity	Status
Federal			
FAA	Notice of Proposed Stack Construction	Stack height greater than 200 feet above ground level	To be provided, if needed. Stack anticipated to be less than 200 feet.
U.S. EPA	Acid Rain Permit	Title IV Acid Rain Certificate of Representation for the discharge of sulfur oxides	To be obtained
	Risk Management Plan/Process Safety Management (RMP/PSM)	Risk management plan is required for facilities possessing more than threshold quantities of regulated chemicals (e.g., anhydrous ammonia)	To be updated
	Conditionally Exempt Small Quantity Generator	Hazardous waste generation	The facility has an existing Hazardous Waste Generation license and will amend as necessary.
Federal Energy Regulatory Commission (FERC)	Exempt Wholesale Generator Self-Certification;	Provide documentation to FERC that entity is operating a power generating facility and selling electric energy at wholesale;	To be obtained
	Market-based Rate Authorization	Authorization to sell electric power at Market Based rates; granted to Exempt Wholesale Generators.	To be obtained
U.S. Fish and Wildlife Service	EPA Consultation with U.S. Fish and Wildlife Service for Threatened and Endangered Species	Demonstrate that project development does not have the potential to disturb a listed species and/or provide mitigation for impacts	Consultation pending – submitted to U.S. EPA on June-15-2015
State of Minnesota			
MISO	Approval as a Network Resource for Xcel	Generator interconnection and transmission access	To be amended

¹¹⁹ *Id.*

¹²⁰ Exhibit 2 at 11-1; see also Exhibit 12 at 8-10.

Unit of Government	Type of Approval	Regulated Activity	Status
PUC	Power Plant Siting Permit	Review of potential human and environmental impacts associated with the siting of a large electric power generating plant. Qualifies for alternative review process for facilities fueled by natural gas	Pending – Permit application submitted Aug-5-2015
SHPO	Cultural Resources Review	Review of agency records for the presence of archeological, historical, or architectural resources at or near the site that may be affected by the project	Completed - Received comment letter dated Apr-2-2015
MDNR	Minnesota Natural Heritage Database Review	Review of the Minnesota Natural Heritage Information System database for the presence of any rare plant communities or animal species, unique resources, or other significant natural features at or near the site that may be affected by the project	Completed - Received comment letter dated May-19-2015
MPCA	NPDES/SDS General Stormwater Discharge Permit (MN R100001) for Construction Activities	Stormwater discharges associated with construction activities disturbing one or more acres of land	To be submitted
	NPDES/SDS General Stormwater Discharge Permit (MNR0534NJ) for Industrial Activities	Stormwater discharges associated with industrial activities at the Facility. Coverage under the permit requires preparation of a Stormwater Pollution Prevention Plan	Will be revised as necessary
	Air Emission Facility Permit (Combined Construction and Title V Operating)	Air emissions - permitting requirements associated with federal PSD new source review and NSPS requirements, and other applicable state/federal requirements	Amendment Pending – Permit application Submitted Nov-3-2015
	Hazardous Waste Generator License	Hazardous waste generation	The facility has an existing EPA notice of Hazardous Waste Generation and will amend as necessary.
	Spill Prevention, Control and Countermeasure Plan	Aboveground storage of greater than 1,320 gallons of fuel oil; no changes as a result of Expansion Project	Update as needed
	Storage Tank Registration and Permitting	Anyone wishing to operate a new or existing regulated storage tank must register that tank with MPCA. Regulated storage tanks are those that are not otherwise exempt and that contain a regulated substance	To be obtained if needed for new tanks

Unit of Government	Type of Approval	Regulated Activity	Status
	Facility Response Plan	Applicable for facilities that have oil storage greater than or equal to 42,000 gallons that transfers oil over water to/from vessels or has total oil storage greater than or equal to 1 million gallons and meets selected conditions	The facility has an existing plan that meets FRP requirements. To be amended as needed
MnDOT	Special Hauling Permit (Oversize/Overweight)	For delivery of oversize and/or super loads of construction equipment and others to the property	To be obtained if needed
	Highway Occupancy Permits	MnDOT regulates and/or gives approval for the use and occupancy of highway right of way by utility facilities or private lines	To be obtained if needed
Local			
City of Mankato	Conditional Use Permit	Electric generating facility within areas zoned M-2, Heavy Industrial District	To be amended
	Building Permit	Site grading, development, construction, and occupancy approval	To be obtained
	Connections to municipal sewer and water as well as gray water from Waste Water Treatment Plant	Obtain approvals from City	To be amended
	Wetland No-Loss Application	Submit to City	Submitted as part of original construction, will update if needed.
Other			
Utilities	Utility Connection Permits and Approvals	Connections of Expansion Project related equipment to necessary utilities (e.g., water, wastewater, gas pipelines, transmission lines, telecommunications)	To be obtained as needed

C. Displacement

63. The project site is zoned for industrial use.¹²¹ The Expansion Project will take place within the fence line of the Existing Facility.¹²² The Expansion Project will secure additional lands for temporary construction laydown space, which will be leased from a nearby property owner and may be located on either vacant industrial lands or

¹²¹ Exhibit 2 at 4-1.

¹²² *Id.*

agricultural lands.¹²³ There will be no physical displacement of land owners or residents as a result of the Expansion Project.¹²⁴

D. Noise

64. The City of Mankato does not have a noise ordinance but relies on the State's noise standards for local control of noise problems.¹²⁵
65. Noise will be generated during construction of the Expansion Project as well as during normal operation of the Combined Facility.¹²⁶ The Applicant indicated that construction noise impacts will be mitigated by controlling the extent and duration of noise generating activities and limiting the duration of the overall construction period.¹²⁷ Noise impacts due to construction of the project are anticipated to be minimal.¹²⁸
66. The major components of the Expansion Project that will contribute to noise generated during the operation of the Combined Facility include the cooling tower cells, the CTGs, electrical transformers and HRSGs.¹²⁹ Modeling conducted by the Applicant indicates that the noise levels with the Expansion Project will be within state noise standards for industrial properties.¹³⁰
67. Noise impacts from operation of the Expansion Project are anticipated to be minimal and within state noise standards.¹³¹ Operation of the Combined Facility will increase noise levels in the project area.¹³² Even though noise levels are within state standards, persons near the plant – e.g., persons in or near the industrial area in which the Combined Facility is located – would likely notice an increase in noise levels.¹³³ Operational noise impacts will be mitigated, to a great extent, by the location of the Combined Facility (away from persons and residential receptors) and by the fact that impacts will be incremental.¹³⁴

E. Aesthetics

¹²³ *Id.*

¹²⁴ Exhibit 12 at 29.

¹²⁵ Exhibit 2 at 4-2.

¹²⁶ Exhibit 12 at 28.

¹²⁷ *Id.*

¹²⁸ *Id.*

¹²⁹ Exhibit 2 at 4-2.

¹³⁰ Exhibit 12 at 29.

¹³¹ *Id.*

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.*

68. The Combined Facility is located in an industrial area on the north edge of Mankato.¹³⁵ The Existing Facility site is already established and the Expansion Project will occur within the Existing Facility's footprint.¹³⁶
69. The tallest structure at the Existing Facility is the CTG stack, which is just under 200 feet tall.¹³⁷ All other structures at the Existing Facility are shorter than the CTG stacks, and range from 30 to 120 feet in height.¹³⁸ The building that will contain the new CTG and HRSG units will be similar in appearance and height compared to the existing buildings.¹³⁹ The tallest structure installed as a result of the Expansion Project will be a second CTG stack, approximately 200 feet in height.¹⁴⁰
70. The CTG stacks are most visible from the west end of Summit Avenue and possibly visible from the Minnesota River.¹⁴¹ Due to the existing topography, finished grades at the landfill, a dense grove of mature trees located around the perimeter of the site, and the distance away from adjacent roadways, most of the other structures at the Combined Facility will not be visible to the general public.¹⁴²
71. Visible water vapor plumes from the CTG stacks and from the cooling tower may occur under certain meteorological conditions.¹⁴³ The length and persistence of these visible plumes are influenced by prevailing weather conditions such as temperature, relative humidity, and wind speed. On most days of the year, however, visible steam or vapor plumes, if present, disperse and evaporate after traveling only a moderate distance aloft.¹⁴⁴
72. The Combined Facility must apply Best Available Control Technology (BACT) for visibility-related pollutants.¹⁴⁵ Nitrogen oxide emissions are and will continue to be continuously monitored to ensure compliance with BACT-related emission limits.¹⁴⁶ Accordingly, emissions from the Combined Facility are not expected to have a significant impact on local visibility.¹⁴⁷
73. Lighting at the Combined Facility will be provided for security and plant operational purposes.¹⁴⁸ Lighting will be expanded in the same manner for the newly installed

¹³⁵ Exhibit 2 at 4-4.

¹³⁶ *Id.*

¹³⁷ Exhibit 12 at 26.

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ Exhibit 2 at 4-4.

¹⁴² Exhibit 2 at 4-4 to 4-5; Exhibit 12 at 26.

¹⁴³ Exhibit 12 at 26.

¹⁴⁴ Exhibit 12 at 26 and 38.

¹⁴⁵ Exhibit 2 at 4-5.

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

equipment.¹⁴⁹ No additional aesthetic impacts from lighting are anticipated from the Expansion Project.¹⁵⁰

74. Aesthetic impacts due to the Expansion Project are anticipated to be incremental and minimal.¹⁵¹

F. Socioeconomic Impacts

75. The construction of the Expansion Project and the operation of the Combined Facility will provide economic benefits to the local community resulting from the construction and continued operation of the facility and through the purchase of local goods and services.¹⁵² Some of the economic benefits include the following:
- a. Construction of the Expansion Project is estimated to exceed \$200 million and will employ as many as 250 construction workers at peak construction periods.¹⁵³ These jobs (include welders, pipefitters, iron workers, millwrights, carpenters, electricians, and other trades) will benefit the local economy during the construction phase.¹⁵⁴ Construction is estimated to take 24 to 27 months to complete.¹⁵⁵
 - b. Once in operation, the Combined Facility anticipates hiring two additional employees, for a total of approximately 19 full time employees and indirect jobs to the area in the form of local support services.¹⁵⁶
 - c. The state of Minnesota and Blue Earth County will receive tax revenue from the construction of the project as well as continue to receive income taxes from permanent full-time employees operating the Combined Facility.¹⁵⁷
 - d. MEC I and MEC II will remain an active member of the local community, participating in charitable events, community service organizations, and outreach programs.¹⁵⁸
76. Adverse economic impacts are anticipated to be minimal.¹⁵⁹ Disruptions to local businesses due to construction of the Project are anticipated to be minimal.¹⁶⁰

G. Cultural Values

77. Cultural values in the project area are informed by history and heritage, by the work and recreation of residents, and by geographical features.¹⁶¹ The cities of Mankato

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ Exhibit 12 at 25-27.

¹⁵² Exhibit 12 at 29.

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*

¹⁵⁷ Exhibit 2 at 4-6.

¹⁵⁸ *Id.*

¹⁵⁹ Exhibit 12 at 30.

¹⁶⁰ *Id.*

¹⁶¹ Exhibit 12 at 30.

and North Mankato have become a regional center for commerce, education, health care, and industry.¹⁶² The City of Mankato, and the project area generally, host multiple cultural events each year.¹⁶³

78. No impacts to cultural values are anticipated as a result of the Project.¹⁶⁴ The project will not adversely impact the heritage, work, or recreation of residents in the project area that underlie the community's cultural values.¹⁶⁵

H. Recreation

79. There are no designated recreational facilities located on or immediately adjacent to the Existing Facility site.¹⁶⁶
80. Although there are recreational facilities in the vicinity of the Project, construction and operation of the Combined Facility will not directly impact existing public land, trails, parks, or other areas used for recreation.¹⁶⁷ Neither the Expansion Project nor the Combined Facility would result in impacts to recreation.¹⁶⁸

I. Public Services

81. The existing public roadway network and site access road are adequate to serve the Combined Facility.¹⁶⁹ No public transportation improvements will be required for construction or operation of the Project.¹⁷⁰
82. The Mankato Municipal Airport, located approximately 3.7 miles to the northeast in Lime Township, is the closest active airport to the site; impacts to this airport are not anticipated as a result of the Project.¹⁷¹
83. Water and sewer services are provided to the Existing Facility by the City of Mankato.¹⁷² The City supplies both domestic water and service water and receives domestic wastewater discharges. The Combined Facility will continue to operate and utilize gray water for cooling water in the same manner as current conditions after the Expansion Project is constructed with the exception of the increased volume of water required at the Combined Facility.¹⁷³

¹⁶² *Id.*

¹⁶³ *Id.*

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ Exhibit 12 at 41-42.

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

¹⁶⁹ Exhibit 12 at 30-32.

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ Exhibit 2 at 3-2.

84. Service and domestic water is supplied to the Existing Facility by the City of Mankato through a lateral service line connection to the municipal water supply system. The City of Mankato municipal water supply system will continue to provide service water to the Combined Facility.¹⁷⁴
85. The City of Mankato Wastewater Treatment Plant (WWTP) provides grey water that is used as cooling water at the Existing Facility.¹⁷⁵ The Expansion Project will increase the use of grey water from the City of Mankato.¹⁷⁶ The Applicant will work with the Mankato WWTP to upgrade existing pumps or install new pumps to supply the additional grey water needed for the Expansion Project.¹⁷⁷
86. The Combined Facility will continue to operate under an existing contract with the Mankato WWTP for cooling water that allows for a maximum water usage of 6.2 million gallons per day, however actual historic usage has been significantly less than the maximum potential use since the facility is not in continuous operation.¹⁷⁸
87. There are water storage facilities on site that serve the Existing Facility, such as serviced and demineralized water storage tanks and there are additions that are being explored as part of the Expansion Project.¹⁷⁹ No additional improvements to water utilities are anticipated for the construction of the Expansion Project or operation of the Combined Facility.¹⁸⁰
88. Local waste haulers are privately contracted with to properly collect and dispose of all liquid and solid wastes generated at the Existing Facility.¹⁸¹ No additional municipal services would be required with the Expansion Project.¹⁸²
89. Electrical service in the project area is provided by Xcel Energy and regional electric cooperatives.¹⁸³ Electrical power produced by the Expansion Project may be used in the project area or distributed to other areas through the electric transmission system.¹⁸⁴ No adverse impacts to electrical service are anticipated as a result of the Project.¹⁸⁵

¹⁷⁴ Exhibit 2 at 3-3.

¹⁷⁵ Exhibit 12 at 31-32.

¹⁷⁶ *Id.*

¹⁷⁷ *Id.*

¹⁷⁸ Exhibit 2 at 2-8.

¹⁷⁹ Exhibit 2 at 4-8.

¹⁸⁰ *Id.*

¹⁸¹ *Id.*

¹⁸² *Id.*

¹⁸³ Exhibit 12 at 32.

¹⁸⁴ *Id.*

¹⁸⁵ *Id.*

90. Natural gas service for the facility is provided by CenterPoint Energy.¹⁸⁶ The Project will utilize an existing natural gas pipeline that is sized to support the Project.¹⁸⁷ No new gas pipeline will be required for the Project.¹⁸⁸ No adverse impacts to natural gas service are anticipated as a result of the Project.¹⁸⁹
91. The City of Mankato provides fire and police protection and rescue services.¹⁹⁰ The Existing Facility is equipped with a security system and fire suppression system.¹⁹¹ The Combined Facility is not anticipated to affect the existing capabilities of the City's fire and police departments.¹⁹²

J. Effects on Human Health

i. Air Emissions

92. The Existing Facility (MEC I) is currently subject to state and federal Prevention of Significant Deterioration (PSD) requirements because the facility qualifies as a major stationary source under PSD rules.¹⁹³ The Existing Facility potential emissions of particulate matter (PM), PM less than 10 microns (PM₁₀), PM less than 2.5 microns (PM_{2.5}), sulfur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOC), and carbon monoxide (CO) are greater than the PSD major source threshold of 100 tons/yr.¹⁹⁴ The Existing Facility potential greenhouse gas (GHG) emissions are greater than the PSD major source threshold of 100,000 tons/yr.¹⁹⁵
93. The Applicant must obtain a PSD permit from the MPCA to operate the Expansion Project.¹⁹⁶ This permit requires the application of Best Available Control Technology (BACT) to control emissions from the Combined Facility.¹⁹⁷ The Expansion Project will satisfy BACT requirements by utilizing the following emissions control strategies¹⁹⁸:
- Firing primarily natural gas in the turbines to minimize NO_x, sulfur dioxide and particulate emissions.
 - Using dry low NO_x (DLN) combustors while firing natural gas to minimize the formation of oxides of nitrogen in the combustion turbine.
 - Using selective catalytic reduction (SCR) to reduce oxides of nitrogen emissions in the combustion turbine exhaust gas.

¹⁸⁶ *Id.*

¹⁸⁷ *Id.*

¹⁸⁸ *Id.*

¹⁸⁹ *Id.*

¹⁹⁰ Exhibit 2 at 4-8.

¹⁹¹ *Id.*

¹⁹² *Id.*

¹⁹³ Exhibit 2 at 5-1; Exhibit 12 at 33-35.

¹⁹⁴ Exhibit 2 at 5-1.

¹⁹⁵ *Id.*

¹⁹⁶ Exhibit 12 at 33-35; Exhibit 2 at 11-1 to 11-2.

¹⁹⁷ Exhibit 12 at 38.

¹⁹⁸ *Id.*

- d. Using catalytic oxidation to reduce CO, VOC, and organic air pollutant emissions from the combined cycle system exhaust gas.
 - e. Limiting operation of the emergency generator and fire pump, as practicable, to less than 100 hours per year.
 - f. Using high efficiency mist eliminators to reduce cooling tower drift to minimize particulate emissions.
94. An air permit (PSD permit) application for the Expansion Project was submitted to the MPCA in November 2015.¹⁹⁹ Combustion-related emissions from the Expansion Project of PM, CO, NO_x, VOC and GHG are of primary interest because these pollutants are emitted in quantities that exceed the threshold triggering PSD review.²⁰⁰
95. Air modeling conducted by the Applicant indicated that emissions from the Project will not cause a violation of national ambient air quality standards and will not increase pollutants in the project area beyond the allowable PSD increment.²⁰¹ Impacts to public health resulting from the Project's impact on ambient air quality are anticipated to be minimal and within all state and federal standards.²⁰²
96. Compliance by the Combined Facility with emissions permit limits will be monitored by means of a Continuous Emission Monitoring Systems (CEMS) and demonstrated by periodic stack emissions tests or by monitoring fuel specifications.²⁰³ The Expansion Project will be installing CEMS to measure CO and NO_x emissions in the Expansion Project's exhaust.²⁰⁴ Stack testing or fuel monitoring will be required for the other pollutants as specified by the MPCA in the Expansion Project's air permit.²⁰⁵ The Existing Facility is equipped with CEMS and has completed required testing.²⁰⁶
97. The Applicant submitted an Air Emissions Risk Analysis (AERA) in accordance with MPCA technical guidance (*Facility Air Emissions Risk Analysis Guidance*; Version 1.0; September 2003) as part of its November 2015 air permit application.²⁰⁷ The results of the AERA indicated that potential health risks to residents in the project area due to potential air emissions are within state guidelines and are minimal.²⁰⁸
98. The accumulation of greenhouse gases in the atmosphere and associated warming of the planet is leading to a variety of adverse human and environmental impacts, including more severe droughts and floods, more heat related illnesses, and a

¹⁹⁹ Exhibit 12, Appendix E.

²⁰⁰ Exhibit 12 at 34-35 (Table 5).

²⁰¹ Exhibit 12 at 34.

²⁰² *Id.*

²⁰³ Exhibit 2 at 5-4.

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ *Id.*

²⁰⁷ Exhibit 12 at 35-36.

²⁰⁸ *Id.*

decrease in food security.²⁰⁹ Though a variety of gases contribute to the greenhouse effect, the most prominent greenhouse gas is carbon dioxide.²¹⁰

99. The Expansion Project has the potential to increase emissions of greenhouse gases (carbon dioxide equivalents, CO₂e) by approximately 1.5 million tons annually.²¹¹ The Combined Facility would have the potential to emit approximately 3 million ton CO₂e annually.²¹²
100. Between 2005 and 2012 Minnesota greenhouse gas emissions declined by 11 million tons CO₂e, or approximately seven percent.²¹³ During this period, emissions from the electric utility sector declined by approximately 17 percent.²¹⁴ This decline was due to utilities switching to less greenhouse gas intensive fuels, such as natural gas, and the increased use of renewable energy sources.²¹⁵
101. Though the Expansion Project will increase greenhouse gas emissions at the facility itself, the Project will displace more greenhouse gas intensive fuels and facilitate additional wind and solar generation, resulting in reduced greenhouse gas emissions in Minnesota.²¹⁶ Though the displacement of more greenhouse gas intensive fuels and the addition of wind and solar power generation depend on a variety of actions by multiple actors, trends in electric utility emissions from 2005 to 2012 indicate that these activities will occur.²¹⁷ Thus, the Project is anticipated to reduce greenhouse gas emissions in Minnesota overall and may reduce potential human and environmental impacts associated with global warming.²¹⁸

ii. Water Emissions

102. Wastewater from power systems at the Combined Facility will be collected and treated and then discharged to the Mankato WWTP.²¹⁹ The Mankato WWTP, after further treatment of the wastewater, will discharge it into the Minnesota River in accordance with the WWTP's permits.²²⁰ Discharges of wastewater are not anticipated to change as a result of the Expansion Project and are not anticipated to adversely impact public health.²²¹

²⁰⁹ Exhibit 12 at 36-37.

²¹⁰ *Id.*

²¹¹ *Id.*

²¹² *Id.*

²¹³ *Id.*

²¹⁴ *Id.*

²¹⁵ *Id.*

²¹⁶ *Id.*

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ Exhibit 12 at 39-40.

²²⁰ *Id.*

²²¹ *Id.*

103. Domestic wastewater from the Combined Facility will be discharged to the Mankato sanitary sewer system.²²² This discharge will be monitored by the city and is subject to pollutant discharge limits.²²³ No changes are anticipated in the handling of domestic wastewater as a result of the Expansion Project and no impacts to the Mankato sanitary sewer system or public health are anticipated.²²⁴
104. Stormwater from the power production areas at the Combined Facility will be treated to separate oil and water – oil will be shipped off-site for disposal; water will be recycled as cooling water makeup.²²⁵ Stormwater from non-power production areas will be routed to an existing stormwater basin.²²⁶ Stormwater flows from this basin through a drainage ditch to the Minnesota River; discharges are regulated by a national pollutant discharge elimination system / sanitary disposal system (NPDES/SDS) permit.²²⁷ No changes in stormwater handling are anticipated as a result of the expansion project; no public health impacts are anticipated as a result of stormwater from the project.²²⁸

iii. Water Vapor Plumes

105. Water vapor plumes from the stacks and from the cooling towers of the Combined Facility will have the potential to impair visibility and/or create icy areas on nearby roadways.²²⁹ The plumes rising from the HRSG stacks should dissipate well before reaching ground level.²³⁰ The cooling towers are designed to incorporate high efficiency drift eliminators to minimize fogging and icing potential from the plant.²³¹ Summit Avenue and 3rd Avenue, the nearest adjacent roadways, are at least 800 feet away from the cooling towers.²³² The Existing Facility has not received any complaints concerning plumes from the facility and additional plumage is anticipated to be minimal.²³³ Because plumes are anticipated to dissipate before reaching roadways, potential impacts to public health and safety due to water vapor plumes are anticipated to be minimal.²³⁴

iv. Fire and Electrocutation

²²² *Id.*

²²³ *Id.*

²²⁴ *Id.*

²²⁵ *Id.*

²²⁶ *Id.*

²²⁷ *Id.*

²²⁸ *Id.*

²²⁹ Exhibit 12 at 38-39.

²³⁰ *Id.*

²³¹ *Id.*

²³² *Id.*

²³³ *Id.*

²³⁴ *Id.*

106. Power generation equipment at the Combined Facility will have the potential to adversely impact public health by means of fire or electrocution.²³⁵ Because of systems and controls in place at the Existing Facility, because access to the Existing Facility is controlled, and because the facility is relatively distant from populated areas (approximately one-half mile), the risk to public health and safety from fire and electrocution is anticipated to be minimal.²³⁶

K. Effects on Land Based Economics

i. Agriculture

107. The Expansion Project will be located within the fence line of the Existing Facility.²³⁷ Additional land outside the fence line of the Existing Facility will be secured to serve as temporary construction laydown space and parking areas.²³⁸ The estimated construction time frame for the Expansion Project is approximately 24 to 27 months, which means the temporary construction laydown space, if located on agricultural land, would be used for two growing seasons.²³⁹ The amount of land needed for temporary construction space is less than 15 acres.²⁴⁰ This temporary use of agricultural lands for construction laydown space would only result in a very minor decrease in agricultural production for a limited time.²⁴¹ The Combined Facility would not result in permanent impacts to agricultural lands or crop production.²⁴²

ii. Forestry

108. The Expansion Project will be located within the fence line of the Existing Facility which is a developed site and will not result in the loss of trees or clearing of forest lands.²⁴³ There will be no adverse effects to the forestry economy as a result of the Combined Facility.²⁴⁴

iii. Tourism

109. The Combined Facility site is located in an existing industrial area and is not located on or near local tourist attractions.²⁴⁵ Construction of the Expansion Project will take

²³⁵ Exhibit 12 at 40.

²³⁶ *Id.*

²³⁷ Exhibit 2 at 6-1; Exhibit 12 at 41.

²³⁸ *Id.*

²³⁹ *Id.*

²⁴⁰ *Id.*

²⁴¹ *Id.*

²⁴² *Id.*

²⁴³ *Id.*

²⁴⁴ *Id.*

²⁴⁵ Exhibit 2 at 6-2; Exhibit 12 at 41-42.

place within the fence line of the Existing Facility.²⁴⁶ There will be no adverse effects to the tourism economy from the Combined Facility.²⁴⁷

iv. Mining

110. There will be no adverse effects to the mining economy from the Expansion Project.²⁴⁸ The Existing Facility site is a former limestone quarry that has been mined to completion and the Expansion Project will be located within the Existing Facility boundaries.²⁴⁹

L. Effects on Archaeological and Historic Resources

111. Information was requested from the State Historic Preservation Office (SHPO) about possible archeological, historical, or architectural resources located on or near the Expansion Project site.²⁵⁰ A response letter dated April 2, 2015 was received from SHPO indicating that no known or suspected archeological resources are present in the area that would be affected by the Expansion Project.²⁵¹ Further, SHPO indicated in its scoping comments that there are no archaeological or historic resources in the project area that would be affected by the Expansion Project.²⁵² Accordingly, and due to the disturbed nature of the site from the previous construction activity for the Existing Facility, construction of the Expansion Project and operation of the Combined Facility will have no impact on archeological, historical, or architectural resources.²⁵³

M. Effects on the Natural Environment

i. Air Quality

112. The construction of the Expansion Project and operation of the Combined Facility are not anticipated to result in changes to air quality that would impact plants, animals or soils.²⁵⁴ The Combined Facility must comply with applicable air emission standards in order to obtain an air permit from the MPCA.²⁵⁵ These standards are protective of public health and welfare, including the welfare of plants and animals.²⁵⁶

ii. Land

²⁴⁶ *Id.*

²⁴⁷ *Id.*

²⁴⁸ *Id.*

²⁴⁹ *Id.*

²⁵⁰ Exhibit 2, Appendix B.

²⁵¹ *Id.*

²⁵² Exhibit 8.

²⁵³ Exhibit 12 at 42.

²⁵⁴ *Id.*

²⁵⁵ *Id.*

²⁵⁶ *Id.*

113. The Existing Facility site is approximately 25 acres in size and is located within an area currently zoned as Class 3A – Commercial/Industrial/Public Utility.²⁵⁷ The construction of the Expansion Project will take place within the fence line of the Existing Facility on property fully owned by MEC I.²⁵⁸
114. The Existing Facility currently contains one CTG, one HRSG with natural gas-fired duct burners, one steam turbine generator with an associated heat rejection system, and various associated machinery and equipment required for operation of the power plant.²⁵⁹ An outside storage area containing sanitary and storm sewer pipe and miscellaneous construction material is located on the east side of the site.²⁶⁰ The Expansion Project will add one natural gas-fired CTG, an additional HRSG, and related ancillary equipment (e.g., four additional cooling tower cells and one emergency generator).²⁶¹
115. The Existing Facility site has been previously disturbed during facility construction and prior to that, by activities associated with past gravel and limestone mining activities and the nearby demolition landfill.²⁶² The disturbance for the construction of the Expansion Project will take place entirely within the boundaries of the Existing Facility site.²⁶³ The construction of the Expansion Project or operation of the Combined Facility will not result in significant changes in land cover or land use at the facility.²⁶⁴
116. The Applicant may secure land to use as temporary construction laydown space or parking areas.²⁶⁵ The execution of the options to utilize these parcels would ultimately be decided by the contractor selected for the Expansion Project.²⁶⁶ Utilization of these adjacent properties as temporary construction space would not alter their use classification.²⁶⁷ The existing wooded areas located along the east and south sides of the site will remain in place with only minimal potential disturbance by the Expansion Project.²⁶⁸ These wooded areas will continue to serve as a buffer and visual barrier between the site and adjacent properties.²⁶⁹
117. MEC I conducted a Phase I Environmental Site Assessment (ESA) and a limited Phase II investigation as part of the original construction to determine the potential for

²⁵⁷ Exhibit 2 at 8-1.

²⁵⁸ *Id.*

²⁵⁹ *Id.*

²⁶⁰ *Id.*

²⁶¹ *Id.*

²⁶² *Id.*

²⁶³ *Id.*

²⁶⁴ *Id.*

²⁶⁵ *Id.*

²⁶⁶ *Id.*

²⁶⁷ *Id.*

²⁶⁸ *Id.*

²⁶⁹ *Id.*

environmental liabilities associated with the site and adjacent properties.²⁷⁰ The Phase II study included a subsurface investigation that involved soil and groundwater sampling at five locations.²⁷¹ Based on the results presented in the Phase II report, it was determined that no environmental hazards were evident at the site due to past land use that would require further action.²⁷² The Expansion Project will be constructed within the areas originally investigated by the Phase I and Phase II ESA reports and no further ESA investigations are needed to support this construction.²⁷³

118. Ground elevation at the Existing Facility is relatively constant with a base elevation of 800 feet mean sea level (MSL).²⁷⁴ The main area that differs from the base elevation is the existing stormwater pond in the northeast corner of the site with a bottom elevation of 784 feet MSL.²⁷⁵ The site previously had more variation in elevation prior to construction of the Existing Facility, which included significant earth moving as part of the cut and fill balance to bring the site to a level grade.²⁷⁶ Now that the site is flat and level, significant earth moving activities will not be needed for the construction the Expansion Project.²⁷⁷

1. Subsurface Investigations

119. Soil borings were collected as part of the construction of the Existing Facility.²⁷⁸ The information from the soil borings was used to aid in the design of the building and equipment foundations of the Existing Facility and also identified the depth to ground water which was approximately 20 feet below surface.²⁷⁹ There were recent soil borings conducted in 2015 to investigate and confirm the soil conditions at the site.²⁸⁰ The soil boring information will be used to aide in the design of the new features of the Expansion Project and to determine construction conditions and methods.²⁸¹

iii. Water Resources

1. Floodplains

120. Federal Emergency Management Agency (FEMA) mapping done for Blue Earth County and the City of Mankato indicates that the Combined Facility is not located

²⁷⁰ Exhibit 2 at 8-2.

²⁷¹ *Id.*

²⁷² *Id.*

²⁷³ *Id.*

²⁷⁴ *Id.*

²⁷⁵ *Id.*

²⁷⁶ *Id.*

²⁷⁷ *Id.*

²⁷⁸ *Id.*

²⁷⁹ *Id.*

²⁸⁰ *Id.*

²⁸¹ *Id.*

within the 100-year floodplain.²⁸² The Expansion Project will be constructed at existing grade and will not result in undue risk of flooding or impacts to the 100-year floodplain.²⁸³

2. Shoreland Protection Areas

121. The Existing Facility meets the Blue Earth County Shoreland Ordinance setback requirements for the stream east of the facility fence line.²⁸⁴ The Expansion Project occurs within the fence line boundary, and will not encroach on the setbacks for the creek shoreland zone.²⁸⁵ There are no anticipated impacts to shoreland protection areas.²⁸⁶

3. Wetlands

122. There are no wetlands within the fence line of Existing Facility; no impacts to wetlands are anticipated as a result of the expansion Project.²⁸⁷

4. Groundwater

123. The Expansion Project does not require groundwater wells to be installed on site to serve the Combined Facility.²⁸⁸ Groundwater at the site is hydrologically connected to surface waters; thus, pollutants in surface waters could affect groundwater.²⁸⁹ Impacts to surface waters due to emissions of potential pollutants are anticipated to be minimal; thus, no adverse impacts to groundwater are anticipated as a result of the Project.²⁹⁰

5. Stormwater Runoff and Management

124. The Expansion Project will be constructed entirely within the fence line of the Existing Facility and as a result all disturbances associated with the construction will be on the current site.²⁹¹ A little less than four acres of the Existing Facility site is expected to be disturbed for construction of the Expansion Project.²⁹² After completion of construction, all stormwater runoff from the Combined Facility will be directed to the

²⁸² Exhibit 12 at 46.

²⁸³ *Id.*

²⁸⁴ Exhibit 2 at 8-3.

²⁸⁵ *Id.*

²⁸⁶ *Id.*

²⁸⁷ Exhibit 12 at 48.

²⁸⁸ Exhibit 12 at 46-48.

²⁸⁹ *Id.*

²⁹⁰ *Id.*

²⁹¹ Exhibit 2 at 8-4.

²⁹² *Id.*

- existing stormwater pond.²⁹³ The Expansion Project will not result in an increase in impervious surface within the Existing Facility boundaries.²⁹⁴
125. The existing stormwater pond was originally designed and constructed to treat runoff from the entire Combined Facility and will provide settling capacity and discharge rate control prior to discharging into the nearby drainage ditch.²⁹⁵ The stormwater pond and outlet have been designed to meet the City of Mankato's requirements for water retention areas for new development projects that create new impervious surfaces of one acre or greater.²⁹⁶ Due to the nature of the existing permeable soils and underlying bedrock material, the stormwater pond functions similar to an infiltration basin, retaining water for short periods of time and thus providing additional stormwater treatment and further reducing runoff volumes and peak discharge rates.²⁹⁷
126. The Combined Facility will continue to be properly maintained and good site housekeeping practices will be utilized to keep all road surfaces clean, reducing solids loading in stormwater runoff.²⁹⁸ Landscaped areas and natural vegetation buffer strips along the perimeter of the Combined Facility, which have low runoff potential, provide further treatment of stormwater runoff by filtering out nutrients and suspended solids and promoting infiltration into underlying permeable soils.²⁹⁹ The eastern one-third of the Existing Facility site (approximately eight acres) that contains the stormwater pond and wooded areas will not be disturbed by the construction of the Expansion Project.³⁰⁰
127. Stormwater runoff that comes into contact with the outdoor steam generator step-up transformer pad, combustion turbine pads, and other process areas where there is potential for pollutant contamination by oils and other chemicals from pumps and motors, will be confined within curbed areas and drain to two area sump pump systems.³⁰¹ The collected stormwater will be routed to an oil/water separator and water will be recycled into the cooling tower make-up water system.³⁰² Oil removed through the separation process and related materials will be properly managed and disposed of offsite in accordance with applicable local, state, and federal requirements.³⁰³
128. The proposed best management practices (BMPs) described above that will be implemented at the Combined Facility have proven to be effective methods of

²⁹³ *Id.*

²⁹⁴ *Id.*

²⁹⁵ *Id.*

²⁹⁶ *Id.*

²⁹⁷ *Id.*

²⁹⁸ Exhibit 2 at 8-5.

²⁹⁹ *Id.*

³⁰⁰ *Id.*

³⁰¹ Exhibit 2 at 8-4 to 8-5.

³⁰² *Id.*

³⁰³ Exhibit 2 at 8-5; Exhibit 12 at 45.

treating stormwater runoff and are management techniques typically recommended by the MPCA, watershed management organizations, and other water management and planning agencies.³⁰⁴ As a result, stormwater runoff from the Combined Facility will not adversely affect the flow rates or water quality in downstream receiving waters.³⁰⁵

6. Storm Water Pollution Prevention Plan

129. The existing industrial Stormwater Pollution Prevention Plan (SWPPP) will be updated for the Combined Facility in compliance with coverage under Minnesota NPDES General Stormwater Discharge Permit MN R050000 for industrial activities.³⁰⁶

7. Erosion and Sediment Control

130. Since construction of the Expansion Project will disturb more than one acre of land (a little less than four acres of the site will be disturbed), a permit application for coverage under Minnesota NPDES General Stormwater Discharge Permit (MN R100001) for construction activities is required and will be submitted to the MPCA prior to construction.³⁰⁷ The permit application will certify that temporary and permanent erosion and sediment control plans have been prepared and implemented to prevent soil particles from being transported offsite.³⁰⁸ The existing stormwater pond is designed in accordance with the criteria set forth in the General Permit for sedimentation/infiltration basins.³⁰⁹ The pond will be available to serve as a temporary sediment basin during construction.³¹⁰
131. The Applicant will ensure that adequate measures are taken to minimize soil erosion and sedimentation on the site.³¹¹ Temporary erosion and sediment control measures will be maintained during construction and will remain in place until the Expansion Project has been completed.³¹² The site will be stabilized and vegetation will be reestablished as needed, which is expected to be limited based on the very small amount of vegetated areas that may be disturbed.³¹³ In addition to the stormwater pond, control measures such as silt fence, staked hay bales, sediment filters and traps, erosion control matting, mulching, and crushed rock pads will also be used where applicable, specifically between the construction areas and the wooded eastern one-third of the site that will not be disturbed by construction.³¹⁴ The total

³⁰⁴ Exhibit 2 at 8-5.

³⁰⁵ *Id.*

³⁰⁶ Exhibit 2 at 8-5.

³⁰⁷ *Id.*

³⁰⁸ *Id.*

³⁰⁹ *Id.*

³¹⁰ *Id.*

³¹¹ Exhibit 2 at 8-6.

³¹² *Id.*

³¹³ *Id.*

³¹⁴ *Id.*

disturbed areas from construction will be minimal; however, as needed, all disturbed areas of the site will be seeded and mulched as soon as practical where applicable.³¹⁵

8. Wastewater Discharges

132. The Combined Facility will continue to manage wastewater in the same manner as existing conditions and will not add or change wastewater flow pathways or discharge points.³¹⁶ The Expansion Project will increase the use of grey water from the City of Mankato WTP; the Applicant will install upgrades as required at the WTP to accommodate the Expansion Project.³¹⁷ The handling of additional process wastewater at the Combined Facility is not anticipated to impact surface waters.³¹⁸

9. Evaporative Loss of Cooling Water

133. When running at full power the Existing Facility has the potential to evaporate 3.48 million gallons per day (MGD) from the plant's cooling towers; with the Expansion Project, the plant will have the potential to evaporate 6.06 MGD.³¹⁹
134. Because the plant does not run continuously, but rather only when needed by the electrical transmission grid, average daily water evaporation is approximately one-tenth that of maximum potential evaporation.³²⁰ On average, the Existing Facility evaporates 0.34 MGD; with the Expansion Project, the plant will evaporate, on average, approximately 0.47 MGD.³²¹
135. The wastewater used for cooling at the plant, were it not lost to evaporation, would be discharged by the Mankato WWTP to the Minnesota River.³²² The Mankato WWTP treats and discharges, on average, approximately 7.0 MGD.³²³ Thus, evaporation from the plant, with the Expansion Project, will remove approximately 6.7 percent of the WWTP's average discharge to the Minnesota River.³²⁴
136. Potential impacts of evaporative loss of cooling water are anticipated to be minimal.³²⁵ Cooling water used at the plant is wastewater that has already provided ecosystem services to plants and animals.³²⁶ Further, the evaporative loss is not anticipated to impact the Minnesota River or the habitat it provides for plants and

³¹⁵ *Id.*

³¹⁶ *Id.*

³¹⁷ *Id.*

³¹⁸ *Id.*

³¹⁹ Exhibit 12 at 43-45.

³²⁰ *Id.*

³²¹ *Id.*

³²² *Id.*

³²³ *Id.*

³²⁴ *Id.*

³²⁵ *Id.*

³²⁶ *Id.*

animals, as the evaporative loss is insignificant compared with the flow volume of the Minnesota River.³²⁷

iv. Biological Resources

1. Vegetation

137. The Expansion Project will include the construction of additional power generating equipment and buildings within the fence line of the Existing Facility.³²⁸ There is no vegetation within the fence line and thus there will be no clearing of vegetation for the Expansion Project within the fence line.³²⁹ The materials for the construction of the Expansion Project will be transported to the site on existing roads and construction activity will occur on land that is currently disturbed.³³⁰ The Expansion Project will require the temporary use of approximately 15 acres for construction laydown and parking.³³¹ This will be agricultural land or industrial land.³³² In sum, impacts to vegetation as a result of the Expansion Project are anticipated to be minimal.³³³

2. Wildlife and Wildlife Habitat

138. The Existing Facility is a developed industrial property that does not provide habitat for wildlife and is located adjacent to other industrial properties.³³⁴ There is wildlife habitat in the vicinity of the Expansion Project but this habitat will not be impacted.³³⁵ There are no anticipated impacts to wildlife or wildlife habitat.³³⁶

3. Sensitive Species and Habitats

139. There are some sensitive species and habitats in the vicinity of the Expansion Project, mainly associated with the areas along and within the Minnesota River.³³⁷ The Minnesota River and adjacent habitats will not be impacted or disturbed by the Expansion Project.³³⁸ There are no anticipated impacts to sensitive species and habitats.³³⁹

N. Rare and Unique Natural Resources

³²⁷ *Id.*

³²⁸ Exhibit 2 at 8-7.

³²⁹ *Id.*

³³⁰ *Id.*

³³¹ *Id.*

³³² *Id.*

³³³ Exhibit 2 at 8-7; Exhibit 12 at 48.

³³⁴ Exhibit 2 at 8-7.

³³⁵ *Id.*

³³⁶ *Id.*

³³⁷ Exhibit 2 at 8-8.

³³⁸ *Id.*

³³⁹ *Id.*

140. A review of natural resource databases indicated that there are several rare and unique natural resources in the vicinity of the Expansion Project but that these resources would not be impacted by its construction or the operation of the Combined Facility.³⁴⁰ There are no anticipated impacts to rare and unique natural resources as a result of the Expansion Project.³⁴¹
141. The U.S. Fish and Wildlife Service listed the Northern Long-eared Bat (*Myotis septentrionalis*) as threatened under the Endangered Species Act and implemented an interim 4(d) rule effective May 4, 2015, which generally prohibits purposeful taking of northern long-eared bats throughout the species' range.³⁴² The bats hibernate in caves and mines during the winter and roost in trees during the summer.³⁴³ There will be very limited clearing of trees (less than one acre) during the construction of the Expansion Project.³⁴⁴ Therefore no impacts to the northern long-eared bat are anticipated.³⁴⁵

O. Applicability of Design Options

142. The Expansion Project will take place within the existing MEC site and involves the planned completion of the facility through the addition of a new additional power train.³⁴⁶ The additional power train will allow the Combined Facility to operate in a 2 x 1 configuration with two combined cycle turbines providing steam to one steam turbine.³⁴⁷ The Existing Facility was designed and constructed to accommodate the Expansion Project.³⁴⁸
143. Use of the existing MEC site for the Expansion Project is a design option that maximizes energy efficiencies and mitigates adverse environmental impacts.³⁴⁹

P. Use or Paralleling of Existing Rights-of-way

144. The Expansion Project will be constructed within the existing MEC site.³⁵⁰ The Applicant will secure temporary construction and laydown space from local property owners.³⁵¹ No additional land or right-of-way will be needed for the construction or operation of the Expansion Project.³⁵²

³⁴⁰ Exhibit 12 at 49-50.

³⁴¹ *Id.*

³⁴² Exhibit 2 at 9-1.

³⁴³ *Id.*

³⁴⁴ *Id.*

³⁴⁵ *Id.*

³⁴⁶ Exhibit 2 at 2-1 to 2-2.

³⁴⁷ *Id.*

³⁴⁸ *Id.*

³⁴⁹ Exhibit 12 at 53.

³⁵⁰ Exhibit 2 at 2-1.

³⁵¹ Exhibit 2 at 2-3.

³⁵² *Id.*

145. The use or paralleling of existing rights-of-way is not required for the Expansion Project.³⁵³

Q. Use of Existing Large Electric Power Generating Plant Sites

146. The Expansion Project will be constructed within the existing MEC site which is a large electric power generating plant site.³⁵⁴

R. Electrical System Reliability

147. The Expansion Project will ensure reliable electrical power for projected electrical needs within the state.³⁵⁵ The Expansion Project was selected by the Commission in a competitive resource acquisition process to meet these projected electrical needs.³⁵⁶

S. Adverse Human and Environmental Effects Which Cannot be Avoided

148. The Expansion Project will create unavoidable human and environmental impacts including: the use of natural gas, a limited carbon feedstock; air emissions; greenhouse gas emissions; aesthetic impacts; and temporary construction impacts.³⁵⁷

T. Irreversible and Irretrievable Commitment of Resources

149. The commitment of land for the Expansion Project is likely an irreversible commitment of resources.³⁵⁸
150. The commitments of steel, carbon, and concrete for the Expansion Project, as well as labor and fiscal resources, are irretrievable, though it is possible that the steel used for the Project could be recycled at some point in the future.³⁵⁹

VII. Notice

151. Minnesota statutes and rules require the Applicant to provide appropriate notice to the Commission, public, and local governments before and during the Site permit Application process.³⁶⁰

³⁵³ Exhibit 12 at 51.

³⁵⁴ Exhibit 2 at 2-1.

³⁵⁵ Exhibit 12 at 53.

³⁵⁶ Exhibit 12 at 1 and 5.

³⁵⁷ Exhibit 12 at 53-54.

³⁵⁸ *Id.* at 54.

³⁵⁹ *Id.*

³⁶⁰ Minnesota Statute 216E.04, Subd. 4; Minnesota Rules 7850.2100, Subp.2 and Subp.4; Minnesota Rules 7850.2800, Subp. 2.

152. The Applicant provided notice to the Commission, public and local governments in satisfaction of Minnesota statutes and rules.³⁶¹
153. The Applicant did not provide the notice of application submittal within the 15-day time limit prescribed under Minnesota Rule 7850.2100, subpart 2. Upon recognizing the oversight the Applicant, on May 5, 2016, issued a Notice of Site Permit Proceedings and Additional Comment Period in accordance with the rule requirements. Although not required by rule, the notice provided for a 10-day period within which parties could provide comment on the Expansion project to ensure adequate opportunity to participate in the project record. No additional comments were received during the 10-day comment period.³⁶²
154. Minnesota statutes and rules require the Commission and DOC EERA to provide notice to the public throughout the Site Permit process.³⁶³
155. The Commission and DOC EERA provided notice in satisfaction of Minnesota statutes and rules.³⁶⁴

VIII. Completeness of the EA

156. The Commission is required to determine the completeness of the EA.³⁶⁵ An EA is complete if it and the record address the issues and alternatives identified in the Scoping Decision.³⁶⁶
157. The evidence on the record demonstrates that the EA prepared by the DOC EERA is complete because the EA and the record address the issues identified in the Scoping Decision.³⁶⁷

IX. Site Permit Conditions

158. The EA prepared to evaluate the Expansion Project included the Commission's Generic Site Permit Template.³⁶⁸ The Site Permit Template contains proposed permit conditions applicable to the construction and operation of the Expansion Project including proposed mitigation measures.³⁶⁹

³⁶¹ Exhibit 1; Exhibit 7.

³⁶² See Docket IP6949/GS-15-620 Document ID: 20165-121277-01, 20165-121072-01, 20165-121062-01, and 20165-121071-01

³⁶³ Minnesota Statute 216E.04, Subd. 6; Minnesota Rules 7850.3300; Minnesota Rules 7850.3500; Minnesota Rules 7850.3700.

³⁶⁴ Exhibit 3; Exhibit 6; Exhibit 10; Exhibit 13; Exhibit 14; Exhibit 15; Exhibits 17 and 18.

³⁶⁵ Minnesota Rules 7850.3900, Subp. 2.

³⁶⁶ *Id.*

³⁶⁷ Exhibit 9; Exhibit 12.

³⁶⁸ Exhibit 12 at Appendix B.

³⁶⁹ *Id.*

159. The Applicant commented on the proposed permit conditions in the Site Permit Template.³⁷⁰ The Applicant noted that permit condition 4.2.4 of the Site Permit Template requires that the Project be constructed only during daytime hours to ensure compliance with Minnesota noise standards.³⁷¹ The Applicant indicated that in order to meet the project's commercial operation date, continuous 24 hour activity may be required at the Project site to complete construction, system commissioning and operation preparation activities.³⁷² The Applicant requested that permit condition 4.2.4 be revised to allow for 24 hour activity at the Project site and indicated that all such activity would be in compliance with Minnesota noise standards.³⁷³
160. Minnesota state noise standards allow for and provide permissible noise levels for daytime and nighttime activities.³⁷⁴

Conclusions

1. The Commission has jurisdiction over the Site Permit Application submitted by MEC II for the Mankato Energy Center Expansion Project pursuant to Minn. Stat. § 216E.04.
2. The Project was selected by the Commission is a competitive resource acquisition process established by the Commission and is exempt from Certificate of Need requirements.
3. MEC II has substantially complied with the procedural requirements of Minn. Stat. § 216E and Minn. R. 7850.
4. The Commission has complied with all procedural requirements required by Minn. Stat. § 216E and Minn. R. 7850.
5. The DOC-EERA has complied with all procedural requirements and conducted an appropriate environmental analysis of the Project for purposes of this proceeding in accordance with Minn. Stat. § 216E.04, Subd. 5.
6. The EA satisfies Minn. R. 7850.3700. Specifically, the EA and the record address the issues and alternatives identified in the Scoping Decision to a reasonable extent considering the availability of information, including the items required by Minn. R. 7850.3700, Subp. 4, and was prepared in compliance with the procedures in Minn. R. 7850.3700.
7. A Public hearing was conducted near the proposed site for the Project. Proper notice of the public hearing was provided, and members of the public were given the opportunity to speak at the hearing and also to submit written comments.

³⁷⁰ Calpine Comments (March 18, 2016) (eDockets Number 20163-119274-01)

³⁷¹ *Id.*

³⁷² *Id.*

³⁷³ *Id.*

³⁷⁴ Ex. 12 at 27-28; see Minnesota Rule 7030.0040.

STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

**SITE PERMIT FOR A
LARGE ELECTRIC POWER GENERATING PLANT AND ASSOCIATED FACILITIES**

**IN
BLUE EARTH COUNTY**

**ISSUED TO
MANKATO ENERGY CENTER II, LLC**

PUC DOCKET NO. IP6949/GS-15-620

In accordance with the requirements of Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850 this site permit is hereby issued to:

MANKATO ENERGY CENTER II, LLC

The Permittee is authorized by this site permit to construct and operate the 345 megawatt expansion of the existing Mankato Energy Center by the addition of a combustion turbine generator, a heat recovery steam generator, and associated equipment.

The large electric power generating plant and associated facilities shall be built within the site identified in this permit and as portrayed in the official site map(s) and in compliance with the conditions specified in this permit.

Approved and adopted this ____ day of June 2016

BY ORDER OF THE COMMISSION

Daniel P. Wolf,
Executive Secretary

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Proposed Site Permit

1.0 SITE PERMIT

The Minnesota Public Utilities Commission (Commission) hereby issues this site permit to Mankato Energy Center II, LLC (MEC II or Permittee) pursuant to Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850. This permit authorizes Mankato Energy Center II, LLC to construct and operate the 345 megawatt (MW) expansion of the existing Mankato Energy Center, and as identified in the attached site permit map(s), hereby incorporated into this document.

1.1 Pre-emption

Pursuant to Minn. Stat. § 216E.10, this site permit shall be the sole site approval required for the construction of the large electric power generating plant (LEPGP) and associated facilities. This permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.

2.0 PROJECT DESCRIPTION

MEC II will expand the existing Mankato Energy Center (MEC) by adding a combustion turbine generator (CTG), a heat recovery steam generator (HRSG), and associated equipment. The existing MEC facility has one CTG, one HSRG, and a steam turbine. After the expansion the facility will have two CTGs and two HSRGs. The two HSRGs will drive the existing and sole steam turbine. The project will use natural gas as a fuel source. The expansion of the MEC will allow for the production of an additional 345 MW of electrical power.

Existing infrastructure installed for the MEC (electrical transmission, gas pipeline, and water service) will be used for the project.

2.1 Project Location

The project is located in Lime Township, Blue Earth County, Minnesota..

2.2 Associated Facilities

3.0 DESIGNATED SITE

The site designated by the Commission in this permit is the site described below and shown on the site permit maps attached to this permit.

The facility modifications are wholly contained within the existing project site and the expansion facility equipment is shown on the attached site permit map. The layout represents the approximate location of the expanded LEPGP and associated facilities and seeks to minimize the overall potential human and environmental impacts of the project, which were evaluated during the permitting process. Any modifications to the facility depicted in the anticipated layout shall be done in such a manner as to have comparable overall human and environmental impacts and shall be specifically identified in the site plan pursuant to Section 8.3.

4.0 GENERAL CONDITIONS

The Permittee shall comply with the following conditions during construction and operation of the LEPGP and associated facilities over the life of this permit.

4.1 Notification

Within 14 days of issuance of this permit, the Permittee shall send a copy of the permit to any regional development commission, county, city, and township in which any part of the site is located.

The Permittee shall provide all affected landowners with a copy of this permit and, as a separate information piece, the complaint procedures at the time of the first contact with the affected landowners after issuance of this permit. The Permittee shall contact landowners prior to entering the property or conducting maintenance within the site, unless otherwise negotiated with the affected landowner.

4.2 Construction and Operation Practices

The Permittee shall follow those specific construction practices, operation practices, and material specifications described in Mankato Energy Center II, LLC's August 5, 2015 Site Permit Application for a site permit for the Mankato Energy Center Expansion Project, and the record of the proceedings unless this permit establishes a different requirement in which case this permit shall prevail.

4.2.1 Field Representative

The Permittee shall designate a field representative responsible for overseeing compliance with the conditions of this 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 14 days prior to commencing construction. The Permittee shall provide the field representative's contact information to affected landowners, residents, local government units and other interested persons. The Permittee may change the site manager at any time upon notice to the Commission, affected landowners, residents, local government units and other interested persons.

4.2.2 Employee Training and Education of Permit Terms and Conditions

The Permittee shall inform all employees, contractors, and other persons involved in the construction and ongoing operation of the facility of the terms and conditions of this permit.

4.2.3 Temporary Work Space

Temporary work space and equipment staging areas shall be selected to limit the removal and impacts to vegetation. Temporary work space shall not be sited in wetlands or native prairie as defined in sections 4.2.8 and 4.2.9. Temporary work space shall be sited to comply with standards for development of the shorelands of public waters as defined in Section 4.2.8. Temporary easements outside of the authorized site boundary will be obtained from affected landowners through rental agreements and are not provided for in this permit.

4.2.4 Noise

Construction and routine maintenance activities shall be conducted in accordance with Minn. R. 7030.0010 to 7030.0080.

4.2.5 Aesthetics

The Permittee shall consider input pertaining to visual impacts from landowners or land management agencies prior to final location of structures with the potential for visual disturbance. To minimize aesthetic impacts, the Permittee shall preserve the natural landscape, minimize vegetation removal, and prevent any unnecessary destruction of the natural surroundings in the vicinity of the Project during construction and maintenance.

4.2.6 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.

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 facilities shall be returned to pre-construction conditions as practicable.

In accordance with the MPCA requirements, Permittee shall obtain a National Pollutant Discharge Elimination System (NPDES)/State Disposal System (SDS) Construction Stormwater permit from the MPCA.

4.2.7 Public Lands

In no case shall the generating plant or 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. The generating plant 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.

4.2.8 Wetlands and Shoreland

The generating plant and associated facilities, including access roads, underground cables, and transformers shall not be placed 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 the United States Army Corps of Engineers (USACE), and local units of government as implementers of the Minnesota Wetlands Conservation Act. The generating plant and associated facilities including foundations, access roads, underground cables, and transformers, shall be located 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.

Construction in wetland areas shall occur during frozen ground conditions to minimize impacts. When construction during winter is not possible, wooden or composite mats shall be used to protect wetland vegetation. Soil excavated from the wetlands and riparian areas shall be contained and not placed back into the wetland or riparian area. Wetlands and riparian areas shall be accessed using the shortest route possible in order to minimize travel through wetland areas and prevent unnecessary impacts.

Wetland and water resource areas disturbed by construction activities shall be restored to pre-construction conditions. Restoration of the wetlands will be performed by Permittee in accordance with the requirements of applicable state and federal permits or laws and landowner agreements.

4.2.9 Native Prairie

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 site boundary. The Permittee shall file the plan 30 days prior to submitting the site plan required by Section 8.3 of this permit. The 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, DNR and the Commission.

The generating plant and associated facilities including foundations, access roads, collector and feeder lines, underground cables, and transformers shall not be placed in native prairie unless addressed in a prairie protection and management plan and shall not be located in areas enrolled in the Native Prairie Bank Program. Construction activities, as defined in Minn. Stat. § 216E.01, shall not impact native prairie unless addressed in a prairie protection and management plan.

4.2.10 Vegetation Management

The Permittee shall disturb or clear the site only to the extent necessary to assure suitable access for construction, safe operation and maintenance of the project.

The Permittee shall minimize the number of trees to be removed in selecting the site layout specifically preserving to the maximum extent practicable windbreaks, shelterbelts, living snow fences, and vegetation, to the extent that such actions do not violate sound engineering principles.

4.2.11 Invasive Species

The Permittee shall employ best management practices to avoid the potential spread of invasive species on lands disturbed by project construction activities.

4.2.12 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 consult with landowners on the selection and use of seed for replanting.

4.2.13 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 facility. Oversize or overweight loads associated with the facility shall not be hauled across public roads without required permits and approvals. The Permittee shall, prior to the use of such roads, make satisfactory arrangements with the appropriate state, county, and city governmental bodies having jurisdiction over the roads to be used for construction, for repair and maintenance of those roads that will be subject to extra wear and tear due to transportation of equipment and materials. The Permittee shall notify the Commission of such arrangements upon request of the Commission.

The Permittee shall promptly repair private roads or lanes damaged when moving equipment or when obtaining access to the site, unless otherwise negotiated with the affected landowner.

4.2.14 Archaeological and Historic Resources

The Permittee shall make every effort to avoid impacts to identified archaeological and historic resources when constructing the facility. If required by the State Historic Preservation Office (SHPO), the Permittee shall conduct a survey of the project site. If a survey is required, the results shall be submitted to the Commission with the site plan pursuant to Section 8.3.

In the event that a resource is encountered, the Permittee shall contact and consult with 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, workers shall be trained 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 immediately halt construction and promptly notify local law enforcement and the State Archaeologist. Construction at such location shall not proceed until authorized by local law enforcement or the State Archaeologist.

4.2.15 Interference with Communication Devices

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 feasible to restore or provide reception equivalent to reception levels in the immediate area just prior to the construction of the project.

4.2.16 Restoration

The Permittee shall restore the areas affected by construction of the facility to the condition that existed immediately before construction began to the extent possible. The time period to complete restoration may be no longer than 12 months after completion of the construction, unless otherwise negotiated with the affected landowner. 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 advise the Commission in writing of the completion of such activities.

4.2.17 Cleanup

All waste and scrap that is the product of construction shall be removed from the site and all premises on which construction activities were conducted and properly disposed of upon completion of each task. Personal litter, including bottles, cans, and paper from construction activities shall be removed on a daily basis.

4.2.18 Pollution and Hazardous Wastes

All appropriate precautions to protect against pollution of the environment shall be taken by the Permittee. The Permittee shall be responsible for compliance with all laws applicable to the generation, storage, transportation, clean up and disposal of all wastes generated during construction and restoration of the site.

4.2.19 Damages

The Permittee shall promptly repair or fairly compensate landowners for damage to crops, fences, private roads and lanes, landscaping, drain tile, or other damages sustained during construction and operation unless otherwise negotiated with the affected landowner.

4.2.20 Public Safety

The Permittee shall provide educational materials to landowners adjacent to the site and, upon request, to interested persons about the project and any restrictions or dangers associated with the project. The Permittee shall also provide any necessary safety measures such as warning signs and gates for traffic control or to restrict public access. 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 construction at the site.

4.2.21 Site Identification

The site shall be marked with a visible identification number and or street address.

4.3 Other Requirements

4.3.1 Safety Codes and Design Requirements

The electric energy generating system and associated facilities shall be designed to meet or exceed all relevant local and state codes, Institute of Electrical and Electronics Engineers, Inc. (IEEE) standards, the National Electric Safety Code (NESC), and North American Electric Reliability Corporation (NERC) requirements.

4.3.2 Other Permits and Regulations

The Permittee shall comply with all applicable state rules and statutes. The Permittee shall obtain all required permits for the project and comply with the conditions of these

permits. The Permittee shall submit a copy of such permits to the Commission upon request.

5.0 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 permit the Permittee shall file a report on the failure to construct and the Commission shall consider suspension of the permit in accordance with Minn. R. 7850.4700.

6.0 COMPLAINT PROCEDURES

Prior to the start of construction, the Permittee shall submit to the Commission the procedures that will be used to receive and respond to complaints. The 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 permit.

Upon request, the Permittee shall assist the Commission 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.

7.0 COMPLIANCE REQUIREMENTS

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

7.1 Site Plan

At least 30 days prior to commencing construction, the Permittee shall provide the Commission with a site plan that includes specifications and drawings for site preparation and grading; specifications and locations of structures to be constructed including all electrical equipment, pollution control equipment, fencing, roads, and other associated facilities; and procedures for cleanup and restoration. The documentation shall include maps depicting the site boundary and layout in relation to that approved by this permit.

The Permittee may not commence construction until the 30 days has expired or until the Commission has advised the Permittee in writing that it has completed its review of the documents and determined that the planned construction is consistent with this permit. If the Permittee intends to make any significant changes to its site plan or the specifications and

drawings after submission to the Commission, the Permittee shall notify the Commission 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 permit.

7.2 Periodic Status Reports

The Permittee shall report to the Commission on progress regarding site construction. The Permittee need not report more frequently than monthly. Reports shall begin with the submittal of the site plan for the project and continue until completion of construction or restoration, whichever is later.

7.3 Notification to Commission

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

7.4 As-Builts

Within 60 days after completion of construction, the Permittee shall submit copies of all final as-built plans and specifications developed during the project.

7.5 GPS Data

Within 60 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 generating system.

7.6 Emergency Response

The Permittee shall prepare an Emergency Response Plan in consultation with the emergency responders having jurisdiction over the facility prior to project construction. The Permittee shall submit a copy of the plan, along with any comments from emergency responders, to the Commission at least 30 days prior to construction. The Permittee shall provide as a compliance filing confirmation that the Emergency Response Plan was provided to the emergency responders and Public Safety Answering Points (PSAP) with jurisdiction over the facility prior to commencement of construction. The Permittee shall obtain and register the facility address or other location indicators acceptable to the emergency responders and PSAP having jurisdiction over the facility.

8.0 COMMISSION AUTHORITY AFTER PERMIT ISSUANCE

8.1 Final Boundaries

After completion of construction the Commission may determine the need to adjust the final site boundaries required for the project. This permit may be modified, after notice and opportunity for public hearing, to represent the actual site boundary required by the Permittee to operate the project authorized by this permit.

8.2 Expansion of Site Boundaries

No expansion of the site boundary described in this permit shall be authorized without the approval of the Commission. The Permittee may submit to the Commission a request 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.

8.3 Modification of Conditions

After notice and opportunity for hearing this 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.

8.4 More Stringent Rules

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

9.0 PERMIT AMENDMENT

This permit may be amended at any time by the Commission. Any person may request an amendment of the conditions of this 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.

10.0 TRANSFER OF PERMIT

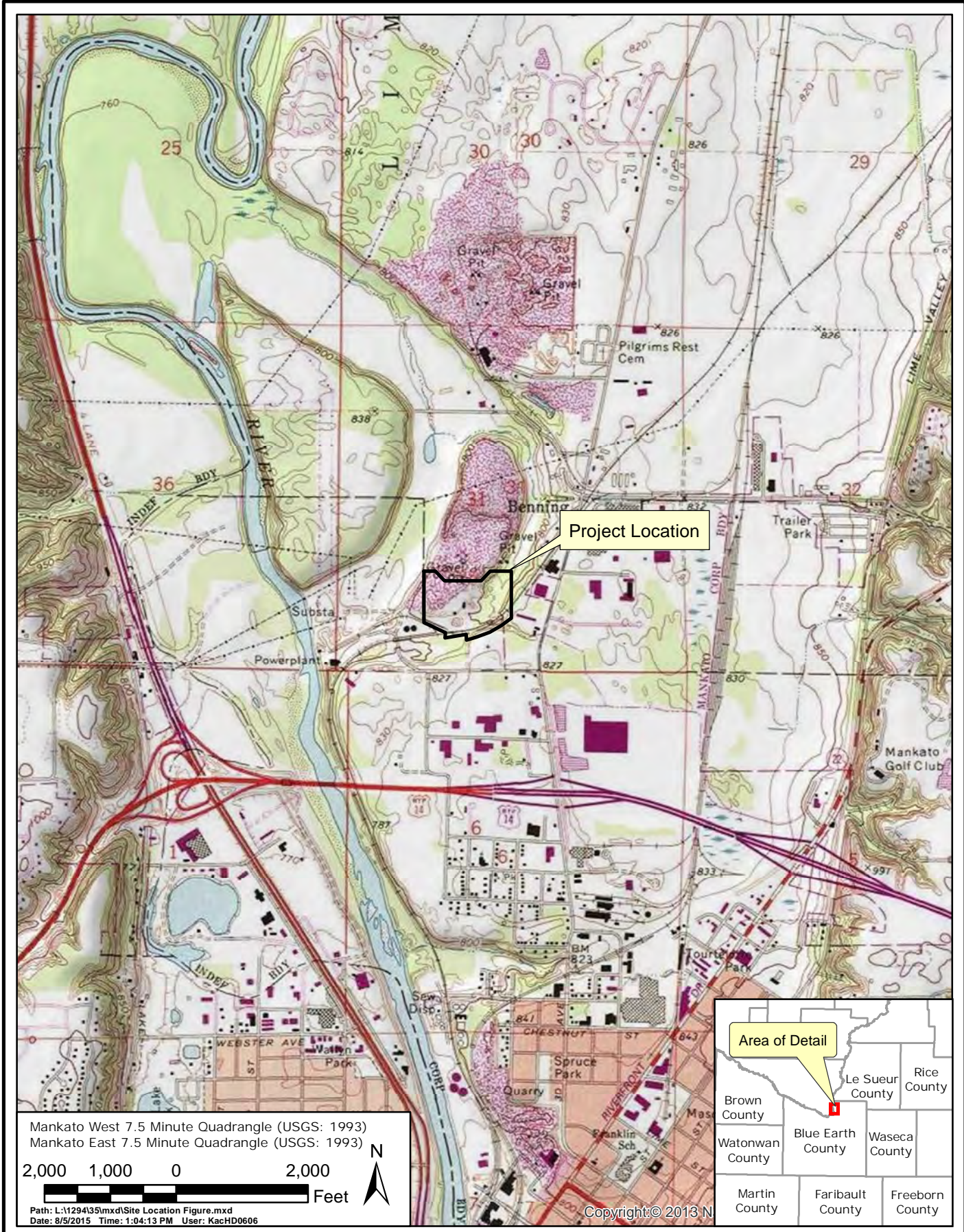
The Permittee may request at any time that the Commission transfer this permit to another person or entity. The Permittee shall provide the name and description of the person or entity to whom the permit is requested to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer.

The person to whom the permit is to be transferred shall provide the Commission with such information as the Commission shall require to determine whether the new Permittee can comply with the conditions of the permit. The Commission may authorize transfer of the permit after affording the Permittee, the new Permittee, and interested persons such process as is required.

11.0 REVOCATION OR SUSPENSION OF THE PERMIT

The Commission may initiate action to revoke or suspend this permit at any time. The Commission shall act in accordance with the requirements of Minn. R. 7850.5100, to revoke or suspend the permit.

Proposed Site Permit

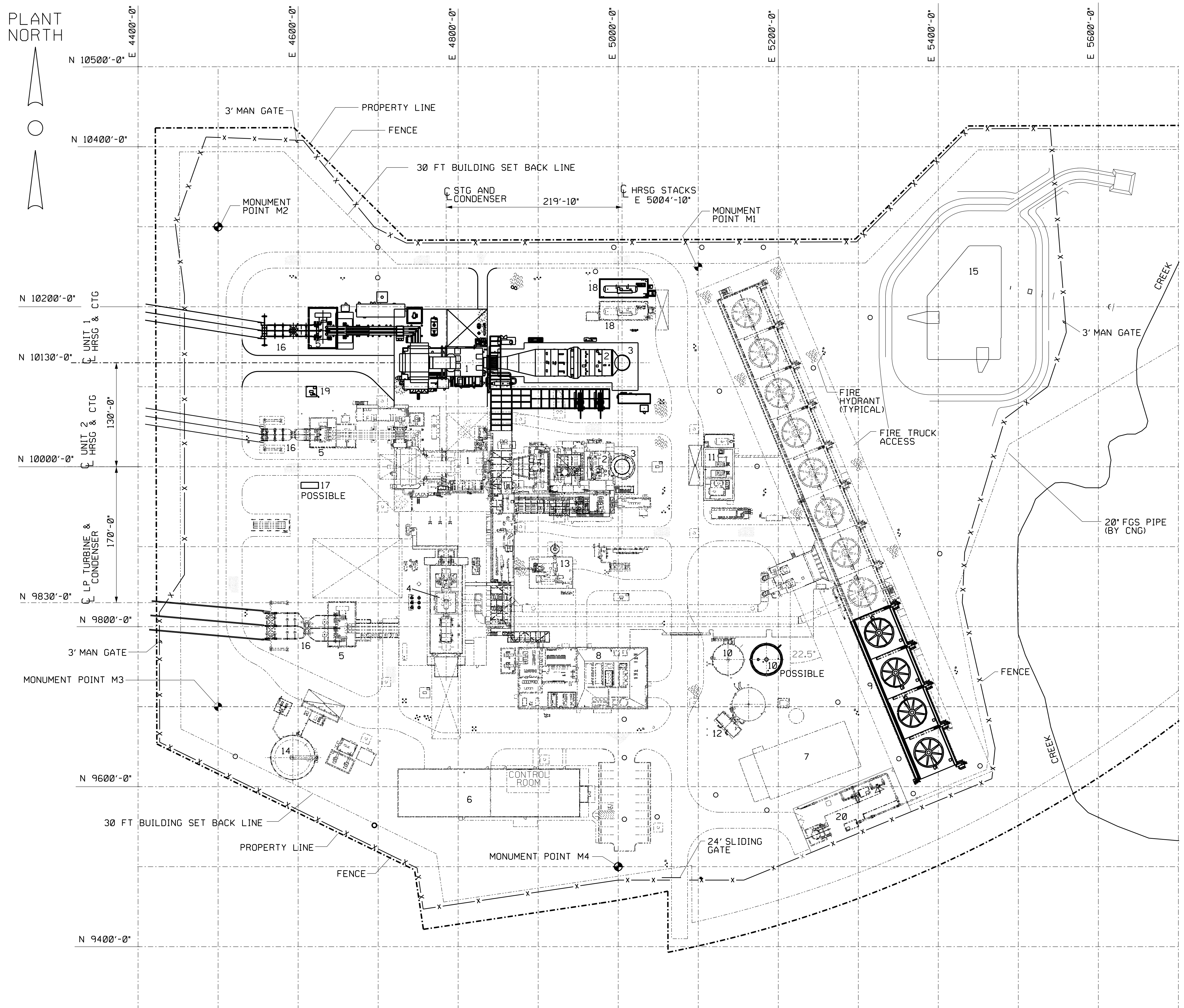
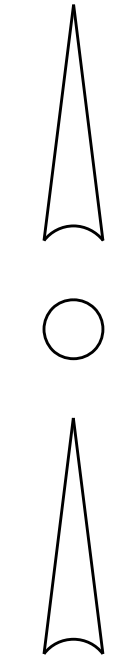


MANKATO ENERGY CENTER
 Site Location Map



AUG 2015
 Figure 1

PLANT NORTH



LEGEND

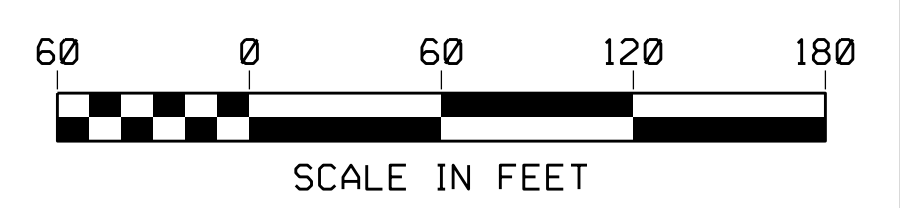
1. COMBUSTION TURBINE
2. HRSG
3. HRSG STACK
4. STEAM TURBINE
5. GENERATOR STEP-UP TRANSFORMER
6. ADMIN/MAINTENANCE/WAREHOUSE/CONTROL ROOM BLDG
7. EXISTING WAREHOUSE BLDG
8. WATER TREATMENT EQUIPMENT AREA
9. COOLING TOWER
10. DEMIN WATER STORAGE TANK (POSSIBLE SECOND TANK)
11. COOLING TOWER CHEMICAL FEED ENCLOSURE
12. FIRE PUMP SKID ENCLOSURE
13. AUXILIARY BOILER
14. FUEL OIL STORAGE TANK
15. SEDIMENT POND / STORMWATER BASIN
16. SWITCHYARD EQUIPMENT
17. BACKUP DIESEL GENERATOR (POSSIBLE)
18. ANHYDROUS AMMONIA TANK
19. OIL / WATER SUMP & PUMPS
20. FUEL GAS YARD AREA

LEGEND:

- GRAVEL
- ASPHALT
- CONCRETE
- ELECTRICAL MANHOLE
- STORM WATER CATCH BASIN

MONUMENT POINTS:	PLANT COORDINATES:	BLUE EARTH COUNTY COORDINATES:
M1	N.10250'-0", E.5100'-0"	FOR TRANSLATION BETWEEN PLANT COORDINATES & BLUE EARTH COUNTY COORDINATES SEE DRAWING MK-GEN-DE-C1-0001
M2	N.10300'-0", E.4500'-0"	
M3	N.9700'-0", E.4500'-0"	
M4	N.9500'-0", E.5000'-0"	

General Arrangement Site Plan Figure 4



REV	DATE	DESCRIPTION	DRAWN	CHECKED	DESIGNED	APPROVED	DATE
B	05/12/15	ISSUED FOR PERMITTING	SRK	PP	SRK	PP	JS
A	05/04/15	ISSUED FOR PERMITTING	SRK	PP	SRK	PP	JS

PRELIMINARY STATUS		DATE		INFORMATION ONLY - NOT TO BE USED FOR CONSTRUCTION	
LDE P PHIAMBOLIS		05/04/15			
APPROVED STATUS		DATE		REPRESENTS REVIEWED AND APPROVED DESIGN. ANY PORTION MARKED "HOLD" RETAINS PRELIMINARY STATUS.	
LDE		/ /			
ORIGINATING PERSONNEL			PROFESSIONAL ENGINEER'S SEAL		
DRAWN BY					
SRK					
LEAD DESIGNER					
SR KLINE ENGINEER/TECH SPECIALIST					
PROJECT ENGINEERING MANAGER			PE: STATE: DATE:		
J SENTHILVEL			DATE:		



Mankato Energy Center
Mankato, Minnesota

GENERAL ARRANGEMENT
SITE PLAN

SCALE	1" = 60'
DWG. NO.	MK-GEN-DE-G01-0002
SHEET NO.	01
REVISION	B

**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 permittees 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 to both or one of the parties unresolved or unsatisfactorily resolved.

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 be filed by mail or email to:

Heidi Whidden
Director, Environmental Services
717 Texas Avenue; Suite 1000
Houston, TX 77002
713-570-4829
Heidi.Whidden@Calpine.com

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

8. The evidence on the record demonstrates that the Site Permit Template contains mitigation measures and other reasonable conditions which should be incorporated into the final Site Permit for the Project.
9. It is appropriate for section 4.2.4 of the Site Permit Template to be revised to allow for daytime and nighttime construction activities at the Project site, provided that all activities are in compliance with Minnesota noise standards:

Noises created by construction and routine maintenance activities shall not exceed Minnesota noise level standards, as these standards are defined in Minn. R. Chapter 7030.
10. The Project satisfies the site permit criteria for a large electric power generating plant in Minn. Stat. § 216E.03 and Minn. R. 7850, and meets all other legal requirements.

**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 the Commission energy facility permits.

B. Scope and Applicability

This procedure encompasses all compliance filings required by 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 with Daniel P. Wolf, Executive Secretary, Public Utilities Commission, through the eDockets system. The eDockets system is located at: <https://www.edockets.state.mn.us/EFiling/home.jsp>

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. Filings that are graphic intensive (e.g., maps, engineered drawings) must, in addition to being electronically filed, be submitted as paper copies and on CD. Paper copies and CDs should be sent to: 1) Daniel P. Wolf, Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN 55101-2147, and 2) Department of Commerce, Energy Environmental Review and Analysis, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198.

The Commission may request a paper copy of any electronically filed document.

PERMIT COMPLIANCE FILINGS¹

PERMITTEE: Mankato Energy Center II, LLC
 PERMIT TYPE: LEPGP Site Permit
 PROJECT LOCATION: Blue Earth County, Mankato
 PUC DOCKET NUMBER: IP6949/GS-15-620

Filing Number	Permit Section	Description of Compliance Filing	Due Date
	4.2.1	Field Representative	14 days prior to commencing construction
	4.2.9	Prairie Protection and Management Plan	30 days prior to submitting site plan, if required
	4.2.14	Historic and Cultural Resource Survey	14 days prior to pre-construction meeting, if required
	4.2.16	Site Restoration Report	60 days after completion of all restoration activities
	5.1	Agricultural Impact Mitigation Plan	14 days prior to pre-construction meeting
	5.2	Vegetation Management Plan	14 days prior to pre-construction meeting
	6.0	Failure to Construct	Four years after permit issuance, as necessary
	7.0	Complaint Procedures	Prior to the start of construction
	8.3	Site Plan	30 days prior to commencing construction

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.

Filing Number	Permit Section	Description of Compliance Filing	Due Date
	8.2	Status Reports	Monthly
	8.3	Notice of Operation and Completion of Construction	Three days prior to commercial operation
	8.4	As-Builts	60 days after construction is complete
	8.5	GPS Data	60 days after construction is complete
	8.6	Emergency Response Plan	14 days prior to pre-construction meeting
	Complaint Reporting	Monthly Complaint Reports	Monthly during project construction and restoration
	Complaint Reporting	Immediate Complaint Reports	By the following day throughout the life of the permit

7850.2100 PROJECT NOTICE.

Subpart 1. **Notification lists.** The PUC shall maintain the notification lists described in items A and B.

A. The PUC shall maintain a list of persons who want to be notified of the acceptance of applications for site permits or route permits. Any person may request to have that person's name or an organization's name included on the list. The PUC may from time to time request that persons whose names are on the list advise the PUC whether they want to remain on the list, and the PUC may delete any names for which an affirmative response is not received within a reasonable time. A person whose name has been removed may request to have the name added back on the list. The PUC shall provide an applicant with the general list upon acceptance of an application.

B. The PUC shall maintain a project contact list for each project for which an application for a permit has been accepted. The project contact list must contain the names of persons who want to receive notices regarding the project. Any person may request to have that person's name or an organization's name included on a project contact list. The PUC may add a person's name to the list if the PUC believes the person would like to receive notices about the particular project. The PUC shall provide an applicant with the project contact list upon request.

Subp. 2. **Notification to persons on general list, to local officials, and to property owners.** Within 15 days after submission of an application, the applicant shall mail written notice of the submission to the following people:

A. those persons whose names are on the general list maintained by the PUC for this purpose;

B. each regional development commission, county, incorporated municipality, and township in which any part of the site or route or any alternative is proposed to be located; and

C. each owner whose property is adjacent to any of the proposed sites for a large electric power generating plant or within any of the proposed routes for a high voltage transmission line. For purposes of giving notice under this item, owners are those persons shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer, or any other list of owners approved by the commission.

Subp. 3. **Content of notice.** The notice mailed under subpart 2 shall contain the following information:

A. a description of the proposed project, including a map showing the general area of the proposed site or proposed route and each alternative;

B. a statement that a permit application has been submitted to the PUC, the name of the permit applicant, and information regarding how a copy of the application may be obtained;

C. a statement that the permit application will be considered by the PUC under the provisions of parts 7850.1000 to 7850.5600 and the Power Plant Siting Act and describing the time periods for the PUC to act;

D. a statement that the PUC will hold a public meeting within 60 days and the date of the meeting if it is known at the time of the mailing;

E. the manner in which the PUC will conduct environmental review of the proposed project, including the holding of a scoping meeting at which additional alternatives to the project may be proposed;

F. the name of the PUC staff member who has been appointed by the commission to serve as the public advisor, if known, or otherwise, a general contact at the PUC;

G. the manner in which persons may register their names with the PUC on the project contact list;

H. a statement that a public hearing will be conducted after the EIS is prepared;

I. a statement indicating whether a certificate of need or other authorization from the Public Utilities Commission is required for the project and the status of the matter if such authorization is required;

J. a statement indicating whether the applicant may exercise the power of eminent domain to acquire the land necessary for the project and the basis for such authority; and

K. any other information requested by the commission to be included in the notice.

Subp. 4. **Publication of notice.** Within 15 days after submission of an application, the applicant shall publish notice in a legal newspaper of general circulation in each county in which a site, route, or any alternative is proposed to be located that an application has been submitted and a description of the proposed project. The notice must also state where a copy of the application may be reviewed.

Subp. 5. **Confirmation of notice.** Within 30 days after providing the requisite notice, the applicant shall submit to the PUC documentation that all notices required under this part have been given. The applicant shall document the giving of the notice by providing the PUC with affidavits of publication or mailing and copies of the notice provided.

Subp. 6. **Failure to give notice.** The failure of the applicant to give the requisite notice does not invalidate any ongoing permit proceedings provided the applicant has made a bona fide attempt to comply, although the commission may extend the time for the public

to participate if the failure has interfered with the public's right to be informed about the project.

Statutory Authority: *MS s 116C.66; 216E.16*

History: *27 SR 1295; L 2005 c 97 art 3 s 19*

Published Electronically: *September 18, 2009*

216E.03 DESIGNATING SITES AND ROUTES.

Subdivision 1. **Site permit.** No person may construct a large electric generating plant without a site permit from the commission. A large electric generating plant may be constructed only on a site approved by the commission. The commission must incorporate into one proceeding the route selection for a high-voltage transmission line that is directly associated with and necessary to interconnect the large electric generating plant to the transmission system and whose need is certified under section 216B.243.

Subd. 2. **Route permit.** 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 along a route approved by the commission.

Subd. 3. **Application.** Any person seeking to construct a large electric power generating plant or a high-voltage transmission line must apply to the commission for a site or route permit. The application shall contain such information as the commission may require. The applicant shall propose at least two sites for a large electric power generating plant and two routes for a high-voltage transmission line. Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

Subd. 3a. **Project notice.** At least 90 days before filing an application with the commission, the applicant shall provide notice to each local unit of government within which a route may be proposed. The notice must describe the proposed project and the opportunity for a preapplication consultation meeting with local units of government as provided in subdivision 3b.

Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project notice, local units of government may request the applicant to hold a consultation meeting with local units of government. Upon receiving notice from a local unit of government requesting a preapplication consultation meeting, the applicant shall arrange the meeting at a location chosen by the local units of government. A single public meeting for which each local government unit requesting a meeting is given notice satisfies the meeting requirement of this subdivision.

Subd. 4. **Application notice.** Within 15 days after submission of an application to the commission, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and town in which any part of the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is on or adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons

who have requested to be placed on a list maintained by the commission for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

Subd. 5. **Environmental review.** The commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric generating plant or high-voltage transmission line for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes.

Subd. 6. **Public hearing.** The commission shall hold a public hearing on an application for a site permit for a large electric power generating plant or a route permit for a high-voltage transmission line. All hearings held for designating a site or route shall be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given by the commission at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

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.

Subd. 8. **Recording of survey points.** The permanent location of monuments or markers found or placed by a utility in a survey of right-of-way for a route shall be placed on record in the office of the county recorder or registrar of titles. No fee shall be charged to the utility for recording this information.

Subd. 9. **Timing.** The commission shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the commission's determination that an application is complete. The commission may extend this time limit for up to three months for just cause or upon agreement of the applicant.

Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route permit shall be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary, and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

Subd. 11. **Department of Commerce to provide technical expertise and other assistance.** The commissioner of the Department of Commerce shall consult with other state agencies and provide technical expertise and other assistance to the commission or to individual members of the commission for activities and proceedings under this chapter and chapters 216F and 216G. This assistance shall include the sharing of power plant siting and routing staff and other resources as necessary. The commissioner shall periodically report to the commission concerning the Department of Commerce's costs of providing assistance. The report shall conform to the schedule and include the required contents specified by the commission. The commission shall include the costs of the assistance in assessments for activities and proceedings under those sections and reimburse the special revenue fund for those costs. If either the commissioner or the commission deems it necessary, the department and the commission shall enter into an interagency agreement establishing terms and conditions for the provision of assistance and sharing of resources under this subdivision.

History: 1973 c 591 s 7; 1975 c 271 s 6; 1977 c 439 s 10; 1986 c 444; 1987 c 384 art 2 s 21; 1989 c 346 s 1; 1994 c 644 s 1; 2000 c 289 s 1; 2001 c 212 art 7 s 5-13; 2005 c 97 art 3 s 4-6,19; 2008 c 296 art 1 s 15-17; 2010 c 288 s 3; 2014 c 221 s 1