

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben
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Matthew Schuerger
Joseph K. Sullivan
John A. Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application of Xcel
Energy for a Site Permit for the up to 460
MW Sherco Solar Project in Sherburne
County

ISSUE DATE: December 10, 2021

DOCKET NO. E-002/GS-21-191

DOCKET NO. E-002/TL-21-190

In the Matter of the Application of Xcel
Energy for a Route Permit for the East 345
kV Transmission Line for the Sherco Solar
Project in Sherburne County

DOCKET NO. E-002/TL-21-189

ORDER FOR CONSIDERATION OF
ADDITIONAL SITE ALTERNATIVES
IN ENVIRONMENTAL ASSESSMENT

In the Matter of the Application of Xcel
Energy for a Route Permit for the West 345
kV Transmission Line for the Sherco Solar
Project in Sherburne County

PROCEDURAL HISTORY

On April 20, 2021, Northern States Power Company d/b/a Xcel Energy (Xcel Energy) filed a permit application to develop, own, and operate a 460-megawatt solar energy generating system and two 345-kilovolt transmission lines.

On July 6, 2021, the Commission issued an order granting an exemption from the requirement to obtain a certificate of need for the project.¹

On August 11, 2021, the Commission issued an order finding Xcel Energy's application for a site permit and two route permits substantially complete.² The Commission requested the Department of Commerce, Energy Environmental Review and Analysis unit (EERA) continue to study the issues and indicate during the hearing process its position on the reasonableness of granting site and route permits.

¹ *In the Matter of Xcel Energy's Petition for Approval of the Sherco Solar Project*, Docket No. E-002/M-20-891, Order Granting Certificate of Need Exemption (July 6, 2021).

² Order Accepting Application as Complete and Authorizing Use of the Alternative Review Process (Aug. 11, 2021). In addition, the Commission found it appropriate to proceed with a public hearing under the summary proceeding process.

On August 31, 2021, PUC and EERA staff conducted a joint public information and environmental assessment scoping meeting for the solar facility and two high-voltage transmission lines at Becker High School in Becker, Minnesota. On September 1, 2021, a remote meeting was held.

On September 15, 2021, the City of Becker requested the Commission convene an advisory task force to assist EERA in scoping and proceeding with the environmental assessment required by Minnesota statute and rules.

By September 27, 2021, scoping comments were filed with the commission by the following:

- The City of Becker;
- Becker Township;
- Clear Lake Township;
- Sherburne County;
- International Union of Operating Engineers Local 49;
- International Brotherhood of Electrical Workers Local Union 292;
- Laborers' International Union of North America Minnesota and North Dakota;
- Minnesota Department of Transportation;
- Minnesota Department of Natural Resources;
- Local businesses; and
- Several citizens, including but not limited to nearby residents.

On October 1, 2021, Xcel Energy filed a reply to the responses received in the environmental assessment scoping comment period.

On October 11, 2021, EERA filed a summary of the scoping process for the environmental assessment for the solar facility and two high-voltage transmission lines.

On November 12, 2021, this matter came before the Commission.

FINDINGS AND CONCLUSIONS

I. Summary

This order requires the consideration of three additional sites in the environmental assessment for the Sherco Solar Project.

II. Background

Xcel Energy proposes to construct an up to 460-megawatt solar energy generating system and two 345-kilovolt transmission lines (collectively, Sherco Solar Project).

The solar energy generating system would consist of two blocks: (1) the East Block, a 230-megawatt site, and (2) the West Block, a 230-megawatt site. Both blocks would be built adjacent to the coal-powered Xcel Energy Sherburne County Generating Facility (Sherco) and connected

to the electrical grid at the existing Sherburne County Substation—the East Block by a 1.7-mile-long, single circuit 345-kilovolt transmission line and the West Block by a 3.2 mile-long, single circuit 345-kilovolt transmission line. The Sherco Solar Project would be sited in Clear Lake and Becker Townships in Sherburne County.

III. Environmental Assessment

Applications for site or route permits are subject to an environmental review conducted by EERA staff on behalf of the Commission.³ “The environmental assessment must contain information on the human and environmental impacts of the proposed project and of alternative sites or routes identified by the commissioner and shall address mitigating measures for all sites or routes.”⁴

The scope of the environmental assessment is determined after a public meeting and a public comment period.⁵ The review must include any alternative sites or routes proposed by a citizen advisory task force or by any member agency of the Environmental Quality Board prior to the close of the scoping period.⁶ The Commission may also identify other sites and routes for consideration during the environmental assessment.⁷

When preparing the environmental assessment, EERA does not attempt to resolve whether a proposed or alternative site is more appropriate; rather, the scope of review is limited and outlined under Minnesota statute and rules. This includes but is not limited to a discussion of potential impact on the human and natural environment, discussion of mitigative measures, and the feasibility of alternative sites.⁸

A. Positions of the Parties

1. Sites and Route Review Proposed by EERA

Following written notice, PUC and EERA staff held in-person and remote meetings on the scope of the environmental assessment for the Sherco Solar Project. Approximately 33 individuals attended the meetings. Additionally, 19 written comments were submitted, including five from local governments and state agencies.

Based on input from the City of Becker, EERA identified four potential modifications of the site layout for review alongside Xcel Energy’s proposal:

³ Minn. R. 7850.3700, subp. 1. Under the alternative review process outlined in Minn. Stat. § 216E.04, subd. 5, the only required environmental review is the environmental assessment.

⁴ *Id.*

⁵ Minn. R. 7850.3700, subp. 2(A).

⁶ *Id.*, subp. 2(B).

⁷ Minn. Stat. § 216E.04, subd. 5 (“The environmental assessment shall contain information on the human and environmental impacts of . . . other sites or routes identified by the commission . . .”).

⁸ Minn. R. 7850.3700, subp. 4.

SITE ALTERNATIVE OPTIONS

1. Removal of Problematic Parcels. The review would focus on the Sherco Solar Project's economic viability minus the capacity of the removed parcels.
2. Removal of Problematic Parcels, Addition of Portion of 900-Acre Site. The 900-acre site is south of Clear Lake and owned by Sherco Solar, LLC, a wholly owned subsidiary of National Grid Renewables Development, LLC
3. Removal of Problematic Parcels, Addition of R.D. Offutt Farms Land. These parcels were previously-offered, less productive acreage owned by R.D. Offutt Farms and would minimize work on irrigation wells.
4. Removal of Problematic Parcels, Addition of Common Ownership Parcels. The scope of review would include the addition of nine parcels identified as having common ownership with parcels located within and part of the proposed Project footprint.

EERA evaluated each of these four potential project alternatives under four criteria: (1) submission during the scoping period, (2) mitigation of a specific impact, (3) specificity and identifiability, and (4) satisfaction of the stated needs of the project. EERA determined that the first and second alternatives (i.e. removal and removal with addition of part of a 900-acre site) met all four criteria and would be analyzed during the environmental assessment.

During the scoping process, no alternative routes, route segments, or alignment modifications were proposed for the transmission line portion of the Sherco Solar Project. As a result, EERA stated no alternative routes will be considered in the environmental assessment.

2. City of Becker

Prior to the filing of EERA's comments about alternative sites for consideration during the environmental assessment, the City of Becker requested the appointment of an advisory task force to ensure a fuller consideration of alternatives. The City of Becker, although not opposed to the Sherco Solar Project overall, sought assurances its planned business park would not be left space constricted.

Prior to the hearing, the City of Becker had an opportunity to review the four potential project alternatives identified by EERA. At the hearing, the City of Becker indicated an advisory task force was unnecessary if Site Alternative Options 1 and 2 were considered during the EERA's environmental assessment.

3. Xcel Energy

At the hearing, Xcel Energy agreed with EERA that the existing process had generated sufficient information for the scoping process. It stated the study of the first and second alternatives would help develop the record; although, it remained committed to the original scope of the project.

Xcel Energy opposed the appointment of an advisory task force. Xcel Energy argued the advisory task force would not identify additional alternative sites because of the City of Becker and other stakeholder's ongoing involvement in the project, which included identifying preferred alternatives.⁹ It believed the advisory task force would not yield any new or helpful information for the current issues.

4. Clear Lake Township

Clear Lake Township asked to be appointed to the advisory task force if one was ordered by the Commission. The township emphasized its support of the Sherco Solar Project, the west part of which falls within its borders. Clear Lake Township also noted the City of Becker had not formally approached the township to discuss how and why the City of Becker's planned business park would affect the portion of the project that fell entirely within the township's borders.

5. Other Comments

Other commentators raised specific issues with the potential human and environmental impacts of the Sherco Solar Project. They asked EERA to address specific issues, including but not limited to the use of local labor, and compliance with state law. Sherburne County, which encompasses the entire project and the City of Becker and Clear Lake Township, requested the environmental assessment address existing local ordinances and those of adjacent communities.

B. Commission Action.

The Commission will require the inclusion of Site Alternative Options 1 and 2 in the scoping decision for the environmental assessment for the Sherco Solar Project. The Commission appreciates EERA's work that went into developing both of these options. EERA reviewed public comments and listened attentively during the public environmental assessment scoping meetings. As a result, Site Alternative Options 1 and 2 were developed. These options clearly address the alternative site and route concerns raised during this process, most notably by the City of Becker, which agreed to withdraw its request for appointment of an advisory task force if these options were included.

In addition, the Commission will require the inclusion of land contiguous to the East or West Blocks owned by present participating landowners. These parcels are to be studied as replacements for parcels identified by the City of Becker if the landowners agree to participate in the project and the use of the land does not conflict with any other rule, ordinance, or law. In its filings for the Sherco Solar Project, Xcel Energy has emphasized its ongoing efforts to work with local communities and landowners adjacent to the project. For example, in its October 1, 2021, reply comments, it highlighted how a previously non-participating landowner agreed to participate in the project. While these efforts are important, they cannot continue indefinitely. The Commission, therefore, will require Xcel Energy to identify the contiguous parcels by December 1, 2021.

⁹ See Minn. R. 7850.2400, subp. 3 ("Upon appointment of a citizen advisory task force, the commission shall specify in writing the charge to the task force. The charge shall include the identification of additional sites or routes or particular impacts to be evaluated in the environmental impact statement.").

ORDER

1. The Commission requires the following alternatives be included in the scope of the environmental assessment:
 - a. Site Alternative Option 1.
 - b. Site Alternative Option 2.
 - c. Land contiguous to the East or West Blocks owned by present participating landowners North and West of the West Block and South, East, and West of the East Block, if any. These are to be studied as possible replacements for the parcels of concern identified by the City of Becker, provided the landowners agree to participate in the project using such parcels and the parcels do not conflict with other permitting or environmental constraints as identified by the applicant, by December 1, 2021.
2. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Will Seuffert
Executive Secretary



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CERTIFICATE OF SERVICE

I, Chrishna Beard, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission

**ORDER FOR CONSIDERATION OF ADDITIONAL SITE ALTERNATIVES IN
ENVIRONMENTAL ASSESSMENT**

Docket Number **E-002/GS-21-191, E-002/TL-21-190, E-002/TL-21-189**

Dated this 10th day of December, 2021

/s/ Chrishna Beard

[illegible]

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