

MEMO

Date: December 13, 2021

To: Katherine Blauvelt, Assistant Commissioner

Through: Louise Miltich, Supervisor EERA

From: William Cole Storm, Environmental Review Manager
EERA, (651) 539-1844

Subject: [Environmental Assessment Scoping Decision for the Sherco Solar Project](#)
[PUC Docket No. E002/GS-21-191, E002/TL-21-190, and E002/TL-21-189](#)

Action Required

The signature of the Assistant Commissioner is requested on the attached Environmental Assessment (EA) Scoping Decision. Once signed, Department of Commerce, Energy Environmental Review and Analysis (EERA) staff will provide notice of the Scoping Decision to those persons on the *Project Contact List* and all affected landowners and begin preparing the EIS.

Background

On April 20, 2021, Xcel Energy (Applicant) submitted a site permit application and two high voltage transmission line (HVTL) applications to the Minnesota Public Utilities Commission (Commission) under the alternative review process (Minnesota Statute 216E.04; Minnesota Rule 7850.2800-3900) for the Sherco Solar Project.

The Project is proposed due to ceasing operations of Unit 2 of the Sherco Generating Plant which will cease operations by the end of 2023. The Commission previously approved ceasing operations of Unit 2 and upon cessation, existing interconnection capacity must be repowered or retired by Xcel Energy under the Midcontinent Independent System Operator (MISO) generating facility replacement process.

According to the Applicant, NG Renewables and Xcel Energy were each developing solar generation facilities adjacent to the Sherco Generating Plant prior to issuance of the RFP. NG Renewables was developing a project to the west of the Sherco Generating Plant and had secured purchase options and leases through its subsidiary, Sherco Solar, LLC (Sherco Solar) sufficient to site up to 230 MW of solar generating capacity. Xcel Energy was developing a project to the east of the Sherco Generating Plant and had secured land leases through an affiliate sufficient to site up to 230 MW of solar generating capacity. NG Renewables and Xcel Energy elected to combine the two developments into one project, the Project, with the goal of providing up to 460 MW of solar energy capacity being requested by Xcel Energy in the RFP in a timely manner to maximize job creation during the COVID-19 pandemic.

Schedule

Please review and provide a signature by December 16, 2021. If you require any changes or have any questions, please contact staff as soon as possible. The EA is scheduled to be completed in March 2022.

In the Matter of the Application of Xcel
Energy for a Site Permit and Two Associated
HVTL Route Permits for the Sherco Solar
Project in Sherburne County
PUC Docket No. E002/GS-21-191, E002/TL-
21-190, and E002/TL-21-189

ENVIRONMENTAL ASSESSMENT SCOPING DECISION

The above matter has come before the Assistant Commissioner of the Department of Commerce (Department) for a decision on the scope of the Environmental Assessment (EA) to be prepared for the Sherco Solar Project in Sherburne County.

Introduction and Background

On April 20, 2021, Xcel Energy (Applicant) submitted a site permit application and two high voltage transmission line (HVTL) route permit applications to the Minnesota Public Utilities Commission (Commission) under the alternative review process (Minnesota Statute 216E.04; Minnesota Rule 7850.2800-3900) for the Sherco Solar Project.

Project Purpose and Description

The Project is proposed due to ceasing operations of Unit 2 of the Sherco Generating Plant which will occur by the end of 2023. The Commission previously approved ceasing operations of Unit 2 and upon cessation, existing interconnection capacity must be repowered or retired by Xcel Energy under the Midcontinent Independent System Operator (MISO) generating facility replacement process.

The Applicant states that the Project will replace a portion of the nearly 700 MW of energy generated by Unit 2 of the Sherco Generating Plant. The Applicant states that this plan represents a key milestone step in Xcel Energy's clean energy transition, which targets 100 percent carbon free electricity by 2050 and 80 percent less carbon by 2030. The addition of this resource will increase the solar energy produced on Xcel Energy's system by more than 40 percent from current levels and increase the system to a total of approximately 40 percent renewable energy.

Xcel Energy has indicated that they decided to accelerate plans to add solar generation capacity at the Sherco Generating Plant in response to the Commission's Inquiry into Utility Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic (Docket No. 20-492).

According to the Applicant, National Grid Renewables Development, LLC (NG Renewables) and Xcel Energy were each developing solar generation facilities adjacent to the Sherco Generating Plant prior to issuance of the request for proposal (RFP).¹ NG Renewables was developing a project to the west of the Sherco Generating Plant and had secured purchase options and leases through its subsidiary, Sherco Solar, LLC (Sherco Solar) sufficient to site up to 230 MW of solar generating capacity. Xcel Energy was developing a project to the east of the Sherco Generating Plant and had secured land leases through an affiliate sufficient to site up to 230 MW of solar generating capacity. NG Renewables and Xcel Energy elected to combine the two developments into one project, the Project, with the stated goal of providing up to 460 MW of solar energy capacity being requested by Xcel Energy in the RFP in a timely manner to maximize job creation during the COVID-19 pandemic.

¹ Xcel Energy launches RfP for 500 MW of fresh solar. Xcel Energy launches RfP for 500 MW of fresh solar (renewablesnow.com).

Regulatory Process and Procedures (Site and Route Permit)

The Sherco Solar Project requires both site and HVTL route permits from the Commission.² Because the project is powered by solar energy it qualifies for the alternative permitting process.³ The two HVTLs qualify for review under the Alternative Permitting Process because the length of each of the 345 kV lines is less than five miles.⁴ Applicants must provide the commission with written notice of their intent to file an application under the alternative permitting process,⁵ which was provided on March 22, 2021.⁶

Site and Route permit applications must provide specific information.⁷ This includes, but is not limited to, information about the applicant, descriptions of the project and site, and discussion of potential human and environmental impacts and possible mitigation measures.⁸ Under the alternative permitting process an applicant is not required to propose alternative sites or routes; however, if alternatives were evaluated and rejected, the application must describe these and the reasons for rejecting them.⁹

Upon receiving a site and/or route permit application, the Commission may accept it as complete, reject it and advise the applicant of its deficiencies, or accept it as complete but require the applicant submit additional information.¹⁰

At the time of application acceptance, the Commission may designate a public advisor;¹¹ appoint an advisory task force to aid in the environmental review scoping process;¹² and request the ALJ provide either a summary of the hearing (summary report) or request the ALJ provide a full report with findings of fact, conclusions of law, and recommendations regarding the permit applications (summary proceeding).

On August 11, 2021, the Commission issued an Order accepting the Site Permit and Route Permit Applications as substantially complete, took no action on an advisory task force, and requested that an ALJ from the Office of Administrative Hearings preside over the public hearing and provide the Commission with a Summary Proceeding.¹³

The Commission is required to make a permit decision within six months from the date an application is accepted.¹⁴ This time limit may be extended up to three months for just cause or upon agreement of the applicant.¹⁵

Environmental Review

Applications for site and/or route permits are subject to environmental review conducted by EERA staff (Minnesota Rule 7850.3700). Projects proceeding under the alternative permitting process require the preparation of an Environmental Assessment (EA).

An EA is a document which describes the potential human and environmental impacts of the proposed project and potential mitigative measures. This is the only state environmental review document required for the Project

² Minn. Stat. 216E.03, subd. 1 and 2.

³ Minn. Stat. 216E.04, subd. 2(8).

⁴ Minn. Stat. § 216E.04, subd. 2(4) and Minn. R. 7850.2800, subp. 1(D).

⁵ Minn. R. 7850.2800, subp. 2.

⁶ Sherco Solar, Notice of Intent to File Site and Route Permits Under the Alternative Process, March 22, 2021. eDocket No. 20213-172092-03.

⁷ Minn. Stat. 216E.04, subd. 3; Minn. R. 7850.3100.

⁸ Ibid.

⁹ Ibid.

¹⁰ Minn. R. 7850.3200.

¹¹ Minn. R. 7850.3400.

¹² Minn. Stat. 216E.08, subd. 1; Minn. R. 7850.3600, subp. 1.

¹³ Commission Order on Application Acceptance dated August 11, 2021, eDocket No. 20218-177014-01.

¹⁴ Minn. R. 7850.3900, subp. 1.

¹⁵ Ibid.

(Minnesota Statute 216E.04, subdivision 5). Staff provides notice and conducts a public scoping meeting to solicit comments on the scope of the EA.

The Department of Commerce Commissioner determines the scope of the EA. The Department may include alternative sites or routes suggested by the public in the scope of the EA if such alternatives will aid in the Commission's decision on the route permit application.

Under Minn. R. 7850.3700, subpart 3, the scope of the environmental assessment must be determined by the Department within ten days after the closing of the public comment period. Minn. Stat. § 216E.04, subdivision 5 anticipates, however, that the Commission will have the opportunity to identify other routes for consideration prior to environmental review of a project. The statute states that the environmental assessment must contain information on the proposed project, as well as on other sites or routes identified by the Commission. The rule's ten-day timeline for determining the scope of the environmental assessment after the close of the public comment period constrains the Commission's ability to evaluate public input and identify other possible routes prior to environmental review and is typically set-aside.

The EA will be completed and made available prior to the public hearing for the project.

Under Minnesota Rule, 7850.3700, subpart 4, the Environmental Assessment must include the following:

- A. A general description of the proposed project.
- B. A list of any alternative sites or routes that are addressed.
- C. A discussion of the potential impacts of the proposed project and each alternative site or route on the human and natural environment.
- D. A discussion of mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative.
- E. An analysis of the feasibility of each alternative site or route considered.
- F. A list of permits required for the project; and
- G. A discussion of other matters identified in the scoping process.

Regulatory Process and Procedures (Certificate of Need)

Typically, a CN is required for all "large energy facilities,"¹⁶ unless the facility falls within a statutory exemption from the CN requirements. Through the CN proceedings the applicant must demonstrate using a number of factors prescribed in the rules that the proposed facility is in the best interest of the state's citizens. The applicant must also demonstrate there is not a more prudent and reasonable way than the proposed project to provide the stated goals.

The Sherco Solar Project is a generating plant larger than 50 MW and the West HVTL Project and East HVTL Project are HVTLs, each meet the definition of a large energy facility and would, without an exemption, require a CN prior to issuance of a Site Permit and Route Permits.

In a separate but related docket (E002/M-20-891), Xcel Energy has filed for Commission approval to develop, own, and operate the proposed Sherco Solar Project. In that docket, Xcel Energy has taken the position that the Project, including the Solar Project, West HVTL and East HVTL Projects are all exempt from CN.

¹⁶ Minn. Stat. 216B.243, subd. 2; Minn. Stat. 216B.2421, subd. 2(1 and 2).

On July 6, 2021, the Commission issued an Order granting the proposed Sherco Solar project an exemption from a certificate of need pursuant to Minn. Stat. § 216B.2422, subdivision 5 (b).¹⁷

Scoping Summary

On August 11, 2021, Commission and EERA staff sent notice of the place, date and time of the Public Information and Scoping meeting to local government units and those persons on the Project contact/general list.¹⁸

Commission staff and EERA staff jointly held a Public Information and EA Scoping meeting at the Becker High School in Becker on August 31, 2021. A second remote meeting was held on September 1, 2021. The purpose of the meetings was to provide information to the public about the proposed Project, to answer questions, and to allow the public an opportunity to suggest alternatives and impacts (i.e., scope) that should be considered during preparation of the environmental review document. A court reporter was present at the meeting to document oral statements.

Scoping Comments

Approximately 33 people attended the public information and scoping meetings; during the comment period, which closed on September 15, 2021, nineteen comment letters were received, including five from local unit of governments and state agencies.¹⁹

Comments received ranged from statements of support for, or opposition to, a proposed Sherco Solar Project, to specific concerns or perceived impacts. In preparing the Scoping Decision recommendation, EERA staff considered all comments to the extent practicable. An identification number was assigned to each originator of a comment, including those expressed orally at the public meeting (**Table 1**). For individuals who submitted comments containing multiple points, sequential numbers were assigned to each commenter's distinct point; for example, Comment 9-4 refers to the 4th comment by the commenter assigned as number 9.

Table 1: Scoping Commenters

Commenter Number	Commenter Name	Commenter Agency or Organization
Oral Commenter – Public Meeting		
1	Randy Seeley	Private Citizen
2	Andy Person	Private Citizen
3	Nathan Runke	Private Citizen – member Union of Operating Engineers Local 49
4	Tracy Bertram	Mayor, City of Becker
5	Andrew Mathews	Senator, District 15
6	Shane Mekeland	Representative, District 15B
7	Dan McGowan	Private Citizen – member International Union of North America
8	James Newberger	Private Citizen – former Representative District 15B
9	Mark Kolbinger	Private Citizen – former Becker City Council member

¹⁷ Commission Order Granting the proposed Sherco Solar project an Exempt from a Certificate of Need, July 6, 2021. eDocket No. 20217-175855-01.

¹⁸ Notice of Public Information/Scoping Meeting, August 11, 2021, eDocket no. 20218-177009-02.

¹⁹ Public Scoping Comments through October 9, 2019, Close of Comment Period (Oral and Written Comments), eDocket Nos. 20219-1777995-01 to 13, 20219-177981-01, 20219-177967-01, 20219-177962-01, 20219-177999-02, 20219-178136-03, 20219-178283-01, and 202110-178443-03.

10	Bruce Aubol	Private Citizen
11	Russ Armstrong	Private Citizen
12	Rick Hendrickson	Becker, Council Member
13	Stan Herekenhoff	Private Citizen
14	Greg Pruszinske	Becker, City Administrator
15	Wanda Herkenhoff	Private Citizen
16	Gary Gray	Clear Lake Township Chairman
17	Ross Imholte	Private Citizen
Written Commenter		
18	Andy Snope	Private Citizen - IBEW Local 292 IBEW Local 292 Legislative & Political Director
19	Betsy Armstrong	Private Citizen
20	Bret Collier	Private Citizen
(4)	Tracy Bertram	Mayor, City of Becker
21	Cynthia Warzecha	Minnesota Department of Natural Resources
(3)	Nathaniel Runke	Private Citizen – member Union of Operating Engineers Local 49
22	Jayme Carx	Private Citizen
23	Larry Alford	Private Citizen
24	Lucas Franco	LIUNA Minnesota & North Dakota
(2)	Andy Person	Private Citizen
25	Stacy Kotch Egstad	Minnesota Department of Transportation
26	Mona Smith	Private Citizen
27	Nate Hayes	Private Citizen
(1)	Randy Seeley	Private Citizen
(17)	Ross Imholte	Private Citizen
(11)	Russ Armstrong	Private Citizen
28	Raeanne Danielowski	Sherburne County Board of Commissioners - Chair
(15)	Wanda Herkenhoff	Private Citizen
29	Brian Kolinger	Becker Township Board, Chair

After reviewing and analyzing the comments received, a summary table of issues was developed for each commenter.

The court reporter record from the public meetings, as well as scanned images (pdf) of the original written comments received, were posted on the EERA webpage ([Project Docket: null \(state.mn.us\)](https://www.state.mn.us/eera/project-docket)). The commenters are identified in the preceding table. Individuals' comments are summarized in **Table 2**.

Table 2: Summary of Comments

Comment Number	Summary of Issues
1-1	Mr. Seeley spoke in opposition to the Sherco Solar project, expressing concerns associated with impacts to aesthetics, wildlife/habitat, local jobs, and property values. Additional concerns included what will become of the components upon decommissioning of the site.
1-2	Mr. Seeley also stated that he does not support the closing of the Sherco (Coal) Power plant, nor does he believe in anthropogenic climate change.
2-1	Mr. Person expressed concern about the hazardous materials contained within the panels and the possibility that these substances can leach out of the panels, both in-situ and in the landfill setting.
2-2	Mr. Person is also concerned about the potential impacts to wildlife, especially their ability to move through the area due to the facility's fencing requirements.
2-3	In written follow-up comments, Mr. Person expresses concern over the conversion of productive farmland into energy production, the hazardous and/or non-recyclable materials contained within the panels, and the potential for hazardous materials to leach from the panels.
3-1	As a member of Local 49 Operating Engineers, Mr. Runke expressed the importance of using local labor in the construction of these renewable energy production facilities as they can be a significant source of employment.
4-1	Mayor Bertram reiterated, for the record, that the City is not opposed to the Sherco Solar project as a whole, however, the project conflicts with the City's Comprehensive Plan and presents significant challenges to the local economy and planned future growth of the Becker Business Park. The Project's currently proposed site, as is, limits the City's long-term economic prospects in which both the City and state have invested.
4-2	Mayor Bertram requested that the Environmental Assessment describe the economic loss that will result from the inclusion of the parcels abutting the City and in closest proximity to municipal infrastructure in the Project area.
4-3	Continuing, the Mayor indicated the Environmental Assessment needs to describe the underutilization of the public's significant investments in infrastructure to facilitate and serve the planned expansion area. She stated such underutilization of publicly funded infrastructure frustrates the public policy goals of the state in promoting economic development, maximizing state investment in public infrastructure, and encouraging orderly urban or suburban growth and development on municipal infrastructure.
4-4	The City of Becker also identified those parcels (East Site: PID 05-005-2400 and 05-005-3000; West Site: PID 20-134-1100, 20-134-1400, 20-134-4100) that it believes are the most problematic in relation to future development plans. The City also requested a 100-foot setback from US Highway 10 be required for any solar-related facilities to be located on Parcel No. 20-122-1400, to preserve the City's ability to install infrastructure.
4-5	The City of Becker requested that the scope of the Environmental Assessment

	<p>evaluate alternative sites for the Project, including in concept:</p> <ol style="list-style-type: none"> 1. The development of parcels from the approximately 900 acre “Clear Lake Site”²⁰ to replace generating capacity lost from the City identified parcels. 2. The development of the previously offered R.D. Offutt Farms noncontiguous, less productive acreage further north of Sherco.²¹ 3. The development of 9 parcels, located to the north of the “Clear Lake Site”, identified by the City as having common ownership with parcels located within and part of the proposed Project footprint.²²
4-6	<p>Furthermore, the proposed double-circuit-capable design of the East and West high voltage transmission lines suggests a potential future expansion of the Project could be forthcoming and signals that the negative impacts of the Project raised in the City’s comments here and in the past could expand along with the Project in the near future. The City therefore requests that the Project’s potential for expansion – and where that potential expansion might occur—should be included in the scope of the environmental assessment.</p>
4-7	<p>Finally, under separate cover, the City requested that the Commission establish an advisory Task Force (ATF). The City believes that an ATF would aid the Commission decision by charging the ATF with:</p> <ol style="list-style-type: none"> 1. identifying and evaluating the potential negative economic impacts that the Sherco Solar project will have on Becker’s economy (tax base and future economic development). 2. identifying how the footprint of the Sherco Solar Project could be adjusted to minimize and/or mitigate these negative impacts. 3. identifying possible alternative sites to be included within the Sherco Solar Project in place of the identified parcels.
5-1	<p>Senator Andrew Mathews noted that the City of Becker is taking a big hit with the loss of the current plant and then the loss of the proposed natural gas plant that was going to replace it. Given the design of the Sherco Solar Project and the projected four to six permeant employees to replace the hundreds of jobs at the Sherco Generating Plant, Senator Mathews echoed the Mayor’s concerns over land locking the city and preventing them from doing the expansion they want to do to try to offset the loss of the plant.</p>
6-1	<p>Representative Shane Mekeland spoke to concur with comments made by Mayor Bertram and Senator Mathews. Mr. Mekeland also expressed disappointment over this project moving forward ahead of the work being conducted by the Energy Transition Legacy Office.</p>
7-1	<p>Mr. McGowan, as a member and spokesperson of the Laborers International Union of North American, is a proponent of the proposed project and the associated jobs.</p>
8-1	<p>Mr. Newberger, a former Representative, expressed deep disappointment that after all the work the legislature did to secure the replacement natural gas plant for the Sherco site, that Xcel Energy has decided to build the plant elsewhere.</p>
8-2	<p>Mr. Newberger expressed concern over Township officials (Supervisors) potentially profiting from the siting of the solar project.</p>
8-3	<p>Mr. Newberger discussed the concept of production jobs supporting service jobs and that the current Sherco plant employees approximately 300 production jobs, which in</p>

²⁰ NGR Letter to City of Becker (Jan. 15, 2021), eDocket No. 20219-177995-07.

²¹ R.D. Offutt Farms Public Comment Letter, PUC Docket No. E-002/GS-21-191, (May 17, 2021), eDocket No. 20215-174249-02.

²² City of Becker letter (September 15, 2021), eDocket No. 20219-177995-10.

	turn supports 2,100 service jobs. The gas plant was projected to employ approximately 50 production jobs that would support 350 service jobs. While the solar project would only employ approximately 6 full-time employees.
8-4	Mr. Newberger also voiced unease with the capacity factor of solar projects versus the higher capacity of coal or natural gas plants.
9-1	Mr. Kolbinger stated that he believes the CN/siting/routing processes are flawed due to the lack of local governmental oversight.
9-2	In reviewing the site and route permit application, Mr. Kolbinger feels that Xcel Energy made misleading statements that mischaracterize their relationship with the local governmental units. Mr. Kolbinger urges the Commission to put a pause on the process by having more meetings with local government and holding Xcel accountable for their misleading, inaccurate statements on local government cooperation, as well as extending the comment period because of Xcel's inaccuracies, omissions, and lack of transparency.
9-3	Mr. Kolbinger also expressed concern about the solar project's effect on local climate (heat island effect) and groundwater (leaching hazardous substances).
10-1	Mr. Aubol asked how the zoning classification will be changed to accommodate the solar project and what tax rate will apply. He also wanted to verify the total output of the three units at Sherco (~2400 MW) and with the proposed solar at 460 MW, are additional projects planned to address the delta.
11-1	Mr. Armstrong spoke to worries that the proposed site design for the solar project would, in effect, block the City of Becker's ability to grow.
11-2	Mr. Armstrong asked where the solar panels are manufactured, why was the planned gas plant relocated to North Dakota, and what will the corresponding line losses be.
11-3	Mr. Armstrong asked if activities of crop dusters (drift) would potentially harm the panels, and if so would that restrict crop dusting in the area.
11-4	In written comments Mr. Armstrong questioned accuracy of the measurement of the two HVTL routes, suggesting that the transmission lines might exceed 5.0 miles, and those two projects would not be eligible for the Alternate Permitting Process.
11-5	Additionally, Mr. Armstrong writes that he is concerned that the locations of the East and West solar sites effectively limit the Becker industrial park to its present size. Mr. Armstrong also questions the science behind the theory that anthropogenic carbon dioxide is causing a rise in the temperature of the atmosphere.
12-1	Mr. Rick Hendrickson, Becker City Council Member, is concerned that the proposed site design will block the growth of the business park and make the area less attractive to potential companies.
13-1	Mr. Herkenhoff stated that with the bipartisan agreement that Governor Dayton signed that the gas plant was going to come here. What happened to that? Why is it not coming here? Why is it going to North Dakota?
14-1	Mr. Pruszinske, Becker, City Administrator, referenced a May 18, 2021, letter submitted in response to the PUC notice on application acceptance. Relevant parts include: <ul style="list-style-type: none"> The application did not include a full evaluation of the impacts that the Project as currently sited would have on the local economy. Specifically, the application did not fully describe and account for the effects that the siting of the Project will have on the City's ability to encourage and enable private redevelopment to replace the loss in tax base that will soon occur with the decommissioning of the Sherco coal-fired units.

	<ul style="list-style-type: none"> • The site plan as proposed will effectively lock the City into its current boundaries, unable to expand and properly utilize its investments in public service assets such as water and sewer lines if not adjusted to remove properties closest to the City's boundary. • The City received little advanced notice from Xcel regarding project details. The City is disappointed in this lack of communication especially given the City's very public efforts to develop land and cultivate economic development. • The application states that both Xcel's representatives and the City's representatives "agreed that the Project aligned with Becker's long-term development vision for the community." The City does not agree with this characterization regarding the current state of the Project; Thus, the City and other impacted parties should have the opportunity to present their respective positions, efforts, and share the impacts that each party faces at the hands of this Project.
15-1	Ms. Herkenhoff, stated concerns included energy production versus agricultural production, the capacity factor of solar, leaching of hazardous substances from the panels, and electromagnetic fields.
16-1	Mr. Gray, Clear Lake Township Chairman, stated that the township board supports the project and recognizes the benefits from a renewable-energy projects.
16-2	In written comments, the Township continues to express its support for the project and notes that the City of Becker has not engaged the township in regard to expansion of their industrial/business park nor discussed annexation. Additionally, the Township understands that PUC may form, at its discretion an ATF to review this permit application. If such an ATF is formed the Clear Lake Township board would like to be granted a seat at the table for these discussions.
17-1	Mr. Imholte stated that he is a participating landowner in the solar project, he supports the project, and that he was unaware of the City of Becker's interest in his property. He further stated that he was not interested in setting any of his solar leased lands aside for future (City of Becker) land uses.
18-1	Mr. Snope, representing the IBEW Local 292 wrote in support of the proposed solar project, adding that the IBEW Local 292 members believe that this proposed solar project will not only provide for high paying and benefited constructions jobs but will also be instrumental in attracting more industry to the area, resulting in more jobs for the residents of Becker and the surrounding communities.
19-1	Ms. Armstrong wrote in opposition to the proposed solar project, stating that conversion of the Sherco Coal Plant to natural gas would be more efficient, dependable, and cost effective than construction of the proposed solar farm.
19-2	Among her concerns, Ms. Armstrong list the mining and manufacturing processes required to build the panels, the low-capacity factor, and amount of land necessary.
20-1	Mr. Collier writes in opposition to the proposed project, naming capacity factor of solar versus natural gas, the use of large tracts of agricultural land to generate power, the loss of jobs, and the decommissioning and disposal of the components.
21-1	Ms. Warzecha, MNDNR, writes as a member of the Vegetation Management Working Group, the DNR looks forward to further coordination on the applicant's recently updated vegetation management plan.
21-2	Continuing, the DNR recognizes fencing at solar sites have the potential to disrupt wildlife travel corridors, and to funnel wildlife onto nearby highways. The DNR

	recommends that the EA discuss adequate setbacks from roads to avoid channeling wildlife onto roadways, potentially resulting in wildlife fatalities and safety concerns for the motoring public. The DNR advises that, at sites where Blanding's turtles are known to occur, gaps at the bottom of the fencing can be incorporated into the design to allow turtles to move in and out of the fenced area.
21-2	Adding, the EA should acknowledge that unknown wells could be discovered during project construction. If previously unknown wells are found, they should be sealed in accordance with Minnesota Department of Health guidelines.
22-1	The commentor identified as Jaymecarx, wrote that they oppose the solar project as it is not the best use of the land.
23-1	Mr. Alfords questioned the use of agricultural (A-1) land and implied there are better sites (i.e., under HVTL).
24-1	Mr. Franco, representing LIUNA, wrote in support of the solar project, adding that the project offers unique environmental and socioeconomic benefits compared to a typical greenfield solar installation, and hope to see these benefits captured in the environmental assessment.
25-1	Ms. Egstad, MNDOT, writes that it appears that use of MndOT Utility Permit on Trunk Highway Right-of-Way and Driveway Access permits are not applicable to this project, however, the permittee may need to apply for Oversize/Overweight permits.
25-2	Ms. Egstad continues, should the PUC issue a Site Permit for the Sherco Solar Project, early coordination with MndOT staff is strongly encouraged. Any MndOT permits applied for as a part of these projects will not be issued until the PUC has issued an approved site permit for this project.
26-1	Ms. Smith, a participating landowner, wrote in support of the solar project, and stated that they had no interest in waiting for a future development (i.e., expansion of the business park) opportunity that may not materialize.
27-1	Mr. Hayes, a participating landowner, wrote in support of the solar project.
28-1	Ms. Danielowski, Sherburne County Board of Commissioners – Chair, writes that while the Board supports the general concept of the project, they do have concerns regarding the location as proposed. Additionally, Sherburne County notes that the proposed solar project will result in loss of productive agricultural, land and impact the local agricultural economy.
28-2	<p>Ms. Danielowski continues, that the County would like to ensure that ordinance related issues are taken into consideration while finalizing the site plan, including:</p> <ul style="list-style-type: none"> • The Sherburne County Zoning Ordinance, Section 16.2, Interim Use Permits, Subd 5 (21) does not allow solar farms within 1,000 ft of a lake. A portion of the proposed location of the solar farm (west) is located within the 1,000 ft area (lakes 71-143, 71-137 & 71-138). • The Sherburne County Zoning Ordinance, Section 16.2, Interim Use Permits, Subd 5 (21) A7 does not allow solar farms in the Mississippi Recreational River District. The southern portion of the solar farm area (west) includes property located in the Mississippi Recreational River District. • The Sherburne County Zoning Ordinance, Section 16.2, Interim Use Permits, Subd 5 (21) C9 requires that six (6) foot tall coniferous trees be planted about the entire perimeter of the solar farm. • A wetland delineation of the project site has been submitted to Sherburne County for the Wetland Conservation Act, Technical Evaluation Plan to review and approve, however, no determination on wetland impacts have been

	<p>submitted.</p> <ul style="list-style-type: none">• While Becker Township does its own Planning and Zoning, the proposed solar farm is in close proximity to Big Lake Township where solar farms cannot be located within ½ mile of US Highway 10 to preserve future commercial and industrial uses.
29-1	Mr. Brian Kolinger, Becker Township Board Chair, stated in his written comments that the Township was unaware of the Xcel's plans until shortly before the initial meeting with Xcel Energy and NG Renewables on February 9, 2021. That was the first time the Township officials were informed that this project will go forward without following the Township's zoning and other local regulations.
29-2	Mr. Kolinger continues, that the Township Board and its Road Committee have significant concerns regarding the impact of the proposed solar project on the Town's transportation system thus creating significant public safety and mobility hazards.

Applicant's Comments

Pursuant to Minn. Rule 7850.3700, subpart 2(B), applicants have the right to review proposed alternatives. On October 1, 2021, Xcel Energy filed reply comments to those comments received during the scoping public comment period.²³ The Applicant used this opportunity to address: 1) The City of Becker's comments (claims of mischaracterization/omission concerning the Business Park, suggested site alternatives, and the request for an ATF); 2) Project updates; 3) Specific information in response to questions raised on solar panels; and 4) General responses to issues/concerns raised during the scoping meetings.

Xcel Energy disagrees with the City's position that the Applicants failed to account for the potential impacts on the future business park when designing and laying out the Sherco Solar site. Notwithstanding Xcel Energy's account, the bulk of EERA staff's analysis will focus on comments related to site alternatives and the request for an ATF. The remainder of Xcel Energy's comments will be used to inform the environmental review document.

Alternative Sites

In general, Xcel Energy does not support the exclusion of parcels (East Site: PID 05-005-2400 and 05-005-3000; West Site: PID 20-134-1100, 20-134-1400, 20-134-4100) in lieu of alternative sites identified in the City of Becker's comments as mitigative to the disputed claims surrounding the business park; basically, Xcel Energy believes since the Sherco Solar Project does not impact the Business Park Expansion Area (as defined in the City's Feasibility Report²⁴) no mitigation is warranted. However, should the Commission wish the EA to study a siting alternative that avoids the perceived impact to the business park, Xcel Energy believes the best option would be substituting an approximately 246.9-acre portion of the Clear Lake Parcels for the redacted parcels. This would necessitate construction of a minimum of 1.9 miles of additional collection corridor outside of the current Solar Project area and an additional 1 to 2 miles of collection cabling inside of the Solar Project area to connect the Clear Lake Parcels and associated electrical circuits to the Solar Project area. Supporting this option is the fact that these parcels offer a definable alternative, are being leased by or under easement with Sherco Solar, LLC, and are the closest parcels to the Project.

Regarding the City of Becker's suggestion that the EA also study replacing the identified parcels with a collection of parcels located northwest of the Clear Lake parcels, that share common ownership with participating landowners, Xcel Energy implies that this suggestion provides no definable alternative site to study. Xcel Energy continues that this area is an additional 5-miles northwest of the project site, and that neither Xcel Energy nor NGR (or any of their affiliates) hold leases on these parcels.

²³ Xcel Energy reply comments, October 1, 2021. eDocket No. 202110-178443-03.

²⁴ <https://www.ci.becker.mn.us/DocumentCenter/View/2041/FinalFeasibility-Report---031>

Public Utility Commission Review

On November 12, 2021, the Commission met concerning the *Request for an Advisory Task Force* (ATF) and a review of EERA's *EA Scoping Summary* for the Sherco Solar Project docket. The Commission took no action on the ATF issue. In an Order dated December 10, 2021, the Commission made the following determination with regards to the EA Scope:

- Site Option 1.
- Site Option 2.
- 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.

Applicant Contiguous Parcel Analysis

On November 17, 2021, the Applicant filed its review of the eastern ("East Block") and western ("West Block") sections of the Project to identify contiguous parcels to the north and west of the West Block and south, east and west of the East Block that are also owned by landowners already participating in the Project. Ownership information was determined using Sherburne County real property records. This analysis was intended to determine if any contiguous parcels should be studied in the EA.

No suitable parcels were identified, and Xcel Energy concluded that no parcels contiguous to the Project need to be studied by EERA in the EA.

EERA Staff Analysis and Recommendation

The scoping process for environmental review in Minnesota is designed to identify and analyze "only those potentially significant issues relevant to the proposed project" and alternatives to the project.²⁵ EERA staff has drafted, for the Department of Commerce Assistant Commissioner's consideration, this scoping summary/recommendation, and *EA Scoping Decision* for the Sherco Solar Project under the alternative review process. Staff's recommendation covers those items required under Minnesota Rule 7850.3700 subpart 3 and 4, and the EA will address those factors (and associated elements) listed in Minnesota Rule 7850.4100.

No alternative routes, alternative route segments, and/or alignment modifications were put forth for consideration concerning the HVTL portion of the project during the scoping comment period.

It is not EERA staff's role to determine which "party's" story is the most accurate accounting of events leading to the conflict between the Applicant's proposed site layout and the City's development plans for the business park and the parcels in question.

The EA is not the forum to hash these issues out; the EA's role is to provide an overview of the resources affected by the project and evaluate the potential human and environmental impacts and mitigation measures for the proposed project and any alternatives (that have been included in the Scoping Decision) under consideration.

Alternative Sites

The process for individuals to request that specific alternative sites/routes, and/or modifications to the project be included in the scope of the environmental review document was discussed at the public meeting.

²⁵ Minnesota Rule 4410.2100, Subp. 1

The City of Becker requested that the scope of the Environmental Assessment contain alternative siting options for the Project that would allow for the removal of the five identified parcels (East Site: PID 05-005-2400 and 05-005-3000; West Site: PID 20-134-1100, 20-134-1400, 20-134-4100). The City's concern with the proposed location for the Project centers on the fact that the Project footprint abuts the City's boundaries and encompasses areas of interest for future business growth and development.

Based on the City's comments, EERA staff considered the following siting options:

1. Modification of the site layout to remove the parcels of concern. This would involve studying the proposed project's economic viability minus the capacity (megawatt) inherent in the missing parcels.
2. Modification of the site layout to remove the parcels of concern, with the addition of a portion of the 900-acre Clear Lake site (originally proposed in Sherco Solar's January 15, 2021 letter²⁶) to off-set the missing capacity.
3. Modification of the site layout to remove the parcels of concern, with the addition of the previously offered, less productive RDO acreage to off-set the missing capacity. This would have the added benefit of reducing RDO's hardship of having to cap 16 wells, removing 14 center-pivot irrigation systems across 1,500 acres, and loss of production (200,000 hundredweight of potatoes annually).²⁷
4. Modification of the site layout to remove the parcels of concern, with the addition and solar development of nine parcels identified as having common ownership with parcels located within and part of the proposed Project footprint.

Minnesota Rule 4410.2300, item G, states an alternative may be excluded from analysis if it would not meet the underlying need for or purpose of the project, or it would likely not have any significant environmental benefit compared to the project as proposed, or another included alternative.

In evaluating the suggested options, EERA uses four criteria the potential alternatives must pass to be included in the Scoping Decision recommendation, 1) be submitted during the scoping period, 2) mitigate a specific impact (e.g., Aesthetic, Land Use, Natural Resources), 3) be specific and identifiable, and 4) meet the stated need for the project.

If suggested options are carried forward into the Scoping Decision, they become alternatives to be studied in the EA (i.e., option 1 would become alternative 1)

Notwithstanding the underlying dispute between the Applicant and the City of Becker, that is the issue being mitigated or lack thereof, options 1 and 2 appear to pass these criteria. Granted, the loss of capacity from option 1 may reduce the economic viability of the project (need for or purpose), but these calculations, and the obvious future solar development (see Section 2.1.6, p. 15; and Section 3.2, p.36, of Xcel Energy's application) in the area (interconnection) and its ability to offset the loss, can be fleshed out in the EA.

Option 2, being a portion of the original proposed concept for the Sherco Solar Project,²⁸ much of the environmental information and infrastructure needs should be readily ascertainable.

Options 3 and 4 remain largely undefined; absent a site and infrastructure plan the evaluation of the significant environmental effects cannot be known and the cost of obtaining this information would be excessive. Additionally, the information could not be obtained within the time periods specified for LEPGP site permit application review in rule.

²⁶ NGR Letter to City of Becker (Jan. 15, 2021), eDocket No. 20219-177995-07.

²⁷ R.D. Offutt Farms Public Comment Letter, PUC Docket No. E-002/GS-21-191, (May 17, 2021), eDocket No. 20215-174249-02.

²⁸ NGR Letter to City of Becker (Jan. 15, 2021), eDocket No. 20219-177995-07.

Items Out of Scope

A dominant theme expressed throughout the scoping period was disappointment with Xcel Energy dropping the proposed 786-megawatt combined-cycle natural gas plant at the site of the Sherco coal-fired power plant in favor of four smaller natural gas facilities — two new ones in Lyon County and Fargo, North Dakota, and two repowered ones in the Twin Cities metro area and Wisconsin. EERA considers this issue to be “out-of-scope” of environmental review for these dockets.

The additional following issues are not included in EERA’s scoping decision recommendation:

- Certificate of Need (need issues, including size, type, and timing; alternative system configurations or voltage).
- The manner in which landowners are compensated for leases or easements.

Staff is recommending two siting alternatives (Option 1 and Option 2, **Figures 1**, and **Figure 2**, respectively) be studied in the EA.

No HVTL routing alternatives are being recommended.

SCOPING DECISION

HAVING REVIEWED THE MATTER, consulted with Department EERA staff, and in accordance with Minnesota Rule 7850.2500, I hereby make the following Scoping Decision:

MATTERS TO BE ADDRESSED

The issues outlined below will be identified and described in the EA for the proposed Sherco Solar Project. The EA will describe the Project and the human and environmental resources at the facility location. The EA will also provide information on the potential impacts of the proposed project as they relate to the topics outlined in this scoping decision, including possible mitigation for identified impacts, identification of irretrievable commitment of resources, and permits from other government entities that may be required for construction of the project.

i. GENERAL DESCRIPTION OF THE PROJECT

- General Project Description and Location
- Project Purpose
- Project Costs
- Project Schedule

ii. REGULATORY FRAMEWORK

- Certificate of Need
- Large Electric Power Generating Plant (LEPGP) Site Permit
- High Voltage Transmission Line (HVTL) Route Permit
- Environmental Review Process
- Other Permits and Approvals

iii. PROPOSED LEPPG PROJECT AND SITING ALTERNATIVES

The EA, in accordance with Minnesota Rule 7850.3700, will provide a description of the proposed site and alternatives.

- Proposed LEPGP Project
 - o Project Description {panels and arrays, collector system, project substation, roads, operations and maintenance facility, transmission intertie}
 - o Capacity Factor
 - o Panel Manufacturing
 - o Site Acquisition
 - o Construction
 - o Site Restoration
 - o Operation and Maintenance
 - o Decommissioning
 - o Required Permits
- LEPGP Site Alternatives
 - o Alternative 1 Addition of the Clear Lake Parcels in lieu of Parcels (East Site: PID 05-005-2400 and 05-005-3000; West Site: PID 20-134-1100, 20-134-1400, 20-134-4100).
 - o Alternative 2 Deletion of Parcels (East Site: PID 05-005-2400 and 05-005-3000; West Site: PID 20-134-1100, 20-134-1400, 20-134-4100) with no substitute.

iv. PROPOSED HVTL PROJECT

- o Engineering and design (structures, conductors, Byron interconnect)
- o Route width, Right-of-Way, Anticipated Alignment
- o Right-of-way Acquisition
- o Construction
- o Restoration
- o Operation and Maintenance
- o Decommissioning
 - Recycling and Disposal of Components

v. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES

The EA will include a discussion of the human and environmental resources potentially impacted by the proposed project and alternatives described herein (Section iii). Potential impacts, both positive and negative, of the project and each alternative will be described. Based on the impacts identified, the EA will describe mitigation measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EA will describe any unavoidable impacts resulting from implementation of the proposed project.

Data and analyses in the EA will be commensurate with the importance of potential impacts and the relevance of the information to consideration of the need for mitigation measures.²⁹ EERA staff will consider the relationship between the cost of data and analyses and the relevance and importance of the information in determining the level of detail of information to be prepared for the EA. Less important material may be

²⁹ Minnesota Rule 4410.2300.

summarized, consolidated, or simply referenced.

If relevant information cannot be obtained within timelines prescribed by statute and rule, or if the costs of obtaining such information is excessive, or the means to obtain it is not known, EERA staff will include in the EA a statement that such information is incomplete or unavailable and the relevance of the information in evaluating potential impacts.³⁰

- A. Environmental Setting
- B. Socioeconomics
 - Employment/Jobs
 - Local Economy and Growth Potential
- C. Human Settlements
 - 1. Noise
 - 2. Aesthetics
 - Screening (County Ordinance)
 - 3. Displacement
 - 4. Property Values
 - 5. Zoning and Land Use Compatibility
 - Municipal Expansion and Infrastructure
 - Municipal Setbacks
 - County Setbacks (Shoreline, River District, Highways)
 - Future Local Solar Growth Potential
 - Required Changes - Zoning Classification
 - 6. Public Services
 - a) Roads and Highways
 - MNDOT Oversize/Overweight Permits
 - Township Transportation System
 - b) Utilities
 - c) Emergency Services
 - 7. Electronic Interference
 - a) Radio
 - b) Television
 - c) Wireless Phone / Internet Services
- D. Public Health and Safety
 - 1. Electric and Magnetic Fields
 - 2. Implantable Medical Devices
 - 3. Stray Voltage
 - 4. Induced Voltage
 - 5. Air Quality
 - Local Climate Affects/Heat Island

³⁰ Minnesota Rule 4410.2500.

- 6. Hazardous Materials
 - Leaching
 - Disposal, Landfilling
- E. Land Based Economies
 - 1. Agriculture
 - a) Compaction
 - b) Tile Damage
 - c) Aerial Spraying
 - d) GPS Systems
 - e) Crop Duster Drift Effect on Panels
 - f) Loss of Agricultural Production for Energy Production
 - 2. Forestry
 - 3. Mining
 - 4. Recreation and Tourism
- F. Archaeological and Historic Resources
- G. Natural Environment
 - 1. Water Resources
 - a) Surface Waters
 - b) Groundwater
 - Well (CWI) Locations
 - c) Wetlands
 - Delineation (WCA)
 - 2. Soils
 - 3. Flora
 - 4. Fauna
 - Habitat
 - Wildlife Movement
 - Fence Turtle Gaps
- H. Threatened / Endangered / Rare and Unique Natural Resources
- I. Electric System Reliability
- J. Operation and Maintenance Costs that are Design Dependent
- K. Adverse Impacts that Cannot be Avoided
- L. Irreversible and Irretrievable Commitments of Resources

vi. ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL IMPACT STATEMENT

The EA will not consider the following:

- Any HVTL route alternatives.
- Any site alternative not specifically identified for study in this scoping decision.
- Any system alternatives.
- The manner in which landowners are paid for LEPGP leases/easements/purchase or

transmission line right-of- way easements.

SCHEDULE

The EA is anticipated to be completed and available in March 2022. Public hearings will be held in the project area after issuance of the EA and are anticipated to occur in April 2022.

Signed this 13th day of December, 2021

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



Katherine Blauvelt, Assistant Commissioner

FIGURES

Figure 1 Siting Alternative 1

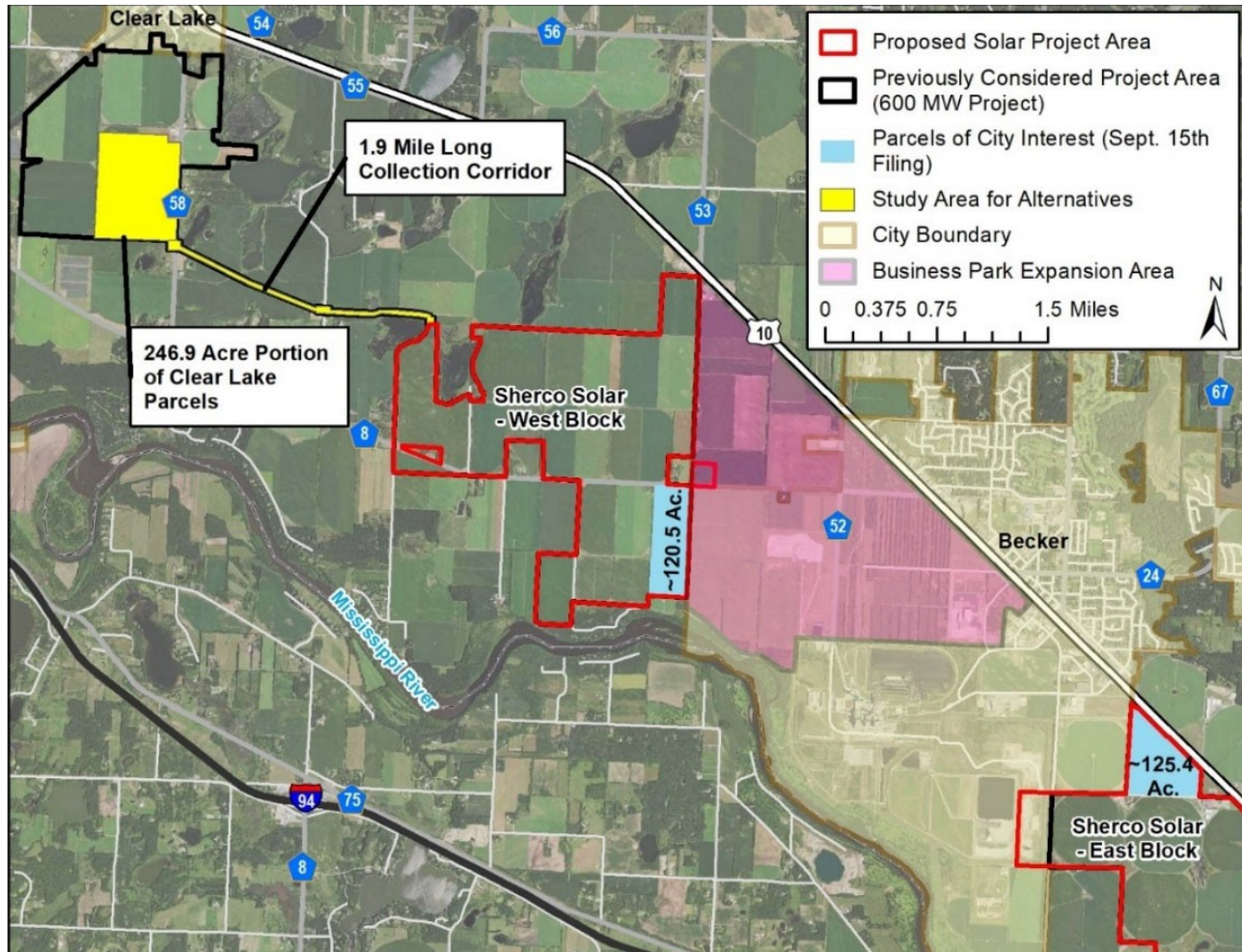


Figure 2 Siting Alternative 2

