

## APPENDIX B:

### Scoping Decision



In the Matter of the Applications of Lake Wilson  
Solar Energy LLC for a Certificate of Need and Site  
Permit for the Lake Wilson Solar Energy Center  
Project in Murray County, Minnesota

**ENVIRONMENTAL ASSESSMENT  
SCOPING DECISION**

**DOCKET NO. IP-7070/GS-21-792  
DOCKET NO. IP-7070/CN-21-791**

The above matters have come before the Commissioner of the Department of Commerce (Department) for a decision on the scope of the Environmental Assessment (EA) to be prepared for Lake Wilson Solar Energy LLC's 150 megawatt (MW) solar farm and battery storage project in Leeds Township, Murray County, Minnesota.

## **Project Description**

On February 9, 2023, Lake Wilson Solar Energy LLC (applicant) submitted both a certificate of need (CN)<sup>1</sup> and a site permit application<sup>2</sup> to the Minnesota Public Utilities Commission (Commission) to construct the Lake Wilson Solar Energy Center – an up to 150 MW solar farm with an associated 95 MW of battery storage. Lake Wilson Solar Energy LLC is a wholly owned subsidiary of Invenergy Solar Development North America LLC, and an affiliate of Invenergy LLC. The site permit application was submitted under the alternative review process (Minnesota Statute 216E.04; Minnesota Rule 7850.2800-3900).

The project will occupy approximately 1,526 acres southeast of the city of Lake Wilson and just south of State Highway 30. The project will use photovoltaic solar panels mounted on single axis tracking systems. Underground collection cables will gather and send the electric power generated by the solar panels to a project substation. The substation will interconnect with the electrical grid via a new switching station and an overhead generation intertie. The substation and switching station will be used by the battery energy storage system. The switching station and intertie would be permitted, constructed, owned, and operated by Xcel Energy.

Lake Wilson indicates that a generator interconnection agreement (GIA) for the project has been executed with the Midcontinent Independent System Operator.<sup>3</sup> This interconnection will provide sufficient outlet to accommodate all the solar energy generation from the project. Construction is anticipated to begin in the summer of 2024 with completion and operation anticipated in the winter of 2026.<sup>4</sup>

## **Project Purpose**

Lake Wilson states that the project will assist the State of Minnesota in meeting its renewable energy objectives<sup>5</sup>, diversify electricity sources, meet anticipated growth in electricity demand, and meet

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<sup>1</sup> Certificate of Need application, February 9, 2023, eDockets Numbers [20232-193062-01](#), [20232-193062-02](#), and [20232-193061-01](#) (through -05) hereinafter the certificate of need application.

<sup>2</sup> Site Permit Application, February 9, 2023, eDockets numbers [20232-193056-01](#) (through -10), [20232-193057-01](#) (through -10), [20232-193059-01](#) (through -07), and [20232-193060-01](#) (through -09) hereinafter the Site Permit Application.

<sup>3</sup> Site Permit Application, Section 2.2.

<sup>4</sup> Site Permit Application, Section 1.3.

<sup>5</sup> Minnesota Statute 216B.1691.

consumers' growing demand for renewable energy.<sup>6</sup> The project is expected to positively impact the electric grid by providing 95 MW of energy storage capacity, thus allowing output timing to the grid to shift from peak solar generation to peak electric demand.<sup>7</sup> Lake Wilson is working to secure a power purchase agreement with wholesale customers (e.g., Minnesota utilities and cooperatives) or commercial and industrial customers to sell the electric power generated by the project.

## Regulatory Process and Procedures

The Lake Wilson Solar Energy Center requires a certificate of need and a site permit from the Commission.<sup>8</sup> On February 9, 2023, the applicant submitted applications for both approvals. The project qualifies for the alternative permitting process because it is powered by solar energy.<sup>9</sup> Department of Commerce, Energy Environmental Review and Analysis (EERA) staff are responsible for conducting environmental review for CN and site permit applications submitted to the Commission.<sup>10</sup> As two concurrent environmental reviews are required – one for the CN application and one for the site permit application – the Commission has authorized EERA staff to combine the environmental review for the two applications.<sup>11</sup>

An EA will be prepared to meet the requirements of both review processes. An EA contains an overview of the resources affected by the project. It also discusses potential human and environmental impacts and mitigation measures.<sup>12</sup> Under the alternative permitting process, an EA is the only required state environmental review document. The environmental review process typically takes six to nine months to complete.

## Scoping Process

Scoping is the first step in the environmental review process. The scoping process has two primary purposes: (1) to gather public input as to the impacts and mitigation measures to study in the EA and (2) to focus the EA on those impacts and mitigation measures that will aid in the Commission's decisions on the CN and site permit applications.

Staff use the information gathered during scoping to inform the content of the EA. EERA staff gathered input on the scope of the EA through public meetings and an associated comment period. This scoping decision identifies the impacts and mitigation measures as well as alternatives to the project itself that will be analyzed in the EA.

## Public Information and Scoping Meetings

On May 10, 2023, the Commission and EERA jointly held a public meeting in Slayton, Minnesota. Approximately 11 people attended this meeting; two attendees provided public comment expressing support for the project.<sup>13</sup> The following evening, May 11, 2023, the Commission and EERA held a remote-access public meeting. One person attended this meeting and made no comment.

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<sup>6</sup> Site Permit Application, Section 1.1.

<sup>7</sup> Id.

<sup>8</sup> Minn. Stat. 216E.03, subdivision 2.

<sup>9</sup> Minn. R. 7850.1500, subp. 1, C. (8); Minn. Stat. 216E.04, subd. 2.

<sup>10</sup> Minnesota Rule 7849.1200; Minnesota Rule 7850.3700.

<sup>11</sup> Commission Order, April 4, 2023, eDockets Number [20234-194490-01](#).

<sup>12</sup> Minn. Stat. [216E.04](#), subd. 5; Minn. R. [7850.3700](#), subp. 4.

<sup>13</sup> Written and Meeting Comments on Scope of Environmental Assessment, eDockets No. [20235-196213-01](#).

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 for consideration during preparation of the EA. A court reporter was present at the meetings to document oral statements.

## Written Public Comments

A comment period ending on May 25, 2023, provided the public with an opportunity to provide input on the scope of the EA. Written comments were received from two state agencies, two labor unions, and one nonprofit organization.

### ***Minnesota Department of Natural Resources (DNR)***

DNR comments focused on the design and location of components of the project.<sup>14</sup>

Specifically, DNR requested the following:

- Adequate buffer and erosion control be maintained between an unnamed stream on the project's border and land disturbing activities to prevent sediment from entering the system;
- Design fencing in accordance with the DNR's *Commercial Solar Siting Guidance*;
- Avoid or minimize potential impacts to wildlife by using shielded and downward facing lighting and lighting that minimizes blue hue;
- Avoid use of dust suppressant that contains chloride components, and
- Limit erosion control blankets to "bio-netting" or "natural netting" types, and specifically not products containing plastic mesh netting or other plastic components.

### ***Minnesota Department of Transportation (MnDOT)***

MnDOT comments focused on potential impacts to current MnDOT right-of-way and the need for MnDOT permits.<sup>15</sup>

Specifically, MnDOT noted the following:

- Given the project's proximity to MnDOT trunk highway 30, the applicant should ensure their efforts to mitigate soil impacts and erosion control will not negatively impact existing land and infrastructure surrounding the project;
- A MnDOT drainage permit may be necessary if changes will impact the trunk highway right-of-way;
- Oversize/Overweight permits may be needed. MnDOT's highway construction activities could impact project construction and plans to haul oversize loads to the proposed site; thus, the applicant needs to coordinate with MnDOT.

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<sup>14</sup> Scoping Comments of the Minnesota DNR, May 25, 2023, eDocket No. [20235-196115-01](#).

<sup>15</sup> Scoping Comments of the Minnesota Department of Transportation, May 25, 2023, eDockets No. [20235-196140-01](#).

The International Union of Operating Engineers, Local 49, supports the project and encouraged the Department to scope the EA in a way that allows the process to move forward in a timely and efficient manner while appropriately considering potential impacts.

Laborers' International Union of North America (Minnesota & North Dakota) supports the project and provided positive affirmation for Invenergy's intention to work with organized labor to maximize the local socioeconomic benefits. The union would like the scope of the EA to include the project's interconnection status, battery storage's impact on the electric grid and associated economic benefits, and benefits to local workers.

Minnesota Land & Liberty Coalition supports the project as it protects the private property rights of farmers and landowners as well as contributes to building a resilient and reliable energy grid by diversifying electricity generation.

### ***Commission Review***

After close of the public comment period, EERA staff provided the Commission with a summary of the EA scoping process.<sup>16</sup> The summary discussed the comments received on the scope of the EA and EERA staff's recommendation to study only the applicant's proposed site in the EA. On July 25, 2023, the Commission issued an Order after considering what action it should take regarding alternative sites to be studied in the EA. The Commission took no action.<sup>17</sup>

### ***System Alternatives***

No system alternatives were suggested during scoping. Minnesota Rule 7849.1500 lists system alternatives that should be examined during environmental review.<sup>18</sup> These alternatives include, among others, the no-build alternative, purchased power, and transmission in lieu of generation.<sup>19</sup> In its order on January 4, 2023, the Commission approved exemptions requested by the applicant for certain CN alternatives.<sup>20</sup> The Commission required, in part, that the applicant provide CN information regarding only generation facilities that use a renewable energy source and the alternative of no facility.<sup>21</sup> Consistent with the Commission's order, the EA will analyze system alternatives that are the same size as the project that use a renewable energy source and a no build alternative.

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**HAVING REVIEWED THE MATTER**, consulted with EERA staff, and in accordance with Minnesota Rule 7850.3700, I hereby make the following scoping decision:

## **MATTERS TO BE ADDRESSED**

The EA will describe the project and the human and environmental resources of the project area. It will provide information on the potential impacts of the project as they relate to the topics outlined in this scoping decision and possible mitigation measures. It will identify impacts that cannot be avoided and

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<sup>16</sup> Department of Commerce, Comments and Recommendations on Scoping Process, June 12, 2023, eDockets No. [20236-196498-01](#).

<sup>17</sup> Public Utilities Commission, Order Adopting Recommendations of the Department of Commerce, July 25, 2023, eDockets No. [20237-197723-01](#).

<sup>18</sup> Minnesota Rule 7840.1500.

<sup>19</sup> Id.

<sup>20</sup> Commission Order (Approving Requested Exemptions with Modifications), April 4, 2023, eDockets Number [20221-181183-01](#).

<sup>21</sup> Id.

irretrievable commitments of resources, as well as permits from other government entities that may be required for the project. The EA will discuss the relative merits of the proposed project site with respect to the siting factors in Minnesota Rule 7850.4100.

The EA will include a description and analysis of the human and environmental impacts of the proposed project and alternatives to the project that would have otherwise been required by Minnesota Rule 7849.1500 in an environmental report. This includes evaluating matters of size, type, and timing that would normally be excluded in an EA for a site permit application. The EA will describe and analyze the availability and feasibility of system alternatives.

The issues outlined below will be analyzed in the EA for the project. This outline is not intended to serve as a table of contents for the document itself.

**I. GENERAL DESCRIPTION OF THE PROJECT**

- A. Project Description
- B. Project Purpose
- C. Project Costs

**II. REGULATORY FRAMEWORK**

- A. Certificate of Need
- B. Site Permit
- C. Environmental Review
- D. Grid Interconnection
- E. Other Permits and Approvals

**III. ENGINEERING, DESIGN, AND CONSTRUCTION**

- A. Solar Arrays
- B. Electrical Collection Systems
- C. Substation and Switching Station
- D. Battery Storage
- E. Associated Facilities

**IV. OPERATION AND DECOMMISSIONING**

- A. Maintenance
- B. Vegetation Management
- C. Repowering and Decommissioning

**V. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS AND MITIGATIVE MEASURES**

The EA will include a discussion of the human and environmental resources potentially impacted by the project. Potential impacts of the project will be described and characterized. 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 project.

Data and analyses will be commensurate with the level of impact for a given resource and the relevance of the information to consider mitigation measures. 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 summarized, consolidated, or simply referenced.

If relevant information cannot be obtained within timelines prescribed by statute and rule, the costs of obtaining such information is excessive, or the means to obtain it is unknown, 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 or alternatives.

- A. Environmental Setting
- B. Socioeconomics
  - 1. Environmental Justice
- C. Human Settlements
  - 1. Noise
  - 2. Aesthetics
  - 3. Displacement
  - 4. Property Values
  - 5. Zoning and Land Use Compatibility
  - 6. Public Services
  - 7. Electronic Interference
- D. Public Health and Safety
  - 1. Electric and Magnetic Fields
  - 2. Worker and Public Safety
- E. Land Based Economies
  - 1. Agriculture
  - 2. Forestry
  - 3. Mining
  - 4. Recreation and Tourism
- F. Archaeological and Historic Resources
- G. Natural Environment
  - 1. Water Resources
  - 2. Soils
  - 3. Geology
  - 4. Flora
  - 5. Fauna
  - 6. Air Quality
  - 7. Climate Change
- 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. ALTERNATIVES TO THE PROPOSED SOLAR FARM**

The EA will analyze the availability and feasibility of the following system alternatives, and the human and environmental impacts and potential mitigation measures associated with each:

- A. No-build Alternative
- B. Generic 150 MW Solar Farm with 95 MW of battery storage

C. Generic 150 MW Wind Farm with 95 MW of battery storage

### **Issues Outside the Scope of the EA**

The EA will not address following topics:

- Any site alternative other than the site location proposed by the applicant.
- Any system alternative not specifically identified for study in this scoping decision.
- The manner in which landowners are compensated for the project.

### **SCHEDULE**

The EA is anticipated to be completed and available in November 2023. Upon completion, it will be noticed and made available for review. Public hearings will be noticed and held in the project area after issuance of the EA. Comments on the EA may be submitted into the hearing record.

Signed this 4<sup>th</sup> day of August, 2023

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE

A handwritten signature in black ink that reads "Michelle Joy Gransee". The signature is written in a cursive style with a large, stylized 'M' and 'G'.

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Michelle Gransee, Deputy Commissioner