

STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD

In the Matter of the Need For an Environmental Impact Statement for the Waterville Plant Proposed by Simon Entergy I, LLC	Sample Findings of Fact, Conclusions and Order Determining that No EIS Is Needed EQB Docket No. 02-41-EAW-Simon
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The above-entitled matter came before the Minnesota Environmental Quality Board at a regular meeting on September 19, 2002.

STATEMENT OF ISSUE

Simon Entergy I, LLC (SEI) has proposed to construct a 46-megawatt, combined-cycle, natural gas-fired electric power generation plant in Blooming Grove Township, Waseca County, Minnesota. SEI is an independent power producer located in Waseca, Minnesota. SEI anticipates operating the facility approximately 4,000 hours per year during periods of high customer energy demand, electrical system emergencies, and for energy sales to Xcel Energy.

Minnesota Rules Part 4410.4300, subp. 3 requires that an environmental assessment worksheet be prepared for electric power generating plants and associated facilities designed for, or capable of operating at, a capacity between 25 MW and 50 MW. The EQB is the responsible governmental unit for preparation of the EAW.

The board's decision in this matter shall be either a negative or a positive declaration of the need for an environmental impact statement. The board must order an EIS for the project if it determines the project will have the potential for significant environmental effects (Minn. R. Part 4410.1700).

Based upon the information in the record, which is comprised of the EAW for the proposed project, written comments received, responses to the comments and other supporting documents, the EQB makes the following Findings of Fact, Conclusions and Order:

FINDINGS OF FACT

Project Description

1. SEI has proposed to construct a 46-megawatt, combined-cycle, natural gas-fired electric power generation plant in Blooming Grove Township, Waseca County, Minnesota. The plant will be constructed on a four acre site located on Reliant Energy-Minnegasco property at the intersection of Highway 13 and 270th Street SW, north of Waseca, Minnesota.
2. The plant will consist of one General Electric (GE) PG5361P Frame 5 simple cycle combustion turbine generator (CTG) package, one heat recovery steam generator (HRSG) with associated steam turbine generator (STG). The HRSG will be equipped with an integral selective catalyst reduction (SCR) module for combined cycle operation.

3. The CTG bypass stack will be 50 feet tall with an outer diameter of 10 feet, and the HRSG stack will be 60 feet tall with an outer diameter of 10 feet.
4. The plant will have a backup diesel generator of approximately 750 kW that will operate on number 2 fuel oil. The diesel generator will provide black start capability to the plant during system wide blackouts. The fuel oil will be stored onsite in an above ground storage tank with a total capacity of less than 1,500 gallons.
5. The electrical output will be connected to the Xcel Energy existing 115 kV transmission line located along Highway 13. The new transmission line will head directly west from the plant's substation approximately 500 feet to the existing Xcel Energy transmission line. A natural gas pipeline will connect the plant to the existing Reliant Energy-Minnegasco transmission natural gas pipeline located to the north of the project site. The new 6 inch lateral gas pipeline will be approximately 400 feet long and operate at a maximum pressure of 485 psi.

Procedural

6. Minn. R. Part 4410.4300, subp 3 requires the preparation of an EAW for the construction of an electric power generating plant with a generating capacity between 25 and 50 megawatts. The purpose of the EAW is to aid in the determination of whether an environmental impact statement should be prepared. The EQB is designated as the responsible governmental unit.
7. Simon Entergy I LLC submitted the data portion of the environmental assessment worksheet to the EQB staff on June 25, 2002. The staff added supplemental data and prepared the EAW.
8. Notice of the availability of the EAW was published in the EQB Monitor on July 22, 2002. This initiated the thirty-day comment period.
9. The EAW was distributed on July 15, 2002, to the EQB distribution list pursuant to Minn. R. Part 4410.1500.
10. On July 15, 2002, a press release containing the notice of availability of the EAW for public review was sent to the Waseca County News and the Lake Region Life. The comment period for the EAW closed on August 22, 2002.
11. Copies of these proposed Findings of Fact were mailed to all commenters on September 5, 2002.

Agency Letters Included in the EAW

12. In a letter dated December 5, 2001, the MN Historical Society found that there are no properties listed on the National or State Registers of historic places and no known or suspected archeological properties in the area that will be affected by this project.
13. In a letter dated March 26, 2002, the United States Department of Interior (US DOI) determined that the project is not likely to adversely affect any federally listed or proposed threatened or endangered species or their critical habitat.
14. In a letter dated November 14, 2001, the Minnesota Department of Natural Resources (DNR) stated that a review was conducted of the Minnesota Natural Heritage databases to determine

if any rare plant or animal species or other significant natural features are known to occur within the project area. Based on this review, the DNR determined that no known occurrences of rare species or natural communities exist in the project area.

EAW Comments

15. No comment letters were received from citizens.
16. In a letter dated August 19, 2002, the Minnesota DNR - Environmental Policy and Review Section stated that water availability should not be a concern, but did acknowledge the requirement for a Water Appropriations Permit. Additionally, the DNR found that the project did not appear to have the potential for significant environmental effects based on natural resource impacts or considerations.
17. In an e-mail dated July 25, 2002, Marshall Cole of the Minnesota Pollution Control Agency - Major Facilities Section indicated a correction on item 23 of the EAW. The rating for the natural gas fired boiler is incorrectly stated as 283.5 mmBtu/hour, the actual value is 28.5 mmBtu/hour.
18. In a letter dated July 25, 2002, the Minnesota Department of Agriculture (MDA) found that there is no potential for significant environmental impacts pertaining to agriculture.
19. In a letter dated August 2, 2002, the Department of the Army found the potential for the project to come within the Corps of Engineers jurisdiction under the Federal Clean Water Act and requested additional project information.
20. In a letter dated August 15, 2002, the Minnesota Department of Transportation (Mn/DOT) stated the need for a Mn/DOT permit for utility work within the Trunk Highway 13 (T.H. 13) right-of-way associated with the connection to the existing transmission line. The department acknowledged the requirement for a Mn/DOT access road permit. Additionally, the department requested an assurance that the increased runoff from the proposed facility will not adversely affect the flow through the nearby T.H. 13 culvert.

EQB Staff Responses

21. SEI has provide the additional information requested (i.e., wetland delineation, site and construction/grading plans) requested by the Department of the Army - Corps of Engineers. In a letter dated August 26, 2002 SEI has committed to delineate the wetland boundary prior to the start of any construction activities to ensure that fill or dredged material is not placed within the wetland. As noted in the EAW, if it is determined that any specific authorization is required from the Corps of Engineers the appropriate permits must be obtained before construction activities begin.
22. The correction of the 28.5 mmBtu/hr rating for the natural gas boiler is noted. The operation of the plant will be limited by a Pollution Control Agency air emissions permit. Use of fuel oil will be restricted by the permit. The Natural gas plant can be operated without significant impact on air quality.
23. SEI will obtain a Mn/DOT permit for utility work within the T.H. 13 right-of-way associated with the connection of the Waterville Plant to the existing Excel Energy transmission line prior to construction.

24. SEI has provided an evaluation of the ability of the T.H. 13 culvert to handle the anticipated additional flow. Based on this evaluation, the existing culvert is of sufficient diameter and capacity to handle the additional runoff associated with site development and the NPDES discharge.

EIS Standard and Criteria

25. An environmental impact statement shall be ordered for projects that have the potential for significant environmental effects. Minn. R. Part 4410.1700.
26. In deciding whether a project has the potential for significant environmental effects, the following factors were considered:
- A. Type, extent, and reversibility of environmental effects;
 - B. Cumulative potential effects of related or anticipated future projects;
 - C. The extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority; and
 - D. The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other EISs.
27. With regard to the first criterion (type, extent, and reversibility of effects), the EQB finds that the project will have no significant impacts on water quality or wildlife. The proposed facility will emit pollutants into the air but the amount of these pollutants will be restricted by air permits and the impacts of these additional pollutants are not significant. Predicted noise levels at this site were modeled. The nearest residential receptor is located approximately 1,200 feet away from the plant. The predicted noise levels meet both the Minnesota Daytime and Nighttime Standards for residential and industrial neighbors.
28. With regard to the second criterion (cumulative potential effects of related or anticipated future projects), the EQB finds two related projects. The projects are a connection to the electric transmission system and a connection to the natural gas pipeline. Both projects are described in the EAW. Plans for the electric transmission line to connect the facility with the electric power grid have not been finalized, but it is expected that the transmission line will operate at 115 kV. Construction of a 115 kV transmission line will require either local review or review by the EQB. The natural gas connection will be to an existing Reliant Energy-Minnegasco natural pipeline located approximately 400 feet north of the project site. There are no other related or anticipated future projects. Construction of a 485 psig pipeline will require a permit and review by the EQB.
29. With regard to mitigation, several federal, state and local permits are required to ensure that specific environmental effects are mitigated.
30. There are no other specific environmental studies addressing the potential environmental effects of the project as it is proposed to be developed.

Base on these findings of fact the EQB makes the following:

CONCLUSIONS

1. The EQB has jurisdiction to determine the need for an environmental impact statement for this project.
2. The environmental assessment worksheet for the proposed Waterville Plant electric generating plant was prepared, distributed and noticed as required by the Minnesota Environmental Policy Act and Minn. R. Parts 4410.0200 through 4410.6500.
3. Responses have been provided to all substantive and timely comments on the EAW.
4. The record includes adequate information to determine whether the proposed Waterville Plant has the potential for significant environmental effects.
5. The proposed Waterville Plant does not have the potential for significant environmental effects.
6. Any findings that might properly be termed conclusions and any conclusions that might properly be termed findings are hereby adopted as such.

ORDER

Based on the Findings of Fact and Conclusions contained herein and on the entire record:

The Minnesota Environmental Quality Board hereby determines that the Waterville Plant proposed by Simon Entergy I, LLC does not require the preparation of an environmental impact statement.

Approved and adopted this 19th day of September 2002.

State of Minnesota
Environmental Quality Board

Gene Hugonson, Chair