



In the Matter of the Xcel Energy and Dairy Power Cooperative Applications for a Route Permit and a Certificate of Need for the Chisago County to Apple River 115/161 kV High Voltage Transmission Line

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION**

**PUC Docket No. E002,ET3/TL-04-1176
PUC Docket No. E002,ET3/TL-06-1677**

The above matter has come before the Commissioner of the Department of Commerce (the Department) for a decision on the scope of the Environmental Assessment (EA) to be prepared on the proposed Xcel Energy/Dairyland Power Cooperative (“Applicants”) Chisago Substation to Apple River Substation 115/161 kV High Voltage Transmission Line (HVTL) Project in Chisago County, Minnesota.

The applicant has filed applications with the Public Utilities Commission (PUC) for the Certificate of Need and the Route Permit for the proposed facilities. The PUC has combined the Certificate of Need and Route Permit processes, and authorized the Department to prepare a single EA in order to streamline the processes. The Department will include in the EA the analysis of alternatives required in rules guiding environmental review in Certificate of Need cases (Minnesota Rule 4410.7035).

The Public Utilities Commission (PUC) has authorized the Department staff to initiate the environmental review process in these dockets in accordance with Minnesota Rule 4400.2750.

Public Participation in the Scoping Process

The Department’s Energy Facilities Permitting Unit (EFP) held a public information and EA scoping meeting on February 27, 2007, at the Lindstrom City Hall to discuss the project with the public and to solicit input into the scope of the EA to be prepared. Approximately 60 persons attended the public meeting. A public comment period on the scope of the EA closed on March 30, 2007. Several comments were submitted by the public and are available to review on the project web site at <http://energyfacilities.puc.state.mn.us/Docket.html?Id=18938>.

The Department also developed a structure and charge for an Advisory Task Force, as per the PUC February 12, 2007 Order, to solicit inputs on environmental impacts and possible route alternatives. Not all affected local city governments provided representation, meaning the task force could not meet the statutory requirements for an Advisory Task Force (Minnesota Statute 216E.08 Supd. 1). However, EFP convened and met three times with a group of interested citizens and local government officials in a working group tasked with the same charge as the proposed Advisory Task Force. The group prepared a report submitting four recommendations for project and route alternatives. Those alternatives have been included as “working group alternatives” in this Scoping Document.

Having reviewed the matter, including the Working Group inputs, consulted with the EFP staff, and in accordance with Minnesota Rule 4400.2750, I hereby make the following Scoping Decision:

MATTERS TO BE ADDRESSED

The Environmental Assessment will address the following matters:

The EA will include a description and analysis of human and environmental impacts of the proposed project and alternatives that would have otherwise been required by Minnesota Rule 4410.7035 under an Environmental Report for the Certificate of Need. This includes evaluating the matters of size, type and timing that would not normally be included in an EA for a route permit application. The EA will also address the human and environmental impacts of the proposed route in the route permit application and other impacts identified by public comments received through the scoping process as required under Minnesota Rules 4400.2750, subp 2. The following is an outline of the issues to be addressed and does not represent a table of contents for the EA.

I. SUMMARY OF THE CHISAGO TRANSMISSION PROJECT

- 1. Project Description**
- 2. Project Location**
- 3. Project Purpose**
- 4. Project Alternatives**
- 5. Sources of Information**

II. REGULATORY FRAMEWORK

- 1. PUC Certificate of Need**
- 2. PUC Route Permit**
- 3. Scoping of Environmental Impacts and Alternative Routes**
- 4. Environmental Assessment Requirement**
- 5. Public Hearing**

III. ALTERNATIVES TO THE TRANSMISSION PROJECT

The Department will evaluate alternatives that deliver an equal amount of energy and capacity to the area as proposed by the Applicants. Such alternatives may attempt to reduce, mitigate or eliminate the need for the proposed transmission line, while delivering the proposed “needed” energy. Any analysis of the alleged need will be conducted through the Certificate of Need testimony and public hearing(s) generally and not specifically in this EA. The EA will focus on the environmental, social, economic and cultural impacts of the proposed project and alternatives.

1. Alternatives To Be Considered

There are a set of standard alternatives that require address, as laid out in Minnesota Rule 4410.7035, subp. 1, B. These are the Environmental Report system alternatives that require review in the Environmental Assessment when environmental review has been combined in a joint need and routing proceeding.

- A. No-build Alternative
- B. Conservation Alternative
- C. Purchased Power
- D. Existing Line/System Improvements
- E. Generation Alternative

Additionally, the EA will review the following alternatives proposed by the working group in their report to the Department. They are considered here as project alternatives rather than route alternatives as they do not propose a transmission alternative that shares endpoints with the Applicant's proposal. Setting endpoints is a usual outcome of a need determination.

- F. Working Group Alternative 2: St. Croix Crossing from Rock Creek Substation in Minnesota to Grantsburg, Wisconsin
- G. Working Group Alternative 4: The Hugo Area Long-Range Electric Delivery System Study series of local upgrades

2. Potential Human And Environmental Impacts

This section will provide a comparative analysis of each of the system alternatives in respect to the following issues. Not all alternatives will have exactly the same set of impacts to review.

- A. Right-of-Way Requirements
- B. Anticipated Size and Type of Structures
- C. Electric and Magnetic Fields
- D. Anticipated Noise Impacts
- E. Anticipated Visual Impacts
- F. Anticipated Emissions of any Hazardous Air Pollutants and VOCs
- G. Anticipated Impacts on Water Quality
- H. Anticipated Impacts on Natural and Wildlife Resources
- I. Anticipated Social and Economic Impacts

3. Potential Mitigation Measures

An analysis will identify mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative.

4. Feasibility And Availability Of Alternatives

This section will analyze the feasibility and availability of the proposed project and each alternative considered.

IV. IMPACTS OF TRANSMISSION ROUTE AND ALTERNATIVES

The EA will review impacts and mitigation measures for the proposed route as described in the Chisago County – Apple River Project route permit application and two route alternatives from the working group recommendations.

1. Alternatives not Reviewed in the EA

A number of route alternatives were discussed during the scoping process, especially in public comments, that will not be reviewed in the EA. This section describes those options and the reasons for not including them as alternatives in this assessment.

2. Routes and Alternatives Reviewed in the EA

The Applicant's proposed route and the working group's alternatives 1 and 3 will be reviewed in the environmental and economic impacts section of the environmental report. The alternatives share end points with the applicants' proposal, so are appropriately reviewed in this section rather than the project alternatives section.

- A. Applicants' route proposal
- B. Working Group Alternative 1: Undergrounding the proposed 115 kV between the Lindstrom Substation and Center City
- C. Working Group Alternative 3: St. Croix Crossing from King Plant Substation at Bayport, Minnesota, to the Pine Lake Substation near Baldwin, Wisconsin, and the Red Rock Substation in Newport, Minnesota, to the Crystal Cave Substation near Martel, Wisconsin

3. Assessment Of Impacts And Mitigation Measures

This section will provide a comparative analysis of the alternatives in respect to the following issues. This joint environmental review analyzes the human and environmental issues laid out in Minnesota Rule 4400.3150, as well as issues discovered during the public scoping process. It also reviews mitigation requirements and the feasibility of each option.

- A. Description of Environmental Setting
- B. Impacts on Human Settlement
 - i. Socioeconomic
 - ii. Displacement
 - iii. Noise
 - iv. Aesthetics
 - v. Human Health and Safety
- C. Impacts on Land-based Economics
 - i. Recreation
 - ii. Prime Farmland
 - iii. Transportation
 - iv. Mining and Forestry
 - v. Economic Development

- D. Impacts on Natural Environment
 - i. Air Quality
 - ii. Water Quality, Soils and Geology
 - iii. Groundwater and Wetlands
 - iv. Fish and Wildlife Resources
 - v. Vegetation
- E. Rare and Unique Resources
 - i. Rare and Unique Natural Resources
 - ii. Archeological and Historic Resources

4. Other Considerations

- A. Significant Unavoidable Adverse Impacts
- B. Irreversible/Irretrievable Commitment of Resources

V. PERMITS AND APPROVALS REQUIRED

Required permits include all federal, state and local permits that must be obtained.

ISSUES OUTSIDE THE SCOPE OF THE EA

The Environmental Assessment will not consider the following matters:

1. The manner in which land owners are paid for transmission right-of-way easements, as that is outside the PUC jurisdiction.
2. Any alternatives that do not meet the underlying need for or purpose of the project.
3. Any alternatives not described specifically in this Scoping Decision.

SCHEDULE

The EA shall be completed and available by August 03, 2007. A public hearing in Chisago County and an evidentiary hearing in St. Paul will be held before an Administrative Law Judge after the EA has been issued and notice served. The hearing date and locations will be determined by the Administrative Law Judge.

Signed this 19 day of April, 2007

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



Glenn Wilson, Commissioner

