

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Application of Great River Energy, Northern States Power Company (d/b/a Xcel Energy) and others for Certificates of Need for the Cap X 345-kV Transmission Projects.

**WINDUSTRY COMMENTS ON SCOPE
OF ENVIRONMENTAL REPORT**

INTRODUCTION

These comments on the scoping of the Environmental Report are submitted on behalf of Windustry, a non-profit organization dedicated to the support of community based wind energy. Windustry has been a participant in prior CapX 2020 proceedings regarding notice to landowners, exemptions to application requirements and concerns about the completeness of the utilities' application to construct three 345 kV high voltage power lines. These scoping comments are intended to ensure that Minnesota does not undertake an expensive investment in high voltage transmission to support remote central station non-renewable generation unless there is no reasonable alternative to this outmoded paradigm. Transmission alternatives must be designed for an energy future based on demand side management, a preference for renewable energy and efficient use of infrastructure to support geographically dispersed wind energy.

There is no dispute that the CapX 2020 power lines, extending over 600 miles in length and costing an estimated \$1.4 billion to \$1.7 billion to construct, represent the most substantial transmission infrastructure project ever to be reviewed by the Minnesota Department of Commerce (DOC) or considered by the Minnesota Public Utilities Commission (PUC). In addition to requiring an extraordinary commitment of ratepayer resources, the proposed CapX 2020 projects would have a substantial impact on Minnesota's energy future. Were these projects to be certified, Minnesota would have no remaining jurisdiction to consider whether non-renewable generation from neighboring

states should be approved. Location and costs of interconnection would also influence the degree to which wind energy will develop throughout Minnesota.

The utilities' application for the CapX 2020 power lines provided only narrow and sketchy information on likely generation projects, only a cursory review of demand management, transmission or generation alternatives and no data from which fiscal impacts on ratepayers could be determined. Without a rigorous regulatory response to require alternatives analysis, the CapX 2020 certificate of need process would uniquely lack transparency and make it difficult to determine if Minnesota's statutory requirements are being met.

The impact on Minnesota ratepayers of an incomplete analysis and overly sanguine evaluation of the CapX 2020 projects has been increased by a recent decision of the Federal Energy Regulatory Commission (FERC). Under a decision issued by FERC December 21, 2007 in response to a petition of Xcel Energy, if the CapX 2020 projects receive a certificate of need from the Minnesota Public Utilities Commission, they will be presumed to comply with federal standards governing rate incentives. Xcel Energy and, presumably, other utilities investing in the CapX 2020 projects, will be entitled to 100 percent of Construction Work in Progress (CWIP) for costs incurred to construct the power lines, and 100 percent of CWIP even if the power line projects are cancelled or abandoned.¹

In other words, Minnesota ratepayers, not shareholders will bear the risk if the demand forecast or generation pattern generically hypothesized in the CapX 2020 application doesn't materialize or if other more appropriate power lines are identified through the regional planning process.² The magnitude of the projects and the magnitude of this risk to residents and businesses requires that alternatives to the CapX 2020 must be evaluated in detail. The general truism that some additional transmission investments will be needed to support renewable energy does not mean that the particular transmission lines proposed in the CapX 2020 application are the size, type, timing or location that might be required.

¹ *Xcel Energy Services, Inc.*, 121 FERC ¶61,284, Order Granting Incentives, and Accepting Proposed Rate Formula Modifications, Subject to Conditions (2007). (¶1, 10, 62, 63)

² *Ibid*, see e.g. ¶17, 19

It should be noted that Judge Beverley Heydinger, the Administrative Law Judge in this case, has already stated on the record that justification for each proposed transmission line must be independently proved to determine if that energy facility is needed. (Prehearing Conference, December 19, 2008). Windustry is relying on the Department of Commerce in the Environmental Report and subsequent proceedings to hold the applicants to their burden of proof.

This comment provides legal and factual explanations, pursuant to Minn. R. 7849.7050, subd.6, why each alternative proposed herein by Windustry should be included in the scope of the Environmental Report and considered before a determination of need for any of the CapX 2020 lines is made. The alternatives that Windustry requests be considered are:

1. Demand side management, including management of peak loads, conservation and energy efficiency as required under certificate of need statutes and newly enacted Conservation Improvement Program (CIP) reforms. (Minn. Stat. §216B.243, subd. 3, (1), (2), (6), (8); §216B.241)
2. Transmission designed for renewable energy sources, both to comply with certificate of need requirements and to optimize generation outlet capacity for wind generation to achieve the renewable energy standard objectives. (Minn. Stat. §216B.243, subd. 3 (11) and subd.3a. §216B.1691, subd. 3a)
3. Transmission upgrades based on a combination of lower voltage transmission lines and substation improvements to encourage distributed generation, community based energy development and more rapid deployment of wind resources. (§216B.243, subd.3 (6), §216B.1612, 2007 Session Laws, Ch.3, 136)

I. MINNESOTA LAW REQUIRES FINDING THAT THERE IS NO FEASIBLE AND PRUDENT ALTERNATIVE BEFORE ANY HIGH VOLTAGE POWER LINE CAN BE APPROVED IN THE CERTIFICATION PROCESS.

Before any high voltage transmission line can be built in Minnesota, the PUC must determine whether it is necessary and in the best interests of the State. (Minn. Stat. §216B.243). The Department of Commerce must prepare an Environmental Report containing information on the human and environmental impacts of the proposed project and alternatives to the proposed project, and its Commissioner, not the applicant for certification, is “responsible for the completeness and accuracy of all information in the Environmental Report.” Minn. R. 7849.7030.

In carrying out their responsibilities for certifying the need for any high voltage transmission line and preparing the Environmental Report, both the DOC and the PUC must follow Minnesota Environmental Policy Act statutes pertaining to consideration of alternatives. As stated in the Minnesota Session Laws consolidating the energy approval process, “The Department of Commerce and the Public Utilities Commission shall carry out these duties in accordance with the provisions of Minnesota Statutes, section 116D.03.” (Minnesota Session Laws 2005, Chapter 97, Article 3, Section 17).

Minnesota Statutes section 116D.03, the Minnesota Environmental Policy Act (MEPA), imposes upon state departments and agencies issuing permits or other approvals the obligation to conduct a thorough review of alternatives to any project that would affect the quality of the environment. No state action or state permit significantly affecting the quality of the environment will be allowed or granted if there is “a feasible and prudent alternative consistent with the reasonable requirements of the public health, safety, and welfare and the state's paramount concern for the protection of its air, water, land and other natural resources from pollution, impairment, or destruction.” (Minn. Stat. §116D.04, Subd. 6).

The Minnesota Environmental Rights Act (MERA) similarly emphasizes the importance of alternatives analysis and requires a finding that “there is no feasible and prudent alternative and the conduct at issue is consistent with and reasonably required for promotion of the public health, safety, and welfare in light of the state's paramount concern for the protection of its air, water, land and other natural resources from pollution, impairment, or destruction.” (Minn. Stat. §116B.04)

High voltage transmission lines are subject to both MEPA and MERA. No Power Line, Inc. v. Minnesota Environmental Quality Council (EQC), 262 N. W. 2d 312 (Minn. 1977); People for Environmental Enlightenment and Responsibility (PEER), Inc. v. Minnesota Environmental Quality Board (MEQB), 266 N.W. 2d 858 (Minn. 1978). Prior case law has determined that “by definition, the siting of HVTLs [high voltage transmission lines] will cause some impairment of the environment” PEER v. MEQB, 266 N.W. 2d at 867-868. Once this showing is made, approval of a power line can only be justified if the state agency can demonstrate that no feasible and prudent alternative exists to the project, consistent with the public health, safety and welfare. PEER v.

MEQB, 266 N.W. 2d at 867. Recent Minnesota litigation regarding alleged death of cattle from electric power line stray voltage highlights the importance of demonstrating that a power line is needed before the environmental risk of power line construction is undertaken.³

The Application for certificate of need for the CapX 2020 transmission lines has not demonstrated that no feasible and prudent alternative exists to the three 345 kV power lines. Alternatives incorporating demand side management, Minnesota renewable energy preference and standards, and planning to support distributed and dispersed renewable energy must be evaluated in the Environmental Report. These alternatives may well provide a feasible, prudent and less costly alternative to the CapX 2020 power lines.

II. THE ENVIRONMENTAL REPORT SHOULD ANALYZE ALTERNATIVES BASED ON LOAD MANAGEMENT AND CONSERVATION, INCORPORATING THE 2007 ENERGY-SAVINGS REFORMS.

Under Minnesota law, no proposed large energy facility shall be certified for construction unless the applicant can show that demand for electricity cannot be met more cost effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need. (Minn. Stat. §216B.243, subd. 3). The commission must evaluate the effect of existing or possible energy conservation programs on long-term energy demand, subd. 3(2); possible alternatives for satisfying the energy demand or transmission needs including potential for increased efficiency and load management programs, subd. 3(6); and any feasible combination of energy conservation improvements that can replace part or all of the energy to be provided by the proposed facility in an economically competitive manner, subd. 3(8).

- A. *Alternatives should be provided for all three proposed CapX 2020 lines, based on conservation improvements incorporated in resource plan low growth projections and energy-savings standards enacted in Minnesota's 2007 statutes.*

The Application for the CapX 2020 projects failed to make a basic showing that any of the three proposed power lines would be needed if the effects of existing and possible energy programs on energy demand were taken into consideration. No

³ *Cows are dying and farmers think they know why*, H.G. Cummins, Star Tribune, January 7, 2008.

transmission alternatives were analyzed to take into account the data on conservation that had already been considered and incorporated into utility resource plans or the electricity sales projections that have been developed by the Governor's Minnesota Climate Change Advisory Group (MCCAG) and its Energy Supply Technical Working Group.⁴

The CapX 2020 utilities based their assertion that 600 miles of 345kV power lines were needed for "regional reliability" on a demand forecast of 6,300 MW of growth by 2020. A "sensitivity analysis" was then performed to determine if the conclusions that their engineers had reached for this artificially high demand level could also apply if the 6300 MW model was scaled down in each utility's control area to 4500 MW by 2020. (Application to the Minnesota Public Utilities Commission for Certificates of Need for Three 345 kV Transmission Line Projects with Associated System Connections, hereinafter, "Application," p. 6.31; Appendix A-1, *CapX 2020 Technical Update: Identifying Minnesota's Electric Transmission Infrastructure Needs*, October 2005, hereinafter "App. A-1, CapX 2020 Study," p. 27). This analysis did not include the effects of existing conservation which are reflected in median and low growth estimates in approved resource plans or the effect of future conservation pursuant to the 2007 Conservation Improvement Program (CIP) reforms. (Minn. Stat. §216B.241, subd. 1c).

The utilities have acknowledged that regional demand growth by 2020 would be 4095 MW based on the median growth estimated in approved resource plans, a projection below the 4500 MW in the CapX 2020 Study sensitivity analysis. (Application, pp. 6.9, 6.10, 6.31, App. A-1, CapX 2020 Study, pp. 5, 27). No data is provided in the Application as to regional demand growth by 2020 under low growth resource plan estimates and no alternatives are proposed for any of the three transmission lines under such lower growth assumptions.⁵

In addition, although requested by the Commission to provide demand information incorporating new energy-saving goals in usable form, no analysis has been done of the

⁴ The Energy Supply Technical Working Group of MCCAG included Eric Olsen from Great River Energy and David Sparby from Xcel Energy. <http://www.mnclimatechange.us/ewebeditpro/items/O3F12847.pdf>

⁵ The CapX 2020 utilities' technical team concluded that, if regional demand were to grow 4500 MW by 2020, under at least one plausible pattern of new generation "there was less justification for some of the various recommended transmission lines." (App. A-1, CapX 2020 Study, p. 29). The technical analysis (e.g. line flows) of what may not be justified under a 4,500 MW growth assumptions and an "eastern bias" generation pattern is missing from the Study and from the Application. (See App. A-1, CapX 2020 Study, pp. 21, 24, 26, 31, 34).

alternative type or timing of power lines that might be needed if gross annual retail energy sale were to be reduced 1.5 percent and these reductions compounded to 2020.

As the first step in its analysis of alternatives, the Environmental Report should review all feasible conservation improvements, both existing conservation reflected in resource plans and future conservation required by Minnesota's 2007 CIP reforms, which could replace in whole or in part the energy, assumed to be needed in the CapX 2020 analysis. (Minn. Stat. §216B.243, subd.3(8))

Many studies, including a recent study by the Minnesota Office of the Legislative Auditor, have concluded that up to 30 percent of future energy needs could be met by cost-effective conservation.⁶ The Commission reflected a similar guidepost in proposing that applicants file a discussion of the anticipated consequences of the expected demand level and a demand level 30 percent lower.⁷

The Environmental Report and review of need in this CapX 2020 process also has the benefit of the analysis completed by MCCAG to evaluate the greenhouse gas reductions resulting from the 2007 CIP reforms. The MCCAG revised the 2007 Xcel Resource Plan projections of electricity sales based on updated assumptions from its Technical Working Group and determined that annual sales growth of 0.82 percent was a reasonable projection.⁸

Under Minnesota Statutes 216B.243, subd. 3, analysis of what type, size and timing of power lines might support "regional reliability" should be net of any feasible and cost-effective combination of energy conservation improvements that could replace part or all of the energy to be provided by the proposed CapX 2020 transmission facilities.⁹

⁶ Minnesota Office of the Legislative Auditor, "Evaluation Report – Energy Conservation Improvement Program," January 2005, page 3, available at www.auditor.leg.state.mn.us/ped/2005/pe0504.htm

⁷ *In the Matter of the Application of Great River Energy, Northern States Power Company (d/b/a Xcel Energy) and Others for a Certificate of Need for the CapX 345-kV Transmission Project*, Order Designating Applicants and Setting Filing Requirements, Docket No. ET-2, E-002, et al./CN-06-115, p. 20¶12(A).

⁸ See Minnesota Climate Change Advisory Group, *RCI Technical Work Group Teleconference Meeting #11*, 4 January 2008 PowerPoint presentation on RCI-1, which is available at <http://www.mnclimatechange.us/ewebeditpro/items/O3F14544.pdf>

⁹ A downward revision in demand may undermine a need determination. On March 23, 1978, following a downward revision of demand forecasts, the Minnesota Energy Agency voided the certificate of need for the Sherco 4 coal plant on the grounds that the time delay before the proposed in-service date "increases the possibility that changes in technology, economic factors, load characteristics, fuel options and political and social considerations" would result in a change in the optimal size and type of facility necessary. See State

Windustry would request that the Environmental Report analyze as alternatives to replace all or part of the generation to be transmitted by the proposed CapX 2020 projects:

- a) the conservation incorporated in low growth assumptions in approved resource plans of the CapX 2020 utilities;
- b) the additional energy-savings required by the 2007 CIP statutory reforms as estimated in MCCAG electricity sales projections;
- c) additional cost-effective conservation to reduce greenhouse gases based on the MCCAG cost savings analysis;
- d) a conservation benchmark based on reducing median growth resource plan projections by 30 percent.

For each of these conservation alternatives, the Environmental Report should evaluate whether the projected conservation is cost-effective. The Environmental Report should then evaluate the demand under each alternative to determine what size, type and timing of transmission might be appropriate if all feasible and cost-effective conservation were to be deployed.

B. Load management, coupled with local generation or local transmission upgrades should be analyzed as alternatives to Fargo and LaCrosse transmission lines.

Both the Twin Cities – La Crosse and the Twin Cities – Fargo 345 kV power lines are proposed by the CapX 2020 utilities as a solution for local community service reliability concerns resulting from growth in peak loads. For the proposed Twin Cities – LaCrosse line, a compound summer peak growth rate of 3.46 percent in the Rochester area was applied to grow the load to the year 2020 (Application, p. 4.5), while for the proposed Twin Cities – Fargo power line both winter peak load growth in Alexandria and summer peak load growth in St. Cloud were used to justify 345 kV power lines. (Application, pp. 4.29, 4.34). Missing from the narrative in the CapX 2020 Application is any discussion of conservation, energy efficiency or peak load management alternatives to transmission as required by Minn. Stat. §216B.243, subd. 3 (6), (8).

In addition to analyzing energy conservation measures that would provide an alternative for all or part of energy demanded throughout the region through 2020, the

Etc. v. Minnesota Environmental Quality Board, 305 N.W. 2d 575, 581, 584 (Minn. 1981). Sherco 4 was never recertified and has never been built.

Environmental Report should analyze the alternative of peak load management to replace all or part of the energy demand asserted to justify the La Crosse and Fargo 345 kV lines on the basis of local service reliability. The Environmental Report should then look at local transmission upgrades, connecting generation located nearer to load, as feasible and prudent alternatives to the CapX 2020 lines.

Some data included in the appendices of the Application suggests that an evaluation of alternatives may identify that a combination of lower-voltage 161 kV lines and transformer improvements may provide a cost-effective alternative to the CapX 2020 power lines. The Southern Minnesota – Southeastern Wisconsin Reliability Enhancement Study seems to suggest that Rochester area community reliability problems could be resolved through 2033 for an estimated \$23 million, far below the CapX 2020 cost.¹⁰

Once conservation and peak load management are maximized, the Environmental Report should analyze whether an alternative combining demand side management with local generation or local more modest transmission improvements would be a feasible and prudent alternative to the proposed CapX 2020 345 kV high voltage power lines.

III. THE ENVIRONMENTAL REPORT SHOULD ANALYZE TRANSMISSION ALTERNATIVES FOLLOWING MINNESOTA’S RENEWABLE ENERGY PREFERENCE AND OPTIMIZING WIND ENERGY GENERATION TO MEET RENEWABLE ENERGY STANDARDS.

Minnesota law states a clear priority for transmission that supports renewable, rather than non-renewable generation. Minn. Stat. §216B.243, subd. 3a, which is also referenced in subdivision 3(11), requires comparison of the proposed power lines with reasonable alternatives that transmit power generated by renewable energy. Subdivision 3a reads:

The commission may not issue a certificate of need under this section for a large energy facility that generates electric power by means of a nonrenewable energy source, or that transmits electric power generated by means of a nonrenewable energy source, unless the applicant for the certificate has demonstrated to the commission's satisfaction that it has explored the possibility of generating power by means of renewable energy sources and has demonstrated that the alternative

¹⁰ Appendix A-2, Southern Minnesota – Southeastern Wisconsin Reliability Enhancement Study, March 13, 2006, pp. 3, 60-61.

selected is less expensive (including environmental costs) than power generated by a renewable energy source. For purposes of this subdivision, "renewable energy source" includes hydro, wind, solar, and geothermal energy and the use of trees or other vegetation as fuel.

Minnesota has also recently enacted statutes requiring that each electric utility generate or procure sufficient renewable energy so that at least 25 percent of the utility's total retail electric sales to retail customers is generated by eligible energy technologies by 2020. For Xcel Energy the renewable energy standard is 30 percent by 2020. (Minn. Stat. 216B.1691, Subd. 2a(a), Subd.2a(b) 2007).

The CapX 2020 projects were designed to transmit power predominantly from non-renewable energy and to provide a regional energy mix that is inconsistent with Minnesota's renewable energy standard.

A. *The Environmental Report should include a transmission alternative designed to transmit power generated by means of renewable energy sources.*

The Application makes it clear both that the CapX 2020 high voltage power lines were designed primarily, although not exclusively, to transmit non-renewable energy and that the CapX 2020 projects would not be sufficient to support Minnesota's renewable energy standard.

The Application discloses that each of the generation scenarios modeled for the CapX 2020 power lines included only 2,275 MW of renewable energy out of the 6,300 MW total new generation projected. In other words, 54 percent of the new generation modeled in the CapX 2020 analysis was non-renewable generation. Where there was a breakdown of the assumptions to show Minnesota and non-Minnesota renewable energy, CapX 2020 only modeled 975 MW of additional Minnesota renewable generation through 2020. (Application, pp. 6.19, 6.21, 6.23).

Looking at the diagrams of specific sites from which generation was modeled in the CapX 2020 study, it appears that much of the new generation is coal combustion. Generation points on each map seem to represent lignite coal in western North Dakota, Big Stone coal in South Dakota and Mesaba IGCC coal in Minnesota along with other non-renewable generation (See App. A-1, CapX 2020 Study, pp. 10-12, Diagrams 6, 7 and 8). The CapX 2020 assumptions that most new generation will be non-renewable and

that transmission over the next decade must be designed to transmit new coal power are inconsistent with Minnesota's statutory preference for renewable energy.

The level of renewable energy modeled in the CapX 2020 scenarios is also substantially less than the level needed to comply with the Minnesota Renewable Energy Standard 2007. The Application suggests that the CapX 2020 utilities will need to provide approximately 5,000 MW renewable energy by 2020, most of which will be wind energy, to comply with the new Renewable Energy Standard (RES). (Application Appendix D-7, Minnesota Renewable Energy Standard). The CapX 2020 utilities also acknowledge that the CapX 2020 study process was not designed to analyze the transmission improvements needed to bring this additional renewable energy generation on line. (Application, p. 1.15).

Windustry requests that the Environmental Report evaluate a transmission alternative that begins with a realistic energy demand forecast and then models a combination of renewable energy sources to meet this energy need. The locations at which new generation would be posited should be chosen based on renewable projects in the MISO queue, advantageous wind regimes and a balance of larger and smaller wind projects distributed to provide efficient access to existing transmission. The costs of this renewable energy transmission alternative, including environmental costs of underlying generation, should then be compared with the CapX 2020 proposal.

B. The Environmental Report should include a transmission alternative designed to maximize wind energy generation outlet capacity in order to meet the objectives of Minnesota's renewable energy standard.

Minnesota statutes require utilities to determine the necessary transmission upgrades to support the development of renewable resources to meet the renewable energy standard objectives. (Minn. Stat. §216B.2425, subd. 7). To determine that a proposed transmission project is necessary to support renewable energy obligations, the following must be proved:

- (1) that the transmission facility is necessary to allow the delivery of power from renewable sources of energy to retail customers in Minnesota;
- (2) that the applicant has signed or will sign power purchase agreements, subject to commission approval, for resources to meet the renewable energy objective that are dependent upon or will use the capacity of the transmission facility to serve retail

customers in Minnesota;

(3) that the installation and commercial operation date of the renewable resources to satisfy the renewable energy objective will match the planned in-service date of the transmission facility; and

(4) that the proposed transmission facility is consistent with a least-cost solution to the utility's need for additional electricity.

(Minn. Stat. §216B.2425, subd. 7(b))

The CapX 2020 Application states that the primary impetus for the Twin Cities - Brookings County 345 kV transmission line is to increase transmission available for wind energy generation support in the Buffalo Ridge area. (Application, p. 4.36) Windustry is supportive of this objective. Windustry also believes that additional transmission is certain to be needed in western Minnesota in order to maximize the potential for wind generation. However, the CapX 200 application process provides too little information on alternatives to determine whether the proposed Twin Cities – Brookings power line is necessary, sufficient or cost-effective transmission support for wind energy in western Minnesota.

A key issue according to Minnesota Statutes 216B.2425, subd. 7 is the connection of a transmission line with power purchase agreements and a schedule for installation and operation of renewable resources. The CapX 2020 Application makes no commitment to deploy any specific wind resources. The fact that there are thousands of megawatts of wind energy in the MISO queue cannot substitute for this commitment. The 2007 MISO Transmission Expansion Plan highlights the fatal flaw in relying on the Midwest ISO queue process to support a renewable energy future:

Currently there is 42,414 MW of active Midwest ISO projects in the Generator Interconnections Queue. Of the 229 active projects, there are 33 projects with a signed interconnection agreement (IA) and an expected in-service date prior to 2016. These projects are expected to add 7,945 MW of additional capacity to the Midwest Market footprint. The expected capacity additions are dominated by 4,511 MW of coal projects. Gas fueled combined cycle projects amount to 1,805MW and wind projects total 1,008 MW.¹¹

In addition, it is clear that multiple smaller transmission upgrades are critical to support generation outlet capacity for wind in western Minnesota. The CapX 2020

¹¹ MTEP07 Midwest ISO Transmission Expansion Plan October 2007, Section 3:Midwest ISO System Info, p. 37, available at http://www.midwestmarket.org/publish/Document/5d42c1_1165e2e15f2_-7ba40a48324a/MTEP07_Report_10-04-07_Final.pdf?action=download&_property=Attachment

Application notes that when the southwestern Minnesota 345 kV power line certified by the PUC in 2003 is complete, there will be adequate transmission to support 825 MW of wind power from the Buffalo Ridge area. Construction of the three BRIGO 115 kV power lines will provide support for 1200 MW of wind. (Application, pp. 4.42-4.43). There is no information in the Application on what transmission or transformer upgrades would be needed to permit the southwestern Minnesota 345 kV line to carry its full capacity of over 2000 MW of wind generation.

The Application similarly contains no data on what additional generation is likely to be deployed in the Buffalo Ridge area or in other parts of western Minnesota or what purchase schedule and transmission constraints might justify the particular size and location of the Brookings County high voltage power line. The Application also contains no information on what other transmission or transformer upgrades might be needed along with the proposed Brookings County line in order to provide generation outlet capacity for wind energy at any specified level.

Windustry would propose that the Environmental Report evaluate an alternative beginning with the premise that transmission upgrades should maximize the use of the southwestern 345 kV power line for renewable energy. The alternative should then explicitly study what network of additional power lines of various sizes and locations would maximize generation outlet capacity from advantageous western Minnesota wind generation sites to Twin Cities load. The most effective deployment of wind energy on and north of the Buffalo Ridge may or may not include the proposed Brookings line.

IV. THE ENVIRONMENTAL REPORT SHOULD ANALYZE TRANSMISSION DESIGNED TO SUPPORT DISTRIBUTED AND COMMUNITY BASED RENEWABLE ENERGY AND EFFICIENT USE OF EXISTING TRANSMISSION INFRASTRUCTURE.

Minnesota Statutes require that the PUC consider possible alternatives for satisfying the energy demand or transmission needs including but not limited to “upgrading of existing energy generation and transmission facilities” and “distributed generation.” (Minn. Stat. §216B.243, subd 3(6)).

The Legislature recently broadened this policy objective to look not only at low-emissions generation of ten megawatts or less (Minn. Stat. §216B.2426), but at other

opportunities for more efficient and rapid deployment of renewable energy using geographically dispersed development and upgrading of existing transmission facilities. The Legislature directed utilities to study and develop plans for transmission “to identify and optimize delivery of that renewable energy to Minnesota retail customers while maintaining system reliability” using recent studies regarding wind integration and distributed generation:

As part of the planning process, Minnesota electric utilities shall incorporate and build upon the analyses that have previously been done or that are in progress, including, but not limited to, the 2006 Minnesota Wind Integration Study and ongoing work to address geographically dispersed development patterns. (Minnesota Session Laws 2007, Chapter 3, Sec. 2).

In the 2007 session, the Legislature also specifically required a statewide study of 1200 MW of dispersed generation potential, defining dispersed generation as renewable energy between 10 and 40 megawatts in size. (Minnesota Session Laws 2007 - Chapter 136, Section 17). This study must distribute projects throughout Minnesota’s transmission planning zones and must identify modifications to the transmission system necessary to remedy problems caused by the installation of dispersed generation projects at the lowest voltage level transmission existing in the area. Recommendations for the first 600 megawatts of dispersed generation will be made by June 15, 2008, and recommendations for at least another 600 megawatts of dispersed renewable generation must be made a year later, by September 15, 2009.

The certificate of need statutes and 2007 Session Laws regarding dispersed generation reflect the importance of considering an additional alternative to the proposed CapX 2020 projects. Starting with an energy demand net of existing and future demand management and reflecting the need for transmission to support renewable energy, the Environmental Report should provide an alternative based on upgrading of existing transmission facilities and maximizing distributed and geographically dispersed generation of renewable energy.

This alternative may obviate the need for some or all of the proposed CapX 2020 345 kV transmission lines and permit faster more economical deployment of renewable energy. In addition, a transmission plan based on supporting geographically dispersed wind and other renewable energy projects will “optimize local, regional and state benefits from renewable energy development” and “facilitate widespread development of community-based renewable energy projects throughout Minnesota” consistent with the

policy directives of the State of Minnesota. (Minn. Stat. §216B.1612, subd.1).

CONCLUSION

If a responsible utility started today to plan for transmission through 2020 under Minnesota laws, that plan would incorporate existing conservation and future demand management to meet the energy savings goals in Minnesota's 2007 statute. Once an appropriate demand forecast had been determined, a responsible utility would conclude that most if not all new electric generation deployed through 2020 should be renewable generation in order to comply with Minnesota's renewable energy standards and renewable energy goals of neighboring states. Based on the most advantageous wind regimes, the cost-effectiveness of lower voltage upgrades and Minnesota policy favoring dispersed and distributed generation, the utility would have modeled various transmission alternatives to support renewable generation. That plan would certainly include smaller local upgrades, although it might also include additional high voltage transmission to provide generation outlet capacity in western Minnesota.

In our comments, Windustry is requesting that the Department of Commerce evaluate in the Cap X 2020 Environmental Report alternatives based on current laws and facts which were not reflected in the CapX 2020 Application. These alternatives would derive from demand side management, renewable energy preference and standards, and distributed and dispersed generation. This is what Minnesota statutes require.

It is possible that the \$1.4 to \$1.7 billion plan developed by the CapX 2020 utilities based on high growth demand forecasts rather than demand side management, a predominance of non-renewable energy, and an emphasis on bulk power transfer rather than distributed or dispersed energy will achieve some positive outcomes. However, it stretches credulity to believe that this plan developed with assumptions so clearly divergent from Minnesota fact, law and policy would provide the most cost-effective or environmentally favorable alternative.

Xcel Energy has seen to it that the risk of whatever transmission is approved in this process falls on its ratepayers, not on shareholders. Ratepayers will pay 100 percent of costs during construction and 100 percent of costs if the CapX 2020 power lines are cancelled or abandoned. Since no corporate risk remains to provide a check or balance, a

careful analysis of alternatives is yet more important. Windustry calls upon the Department of Commerce, through the Environmental Report and the entire certificate of need proceeding, to ensure that the public health, environment and financial well-being of Minnesota citizens and ratepayers is protected in this process.

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Respectfully submitted,

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Minnesota Department of Commerce &
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The dictionary defines an easement as the right or privilege to use someone else's property for a specific purpose.

It would appear that Minnesota is on the verge of the largest utility right of way acquisition in many years. As a land owner who may be forced to grant an easement for these power lines there are several issues that I feel need to be addressed. These include minimizing and mitigating the effects of constructing and operating these power lines on my business. Protecting farm owners and operators from liability issues brought about by the power lines. And requiring advance notification from utilities before construction or maintenance activities on the proposed power lines.

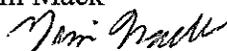
I believe that the CapX partners should be required to present a detailed plan to show how they would minimize and mitigate the effects of their activities on agricultural land and farm businesses.

The CapX partners should be willing to indemnify property owners from all damages and claims including those which may arise out of normal and generally accepted agricultural practices. They should be willing to accept all liability and defend property owners from any and all claims of liability arising out of the construction and operation of the proposed power lines. Including damage and liability claims which may be brought by their employees, agents, and contractors. This past summer we negotiated easements with the City of Zumbrota and Goodhue County Coop Electric which contain items listed above items. So it would seem these are not unreasonable requests.

With the exception of emergency maintenance and inspections The CapX partners should be required to make a reasonable effort to notify property owners prior to entering property for power line construction, maintenance, and inspections. This has the potential to benefit all parties involved. As an example many farm pesticides and herbicides have specific EPA required reentry periods after application. These range from 12 to 48 hours after application. I'll bet no one knows how many times a year utility workers and their equipment have been contaminated due to unannounced activities on agricultural land.

Minnesota Statute #505.31 allows surveyors to enter private property but states "no surveyor may enter upon any land unless first notifying the owner or occupant of the intended entry". Also my understanding of the federal court ruling in Mission Farms Vs Great Lakes Gas is that a utility may not enter private property out side the boundaries of a defined easement with out prior notice to the land owner. With the exception of emergency inspections and maintenance I believe these laws and rulings should be expanded to include all utility work on private property. Even inside the boundaries of defined easements.

Respectfully: Tim Mack



Our Mission: To provide a quality living for our family and be an asset to our community.
By providing quality agricultural products and services for your family, by building on a family Tradition of award winning soil conservation and stewardship, and through community service.



January 11, 2008

David Birkholz
Energy Planning Permitting
MN Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN
55101-2198

Subject: CapX2020 - St. Cloud to Fargo Line - 06-1115

Dear Mr. Birkholz,

Audubon Minnesota is the state office of the National Audubon Society. Established in 1979, we share Audubon's 100-year heritage of working to protect our environment, as well as the Audubon mission to conserve and restore natural ecosystems, focusing on birds, other wildlife, and their habitats.

One of our premier efforts is the identification of Important Bird Areas in Minnesota. As part of an international effort these Important Bird Areas represent the most critical areas for the conservation of bird populations statewide. The Avon Hills area of Stearns County, including all of Avon and Collegeville Townships and parts of St. Joseph, St. Wendel, Farming, and Wakefield Townships and the campus of St. John's University, has been identified by Audubon, and our partners, as an Important Bird Area. This area is important because of its extensive forested landscape and the populations of Red-shouldered Hawks, Blue-gray Gnatcatchers, Wood Ducks, Cerulean Warblers and other species that are found here. A number of Waterfowl Production Areas managed by the U.S. Fish and Wildlife Service are within the Important Bird Area, as are two Minnesota DNR Scientific and Natural Areas, the St. Wendel Bog, and the St. Johns Arboretum.

Audubon Minnesota is concerned about the effect that a proposed 345 kV transmission line with its 175 foot towers would have on the natural resources of this area. Specifically, we are concerned about the loss of habitat from siting these towers and clearing the corridor for the line will have. There is also the potential for serious habitat fragmentation that can have serious impacts on many forest bird populations. Secondly, the potential for direct

collisions or electrocutions of birds exist if the line is not placed with due consideration to feeding, roosting, or migratory pathways.

Audubon urges that the need for this line, and its routing take into consideration the unique habitat features of this area, and the bird and wildlife populations that they support. Audubon Minnesota would be happy to provide any information we have on this Important Bird Area and the birds found within it.

Sincerely,

A handwritten signature in cursive script that reads "Mark Martell".

Mark Martell
Director of Bird Conservation
mmartell@audubon.org

David Birkholz

From: Rebecca McClure [rebecca@mcclure@gmail.com]
Sent: Sunday, January 13, 2008 10:55 PM
To: David.Birkholz@state.mn.us
Subject: Comments for CAPX 2020 environmental report

David,

I would like to submit the following comments for consideration as part of the Environmental Report for the CapX 2020 Certificate of Need application.

It seems clear to me that in this time of critical global warming caused mainly by irresponsible use of fossil fuels including coal, any proposal for expansion of power grids that is being justified by a need to produce and move more energy supplied by these sources is inherently bad for the global environment. The power grid expansion, in my opinion, can only be justified and supported if all of the increased electricity being moved has been generated from clean/renewable sources and will ultimately decrease the use of current polluting sources. I can understand a potential need for new line routes if the existing routes are not well situated to move electricity supplied by new clean sources such as wind coming from South Western Minnesota, but short of this, new lines can only cause a net bad impact on the environment. It should not take an extensive environmental assessment report for this concept to be clear.

I would suggest that if the money being proposed for the new lines were spent on forcing effective conservation by consumers, minimal new capacity would be needed at this time. Currently, there is very little/no incentive for the average citizen in the state to conserve energy. Our electricity is very inexpensive and there have been essentially no practical energy-saving promotional programs. For most, saving a couple of dollars on a few fluorescent light bulbs isn't even worth looking into. Assistance with installation of local green energy methods for those able to do so, is either too complicated to understand or simply non-existent. I think if a sincere effort was made to educate the general public about the current environmental crisis, including forced payment for the real environmental cost of our current dirty energy sources, the public would get quite creative about electricity production and use and could exist with minimal expansion of the current grid. I don't think it is environmentally acceptable to continue with the out-dated concept that people simply continue to use more electricity and "demand" the cheapest price, therefore we just keep building bigger grids to supply the same old dirty power. This has been short-sighted in the past and really borders on absurd in today's environmental situation.

I understand that even if the environmental impact of energy generation in our region is taken seriously, some new lines will have to be built, but I have difficulty with the concept of building new routes for the purpose of "redundancy" in the system. During recent information meetings, much of the justification for using new routes for the proposed project rather than adding capacity to existing routes was to maintain the integrity of the grid during local disasters that affect the power lines (storms, accidents). However, these situations are rare and most of the public understands that during local disasters, there may be power outages. Critical systems have back-up generation and others are usually not severely affected by the temporary outages. I think that planning an expansion that involves claiming huge amounts of new land just to avoid these few exceptional situations is not cost effective or environmentally responsible. We already have rights of way with existing power lines in a system that conveys power to the entire area and I think we should do everything possible to use these existing corridors for any needed expansion.

I think that extreme care should be taken in reviewing the world wide scientific literature regarding the impact of high voltage power lines on plant and animal (including human) life in the vicinity of the lines and this should be included in the environmental assessment. There is data to suggest that morbidity is increased for all living things exposed to the high voltage lines. In addition to the easily visible affects of stray voltage, it appears that cancer rates and possibly other diseases are more frequent in those exposed to the high voltage lines. I think we should do everything possible to avoid building more of these lines. At the very least, lines should avoid areas considered to be environmentally sensitive in any way.

I hope that the companies involved in this proposal are really committed to facing the reality of the environmental effects of this proposal at both the local and global levels and to making responsible decisions that are in the best interest of the environment that we all live in. The companies are in a better position than individuals to see the impact of their business decisions for the environment and take a stand to make a difference, not just another dollar.

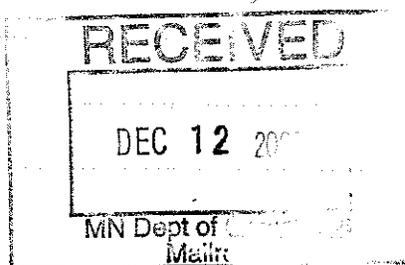
Very sincerely,

Rebecca McClure
100 Evergreen Drive NE
Rochester, MN
55906

DEC 12 2007

TO MR. DAVID BIRKHOLZ

THESE ARE MY COMMENTS CONCERNING THE NEED FOR CAP X 2020. DOES THIS AREA NEED ANOTHER COAL BURNING POWER PLANT THAT SPEWS OUT 4000 TONS OF CO₂ EVERY YEAR? WHAT ABOUT THE OTHER TOXICS LIKE MERCURY ARSENIC ETC. SPEWED INTO THE SKY ONLY TO COME BACK DOWN IN OUR LAKES, FORESTS AND CROPLAND? MY HOME IS DIRECTLY EAST OF THIS POWER PLANTS PROPOSED LOCATION - MEANING MY AIR QUALITY WILL BE LOWERED. THIS WHOLE PROJECT WITH ITS LAND TAKING BY EMINENT DOMAIN FOR THE AWFUL LOOKING POWERLINE SOUNDS TO ME TO BE CORRUPT FROM THE START. I BELIEVE ALOT OF THESE TYPE PROJECTS (BOON DOOGLES) ARE HOPING TO BE APPROVED BY REGULATORS BEFORE THE CORRUPTED BUSH ADMINISTRATION LEAVES OFFICE AND THE WHOLE COUNTRY IS TAKEN DOWN THE ROAD TO SUSTAINABILITY AND GREENER THINKING - WHICH INCLUDES DE-CENTRALIZED POWER, AND MASSIVE CARBON SEQUESTRATION



LAWRENCE MOREAN
33832 LAKE PEPIN RD
MONTGOMERY MN.

L.V. MORGAN
33832 LAKE ASPIN RD.
MONTGOMERY MN. 55064

ENERGY FACILITY PERMITTING
MINNESOTA DEPARTMENT OF COMMERCE
85 7TH PLACE E SUITE 500
ST. PAUL MN. 55101

ST PAUL MN 551

11 DEC 2007 PM 4 T



5510152198



David Birkholz

From: Doug Mueller [dsmueller@hotmail.com]
Sent: Sunday, January 13, 2008 7:36 PM
To: David.Birkholz@state.mn.us
Subject: CAPX 2020

I'm writing to let you know that I attended the Clearwater, MN meeting December 11, 2007. I left the meeting still wondering why CapX should move forward.

I realize times change and demand changes, my question for your panel was pertaining to the redundancy issue for the St. Cloud area, I asked how often the power goes out in the St. Cloud area and for how long. The answer was that back in '05 we lost power for a while. For this to be one of the main reasons for this project these so-called experts did not seem to have any statistics to backup the need for redundancy. Their inability to show records and statistics regarding power outages and time taken to restore the said outages does not justify one of the *main* reasons to go forward with CapX. The answers they gave were not good enough excuses to go around digging up peoples property and put up more power lines. The meeting was not all that clear whether the power was to transfer west-to-east, or east-to-west. That would have told me a lot about who is going to benefit (or profit) from new lines being strung (potentially close to my house) and whether this project is really needed. This looks as though our property is being disturbed so the utility companies can sell electricity to the Dakota's.

I don't believe this project has shown its necessity. I think the utility companies have some answers they are not letting out, and without them this project should *not* move forward.

Sincerely,

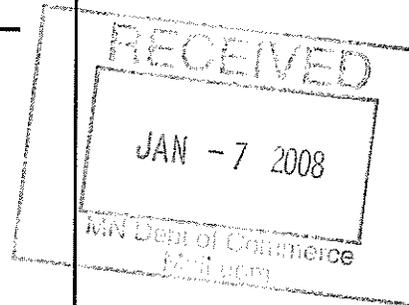
Douglas Mueller
1636 Dom Circle
Clearwater, MN 55320

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Scoping the ER Content

- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
- Information on alternatives to the project
- Mitigating measures for possible adverse impacts

(See Minnesota Rule 7849.7030)



Using the above slide as a guideline, please share your ideas on issues for the Environmental Report. The report will be a part of the PUC Hearing on the CapX 2020 Project's Certificate of Need application.

(Use back of page for additional comments.)

I don't believe Xcel Energy has been completely fair to those individuals who want to produce wind power and sell to Xcel Energy. I believe that Xcel Energy has unnecessarily impeded the progress of wind production in Western Minnesota.

I would like to be certain that the utility companies have provided sufficient incentives for consumers of electricity to use conservation measures. I would hope that the power companies ~~would~~ would provide information to the land owners in advance and be fair in procuring the right of way for the power line.

Caryl Nelson
Paul Rarum
19254 Halwood Rd
Glenwood, MN 56334

SAINT CLOUD MN 5630

ON JAN 2002 PM 11



David Borkholz
MN Dept. of Commerce
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

Additional (

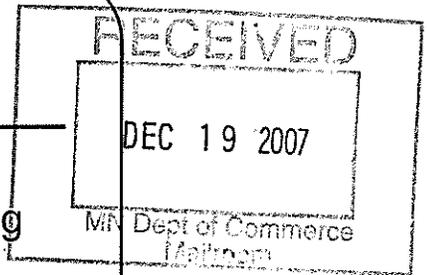
Complete and turn in to

Minnesota Department of Commerce
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

Scoping the ER Content

- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
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Using the above slide as a guideline, please share your ideas on issues for the Environmental Report. The report will be a part of the PUC Hearing on the CapX 2020 Project's Certificate of Need application.

(Use back of page for additional comments.)

In brief - if this line (Fargo to Monticello) is needed, I believe the route it should take is the route of 94. The freeway already is a man-made element that bisects the land areas. If the towers parallel the freeway - the hope is that there is far less impact than areas that are north or south of the 94 corridor. People's farmland are not that close ^(in some areas) to the freeway and accessibility would be easier and irring less if it was close to the freeway.

David B
Minnesota Departm
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

Complete and turn in today or

David Birkholz

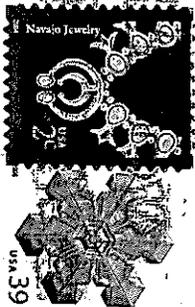
WV. Dept. of Commerce
Energy Facility Permitting

85- 7th Place East, Suite 4500

St Paul, MN. 55101-2198

SAINT CLOUD MN 563

19 DEC 2007 PM 2 T



55101-2198

David Birkholz

From: Gregory Nolan [snowpine@rea-alp.com]
Sent: Sunday, January 13, 2008 11:50 AM
To: David.Birkholz@state.mn.us
Subject: CAPx2020 transmission lines

To Whom it may concern, We have run a small forestry and wood products business in central Minnesota for the past 28 years. I would like to see any land taken out of forest production with the installation of transmission lines, be replaced at a two to one mitigation level. We should have no net lose of our forest resources.

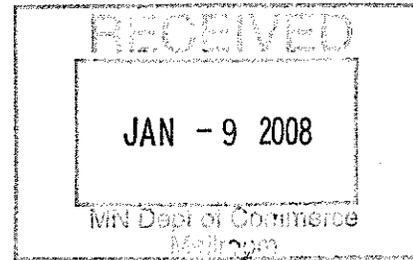
The transmission line project should initiate this as a good will gesture to the local community where the line passes. Free trees given to the local community would work, or planting community wind breaks around small towns. Any wood resource cut down in the process should be utilized in a local value added business. The material could be stacked at a convenient location and advertised as free to the community if deals can not be struck with local wood product provayers. Piling and burning any of the wood with value is not exceptable.

Greg Nolan & Marcia Rapatz
Snowy Pines Reforestation

PS We now have over 4 kilowatts of solar electric panels on our business and home. Distributed generation has many benefits including alleviating the need for large transmission lines like the ones we are talking about.

January 8, 2008

Minnesota Department of Commerce
Attn: Dave Birkholz
85 7th Place East
Suite 500
St. Paul, MN 55101



RE: Comments on Cap X 2020 Group I Transmission Project

I personally attended the informational meeting on December 17th at Marshall, Minnesota regarding the proposed Cap X 2020 line coming from Brookings to Marshall.

First of all, I am the trustee of my father's land located in SW1/4, Section 25, Lynd Township. Presently there is a proposed 115KV transmission line that is coming from the Lake Yankton substation and going to the substation south of Marshall, south of Highway 23 bypass around Marshall. Our SW1/4 will be affected by the route of this line. I'm fully aware of the airport location on the NW side of Marshall and am aware of distance requirements of having any lines near an airport.

Therefore, I'm very concerned that we as landowners on the south-southwest side of Marshall, will see this proposed 345KV transmission line go through our area. Why do we as landowners have to face the possibility of dealing with two power lines on our land? This is not right that we should have to go through this whole process twice.

Another question I have is the possibility this line is considerably bigger with higher towers, would the west to east line go over another line that would be going south to north into Marshall?

I do plan to check on the impact on the value of a parcel of land that would have towers on the land that may be in the field but yet in the easement requirements. I work for a financial lending institution that has an appraisal department to get some direct feedback on this issue.

Another question, I'm assuming this 345KV line goes through the Marshall area but does not hook up to any substation in Marshall. Am I correct?

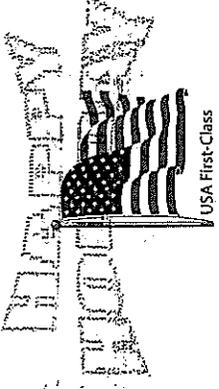
I plan to attend the upcoming meetings this spring. However, in conclusion, I again stress the point that the landowners southwest of Marshall should not be faced with two tower lines potentially on the same land. Thank you for your time.

Sincerely,

Richard Noyes

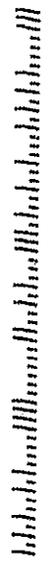
Richard Noyes
846 Highland Road
Wisdom, MN. 56101

MINNAPOLIS MN 550
08 JAN 2008 PM 11 L



MN Dept of Commerce
Attn: Bruce Birkholz
85 7th Place East
Suite 500
St. Paul, MN 55101

5510152158



COLLABORATIVE PLANNING, LLC
17215 33RD Avenue North
Plymouth, MN 55447
763-473-0569 (Office)
763-473-0659 (Fax)

FAX

To: David Birkholz	From: Cindy Olness
Fax: 651-297-7891	Pages: 4
Phone:	Date: 1/11/2008
Re: Capx 2020 Brookings to SE Twin Cities	cc:

Comments:

Collaborative Planning, LLC

17215 33rd Avenue North
Plymouth, MN 55447

January 11, 2008

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. David Birkholz
Energy Facility Permitting
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101

**Subject: CAPX 2020 345 kV Transmission Line, Brookings County to
southeast Twin Cities Project**

Dear Mr. Birkholz:

On behalf of the City of Carver, please accept this letter as the City's preliminary comments on the proposed transmission line and additional topics that the City would like to see included in the Scoping Document/Environmental Report.

Based on the information contained in the November 26, 2007 Notice of Public Information Meetings, it is unclear whether the "Alternative Brookings to Twin Cities Route Location" is intended to be a part of this Scoping Document. The "Alternative" is not mentioned anywhere within the public information that was distributed, and hence, we would anticipate that public comment from those interested parties in or adjacent to the "Alternative" corridor may be missing from this process.

The City plans to annex large portions of what is currently Dahlgren Township for dense urban development. The City has a number of concerns regarding the "Alternative Brookings to Twin Cities Route Location" as follows:

1. Several County, State, and local roads in the area are being planned for future expansion. The siting of this transmission line within or near the City's expansion area would have negative impacts on our ability to expand this infrastructure when warranted. Transportation projects in the planning process include the expansion of TH 212 from Carver to Norwood Young

America, a new TH 41 river crossing, expansion of Carver County Road 147/CSAH 11, and an expansion of Carver County Road 43.

2. The City's planned land uses in annexed portions of Dahlgren Township include preservation of sensitive environmental resources and a mix of residential, commercial and industrial land uses. A 345 kV transmission line through this area would have a deleterious impact on the sensitive bluff, ravine and forest resources. In addition, the transmission line would not be compatible with the City's plans for urban development within the portions of the area that are not environmentally sensitive.
3. A 345 kV transmission line would negatively impact the quality of life of the residents of this City and the annexation area. The City is concerned about the aesthetics of this corridor and the impact that a transmission line could have upon the community.
4. Property values in the annexation area have increased dramatically. It is my opinion that transmission line easements through this area will reduce the value of not only the easement area itself, but the surrounding impacted properties as well.
5. The City is concerned that the public notification methods have not adequately identified the "Alternative" location and that local governmental agencies and the general public have not been adequately informed.
6. The City encourages the Department of Commerce to make adjustments to the "Alternative" location to eliminate that portion of the search area from CSAH 11/CR 147 in Carver County to 1 mile west of Carver County Road 43. This would serve to avoid the areas affected by comments 1 through 4 above.

The City would suggest that the Scoping Document also address the following issues:

1. Impact upon urbanizing areas and the effect on local Comprehensive Plans.
2. The City would request that mitigation for impacts be thoroughly addressed in the EA.
3. A section should be added that addresses impacts to planned land use. The City of Carver is currently coordinating with several developers regarding proposed developments on properties that could be directly impacted by the transmission line.
4. Setbacks from existing and planned rights-of-way and any structures should be discussed and whether these can be accommodated within the right-of-way utilized for the corridor.

David Birkholz
January 10, 2008

CAPX 2020 345kV transmission line
Page 3 of 3

5. Stray voltage.
6. Discussion on electric and magnetic fields.
7. Cost analysis.
8. Right of way acquisition and restoration.
9. Description of plans to accommodate future expansion of the high voltage transmission lines.

If you have any questions please contact me at 763-473-0569.

Sincerely,



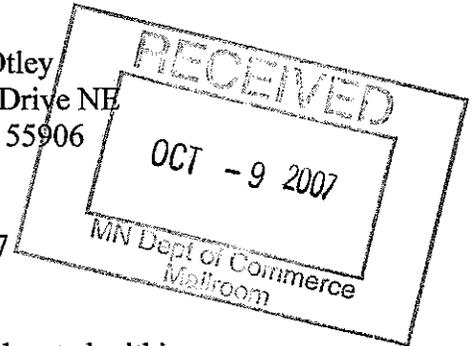
Cynthia M. Olness, AICP

cc: Jim Elmquist, City of Carver
Dan Boyum, Bonestroo
Angela Piner, HDR

David E. Birkholz, Project Manager
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

Clark and Jill Otley
300 Evergreen Drive NE
Rochester, MN 55906

October 5, 2007



Dear Mr. Birkholz,

We are writing to express our concern as citizens whose property is located within a proposed 3 mile corridor identified for potential development of 345kV and 161 kV transmission lines as part of CapX2020. Our address is 300 Evergreen Drive NE, Rochester, MN 55906. Our neighborhood is Evergreen Acres (44Deg 08' 13" N 92Deg 27' 36" W).

Evergreen Acres is a special place. About ten years ago, all 10 families in the neighborhood made the substantial commitment to donate the development rights to approximately 350 acres of undeveloped natural habitat upon which many protected and endangered species reside, under a conservation easement granted to the MN Land Trust. We did this as a tangible commitment to the environment. In doing so, we gave up the rights to develop this land in the future, despite the fact that it will be highly valuable as development encroaches. We made this commitment because we felt that the environmental value of this land was worth it.

The value of this land comes from the fact that it is a large, non-fragmented parcel with many microecosystems and extensive natural resources, including plants and animals. Non-fragmented habitat is critical to provide sufficient contiguous habitat for plants and animals to flourish. This land is one of the largest protected tracts within Olmsted County. In order to maintain healthy ecosystems, all communities need to preserve tracts containing valuable natural species.

We hope that by making you aware of the special characteristics and classification of the land protected by the conservation easement, that this will be taken into consideration when CapX2020 proposes a route for the transmission lines. We adamantly oppose any proposal that involves a route that crosses this critical and protected natural habitat. We strongly recommend routing choices that do not involve breach or critical habitat that is protected by conservation easement. There are numerous possible routes north of Olmsted County that would provide efficient routes that do not cross conservation easements and do not disrupt current and future neighborhoods. If you have any recommendation about ways by which we can effectively express our concerns, we would very much appreciate your input.

Thank you very much for your consideration.

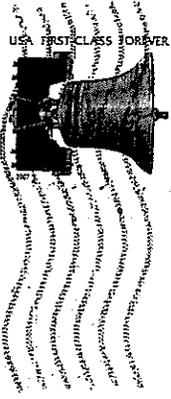
Sincerely,

O'Leary
300 Evergreen Dr NE
Rochester, MN 55906

ROCHESTER MN 559
08 OCT 2007 PM 2 L

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1

David E. Birkholz
Project Manager
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198



55101+2221

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION

**In the Matter of Certificate of Need
Notice Plan Approval Request for CapX 2020
Twin Cities – Rochester – La Crosse 345kV.
Transmission Line Proposal**

**OAH Docket: 15-2500-19350-2
MPUC: E002/CN-06-1115
(and 06-857; 06-979)**

ENVIRONMENTAL SCOPING COMMENT OF NO CAPX 2020

I. INTRODUCTORY HOUSEKEEPING DETAIL

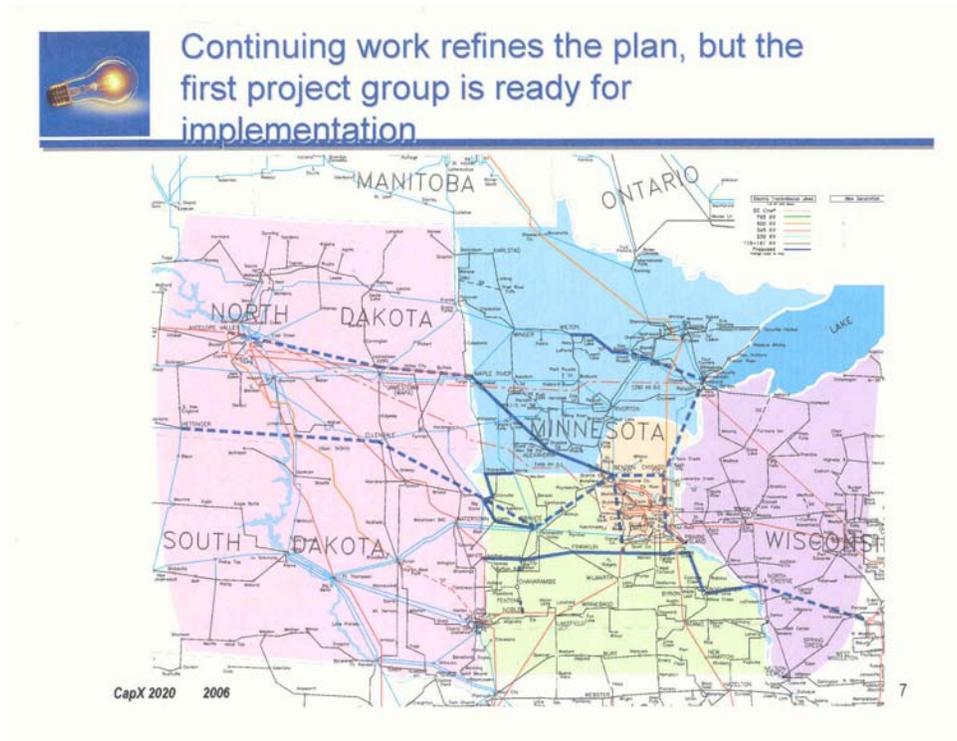
This project initially was assigned three docket numbers, one for each of the large lines proposed. The PUC subsequently ordered the dockets “combined” but that has not occurred – although since that Order the three lines have proceeded under one docket number, 06-1115, the early filings in those dockets remain unincorporated into the new docket. These dockets should be fully consolidated.

II. INTRODUCTION

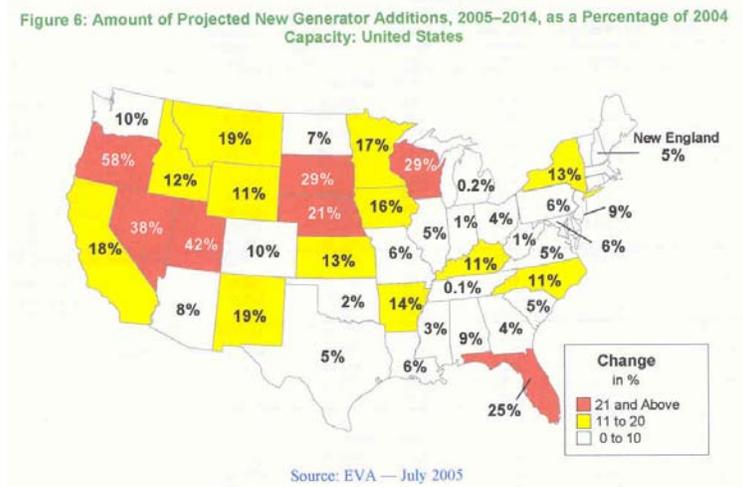
The CapX2020¹ transmission proposal is based on a claimed need of 4,500MW to 6,300MW or up to 8,000MW by 2020. This three phase project is the largest transmission infrastructure construction project in the history of Minnesota, as noted in the Commission order, more than 500 miles of 345kV transmission line and 1,630 miles – it would have an impact on roughly 200,000 landowners in all of its phases, and for Phase I, Xcel’s Notice list is comprised of approximately 73,000. This construction project is a massive irretrievable investment with over a \$1.4-1.7 billion dollar price tag, would shape our energy future because it is an investment in central station power, irretrievable once constructed and limiting our electricity options by its hardware for decades to come.

¹ Xcel now claims CapX means “Capacity Expansion Needed by 2020” but in previous descriptions, it was “Capital Expenditure” ... search Otter Tail for CapX and the rest of the story

The nature of the CapX2020 proposal, the extreme size, cost and impact beyond anything ever inflicted on Minnesota in utility history, demands the most rigorous environmental review. No CapX 2020 has been tracking this project for years. The big picture² shows the start of the lines in the coal fields of the Dakotas extending into Wisconsin – transmission is connecting the dots:



A quick look at the NERC report³ shows that there is much new generation proposed:



² From CapX 2020 presentation to MAPP, p. 7.

³ NERC 2005 Long-Term Reliability Assessment, p. 16 <http://www.nerc.com/~filez/rasreports.html>

What type of generation is in the MISO queue? Lots of generation of all kinds, much wind and much coal. A copy of the MISO queue as of December 4, 2007 is attached as Exhibit A, with states divided out to sort by fuel and location. The MISO queue shows the same massive increases in new generation, and yet CapX has not superimposed the locations of need with the locations of new generation proposals in the MISO queue. That demonstrates a predetermined “solution,” and not one for satisfying any “need.” Where demand is not matched with load, and there is no claimed generation interconnection driver, what is demonstrated is that CapX2020 is bulk power transfer in the extreme, facilitating transfer of coal generated energy through Minnesota to Wisconsin and Illinois. The transmission owner will receive vast benefits, particularly that of construction at ratepayer expense. According to a study recently released, the Independent Assessment of Midwest ISO Operational Benefits⁴, the transmission market is taking shape and there is much money to be made.

III. SYSTEM ALTERNATIVES

The first question to ask is “System Alternatives to what?” The Environmental Report must evaluate all partial and complete system alternatives to the spot needs “identified” by CapX. These include claimed needs in Alexandria, Rochester, and LaCrosse. From presentations made throughout the state, the number of megawatts of claimed need is small, hardly sufficient to justify even a small percentage of a transmission system of 345kV lines with at least a 2085MVA capacity.⁵ A copy of Xcel’s Appendix 7 from the SW MN 345kV line showing different capacities for different spec’d lines is attached as Exhibit B. Assuming small local load needs, the Environmental Report must address low, moderate and high scenarios, including, but not limited to those full and partial solutions to local load needs:

- Conservation
- Efficiency
- Load Management and Peak Shaving

⁴ ICF’s Independent Assessment of MISO Operational Benefits legalelectric.org/f/2007/03/icf_miso-benefits-analysis_final_02282007.pdf

⁵ At the public meetings in December, CapX personel verified that the lines would be 345kV, with bundled 954 ACSS conductor, a capacity of 2085MVA.

Community-owned renewable generation
Distributed Generation
Transmission modifications and efficiency improvements – FACTS, phase angle control, etc.
Transmission reconductoring

On the other hand, the Environmental Report must address the consequences of any new coal generation made possible by CapX 2020. New coal generation cannot be built but for transmission of the magnitude offered by CapX 2020. This should be analyzed from a range of scenarios from low to moderate to high of capacity of CapX utilized for coal, or up to three 2,085MVA transmission lines full of coal, essentially the impacts of 4,170-6,255 MW of new coal. The impacts of new coal generation should be considered broadly in the Environmental Report, necessarily including, but not limited to:

- Per MW emissions calculations
- Air emissions generally
 - Carbon emissions
 - Regulated air pollutants
 - Regional haze
 - Mercury in lakes
- Water consumption
- Water contamination – thermal and chemical
- Impacts of coal mining and transportation
- Impacts of ash disposal
- Cost consequences of misallocated investments, coal v. wind, solar, efficiency
- Health costs attributable to coal generation
- Cumulative impacts of all of the above

The generation hierarchy established in 1994 should also be considered, and the environmental impacts of meeting a 4,500-6,300 or 8,000 MW need be considered. Minn. Stat. §216/

In addressing efficiencies, the inherent inefficiencies of transmission should be addressed. CapX 2020 admits that it needs 8,000 MW of new generation to fulfill the claimed 4,500-6,300MW. That means they assume an additional 1,700 MW of new generation, the equivalent of more than three coal plants, to account for the inefficiencies of transmission and line loss.

The environmental report must consider socio-economic impacts, and the primary cost is that of the lines themselves, borne by the ratepayers. The scheme established by the 2005 Transmission Omnibus Bill allows instant recovery for that generation claimed to be “for renewables.” CapX has stated that the lines are not for new generation interconnection, and therefore not assessed to the

connecting generator and instead the lines would be paid for by ratepayers and users of the line. One exception noted by CapX is the SW line, which it estimates would be 50% new wind generation interconnection, to be assessed to the generators. The socio-economic impact of assessing 50% of the cost of the SW line (or SE also?) to wind generators and no assessments anticipated elsewhere in the CapX network could stifle wind development and unfairly benefit others interconnecting, such as the coal plants in the miso queue. The socio-economic impact of inequitable interconnection cost apportionment must be considered. The Environmental Report should consider a low, mid and high range scenario of cost apportionment of transmission costs to wind generators.

IV. CONCLUSION

CapX 2020 requires rigorous environmental review. The policy “choice” of building large transmission lines rather than stimulate local, carefully-sited, renewable generation should not be made lightly, and should only be made after careful consideration of all attributable environmental costs.

January 14, 2008



Carol A. Overland #254617
Attorney at Law
OVERLAND LAW OFFICE
P.O. Box 176
Red Wing, MN 55066
(612) 227-8638
overland@redwing.net
www.legalelectric.org
www.nocapx2020.com

Minnesota needs Big Stone II to meet 25x25 renewable energy standard benchmarks

Achieving the goals of the new Minnesota renewable energy standard will require both additional generation and transmission capacity.

Big Stone II would provide both in a timely fashion. In fact, the Minnesota Wind Integration Study, which served as a basis for the new law, assumed that certain facilities — including Big Stone II — would be in place. Its conclusion, that by 2020 up to 20 percent of the state's electrical energy economically could come from wind without adverse supply or reliability impacts, assumed:

- Big Stone II as a source of baseload generation.
- Big Stone II to help ensure voltage stability between the Dakotas and Minnesota.
- Big Stone transmission upgrades to help deliver energy from Minnesota's wind-rich Buffalo Ridge.

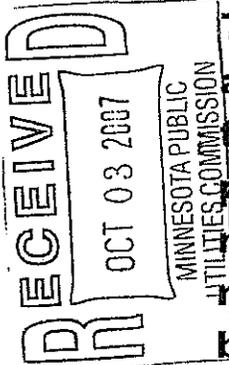
Today, we face energy challenges far too complex and too urgent to be solved by any one entity or any one resource. Solutions that make both environmental and economic sense require careful planning and strategic collaboration from industry and government at all levels. Everybody has a role to play. Everybody has a stake in the outcome.

Working together, we can achieve a cleaner, more secure and prosperous energy future.



www.bigstoneii.com

David B 06-1115



The township officials of Olmsted County Minnesota after attending informational meetings on the 345-kV transmission line and other new distribution lines proposed for Southeast Minnesota and after researching the information presented by CapX2020, recognize the need for dependable electric power for both urban and rural Minnesota. We acknowledge the fact that electrical power demands continue to increase across the nation. The Olmsted County Township Officers Association, at their regularly scheduled meeting of September 27, 2007 went on record as supporting the building of new transmissions lines in this area if the following conditions are met.

1. Reasonable care is taken to avoid placing lines and towers in close proximity to homes and farmsteads.
2. Discussion with affected landowners precedes any mitigation and or litigation.
3. Fair compensation is provided to affected residents.
4. All work is done in an environmentally friendly manner.
5. Power companies continue to explore and expand clean alternative methods of producing electrical power.

A handwritten signature in cursive script that reads "Gary Pedersen".

Gary Pedersen, Chair

Olmsted County Township Officers Association

Evergreen Acres Neighborhood Association
c/o Cydney Perkins
211 Evergreen Drive NE
Rochester, MN 55906

September 2, 2007

Dear Mr. Birkholz

I am writing on behalf of the Evergreen Acres Neighborhood Association, Rochester, MN, which is located within a proposed 3 mile corridor identified for potential development of 345kV and 161 kV transmission lines as part of CapX2020.

We are writing to make you aware that land within the Evergreen Acres Neighborhood Association is protected from development by a conservation easement enforced by the Minnesota Land Trust. Furthermore, this land is a non-fragmented, critical habitat for wildlife preservation and contains protected species. Attached please find a white paper entitled: CapX2020 and Evergreen Acres-Minnesota Land Trust Conservation Easement: Report of multiple concerns regarding potential environmental impact on critical habitat and species. This white paper outlines relevant background and facts surrounding our opposition to potential routing of transmission lines through environmentally protected land containing rare, endangered, and protected species. We have additional detailed information regarding specific natural species within the conservation easement.

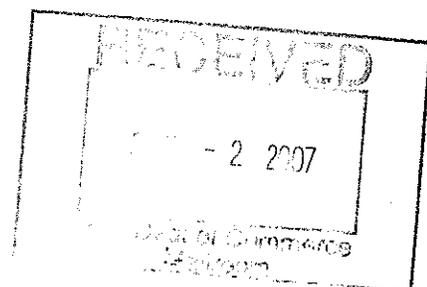
Per your letter dated July 2007, I am requesting that you send to me a paper copy of the reports of the CapX2020 studies and the MN utilities biennial transmission plans. Please mail them to me at the address listed on this letter.

Also per your letter dated July, 2007, I am requesting that you send me copies of all regulatory filings, your applications, and all updates and meeting notices. Please mail them to me at the address listed on this letter.

We hope that by making you aware of the special characteristics and classification of the land protected by the conservation easement, that this will be taken into consideration when CapX2020 proposes a route for the transmission lines. We adamantly oppose any proposal that involves a route that crosses this critical and protected natural habitat. If you have any recommendation about ways by which we can effectively express our concerns, we would very much appreciate your input.

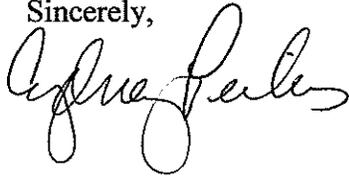
You may contact us via:

Evergreen Acres Association
c/o Cydney Perkins
211 Evergreen Drive NE
Rochester, MN 55906
cydneyperkins@birdlandobservatory.net



Thank you very much for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Agnes Pauls". The signature is written in black ink and is positioned below the word "Sincerely,".

CapX2020 and Evergreen Acres-Minnesota Land Trust Conservation Easement: Report of multiple concerns regarding potential environmental impact on critical habitat and species

September 3, 2007

Goal: To protect critical contiguous habitat and multiple endangered species residing permanently and transiently within in compliance with a preexisting conservation easement enforced by the Minnesota Land Trust.

Facts:

1. CapX2020 plans to build a 345kV transmission line from Hampton, MN to a new substation north of Rochester, and on to La Crosse, WI. Two 161 kV transmission lines in the Rochester area are also planned.
2. The planned 345kV transmission line would be built on double-pole or single-pole structures, 120-150 feet tall, spaced about 600-1000 feet apart, on a 150-foot right-of-way.
3. Evergreen Acres neighborhood (44Deg 08' 13" N 92Deg 27' 36" W) lies on a 450 acre parcel, of which approximately 350 acres has been preserved for eternity via granting of a conservation easement to the Minnesota Land Trust.
4. Evergreen Acres conservation easement lies on the northern edge of the 3 mile wide corridor in northern Rochester identified as the proposed route for the 345kV and 161 kV transmission lines.
5. CapX2020 correspondence states that the "routing process will consider environmental, land use, and potential routing impacts."
6. Land within the Evergreen Acres conservation easement is a non-fragmented natural habitat corridor containing endangered plant species and providing nesting and migrating habitat for endangered bird species. The land is characterized by the Minnesota Land Trust as having "potentially high diversity of birds and other animal species" and "high quality wildlife habitat". The MN Land Trust indicated "the property provides an important corridor for floodplain forest plants and animals to move along the Zumbro River."
7. Land within the Evergreen Acres conservation easement contains one of the few remaining stands of mature white pine in southern MN.
8. Due to the substantial environmental value of this land, the parcel was placed under a conservation easement enforced by the Minnesota Land Trust in 1997 and 2002.
9. Construction and maintenance activity related to the transmission line have a high likelihood of adversely effecting critical environmental resources if routed through the conservation easement. Fragmentation of this contiguous environmentally sensitive river valley corridor will likely have adverse impact far greater than the immediate physical effects of the 150 foot right-of-way.
10. The importance of preservation of this area's floodplain was highlighted during the May 21, 2001 monitoring by the MN Land Trust, when they noted "after this year's flooding, the importance of protecting the Zumbro River floodplain is even

more apparent.” MN Land Trust also noted “the property provides an important buffer for the Zumbro River, this protecting it from the deleterious impacts of soil erosion and high levels of nutrient inputs.”

11. A unique bridge, Franks’ Ford Bridge, which has been nominated for inclusion in the National Register of Historical Monuments, is located immediately adjacent to the property. This is the only steel truss bridge remaining in the county known to be built by the famous Horace Horton, founder of Chicago Bridge and Iron, Co.
12. Multiple endangered species, which are protected by the Federal Endangered Species Act or the Minnesota Endangered Species Statute and associated Rules, exist either permanently or transiently on the conservation easement.
13. There may be Native American Indian site of significance located on the protected land.
14. There are scattered areas of remnant native prairie on the protected land.
15. Violation of the Evergreen Acres Conservation Easement will call into question the validity of all conservation easements in Minnesota and provide a powerful disincentive to landowners considering preserving environmentally sensitive land through conservation easements. If these important conservation measures are to have any future in Minnesota, the Minnesota Land Trust Conservation Easements must be respected and enforced.
16. Evergreen Acres association is committed to preserving the environmental value of these unique and important natural resources and will resist any attempt to route a transmission line through the property.
17. Evergreen Acres association has engaged legal counsel to represent these concerns.

Recommendations:

1. We recommend that the routing of the proposed transmission lines should not be placed in part or in whole on the Evergreen Acres neighborhood or protected conservation easement. Our recommendation is based on our long-standing commitment to protecting this critical contiguous habitat and multiple endangered species residing permanently and transiently within, in compliance with a preexisting conservation easement enforced by the Minnesota Land Trust.
2. We propose that there are numerous alternative routes that do not involve breach of a conservation easement aimed at protecting critical habitat.
3. We propose that there are numerous alternative routes that could go across land that does not have designation as critical habitat nor protection by conservation easement.
4. We propose that there are numerous alternative routes that take advantage of preexisting byways, including highways, roads, and power line routes. We recommend seeking alternative routes north of Olmsted county, particularly land between Pine Island and Zumbrota, land north of Zumbrota, or land between northern Oronoco and Pine Island. A corridor could also run north of Zumbrota and Zumbro Falls or north of Pine Island due East of highway 52 between 490th Street and 500th Street. These options would avoid placement in an area containing a conservation easement, as well as avoiding land that is currently

moderately populated and likely to become heavily populated within 10 years. If placement of the transmission lines north of Oronoco is not feasible, we recommend routes south of Rochester, north of Evergreen Acres conservation easement and neighborhood, or south of Evergreen Acres conservation easement and neighborhood. Many less environmentally disruptive routes are possible and are preferable to a route that breaches protected land. Running adjacent to existing lines may minimize disruption of areas of non-fragmented critical habitat. We recommend consideration of these alternatives.

5. We recommend an environment impact study be performed on this specific land if transmission line routing through the land is seriously considered. Specific plans to manage threats to protected species would need to be developed and approved. We are confident that an environmental impact study will validate our opposition to the placement of power transmission lines and corridors within the covenant protected lands.
6. We recommend resolution of issues surrounding development on land containing a potential Native American site.
7. Environmental impact statement – Development of a transmission line through the Evergreen Acres neighborhood and conservation easement will likely cause irreparable fragmentation of and harm to critical environmental corridors for protected, rare, and valuable species.

Contact information:

Evergreen Acres Association
c/o Cydney Perkins
211 Evergreen Drive NE
Rochester, MN 55906

Cc: Evergreen Acres legal counsel

Scoping the ER Content

- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
- Information on alternatives to the project
- Mitigating measures for possible adverse impacts

(See Minnesota Rule 7849.7030)



Using the above slide as a guideline, please share your ideas on issues for the Environmental Report. The report will be a part of the PUC Hearing on the CapX 2020 Project's Certificate of Need application.

(Use back of page for additional comments.)

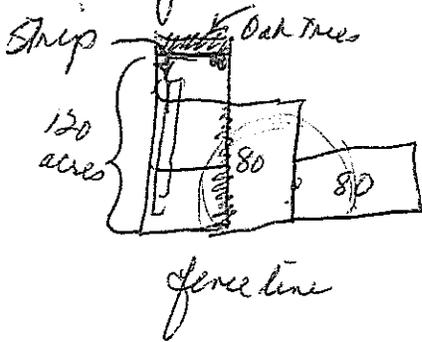
We are very concerned abt. this project as we paid much additional money to have our power lines all buried for approx. a mile so we could have a grass air strip on our property @ 7505 320th St. W, Northfield, Mn. Also the Northern part of our property contains approx 23 acres of oak trees which we are concerned abt. Oak wilt w/ any digging near their roots.
Tom & Bev Wirtzfeld 507-645-9056



Additional Comments:

We feel that things like ^{planned} private airstrips should be considered for the immense impact they will make to a land owner when they have done things to make that possible.

Also between our original property we purchased and the additional land purchased we are ripping out fence line to put in irrigation lines.



Please take ^{into} consideration these factors

Complete and turn in today or mail by January 14, 2008 to:

David Birkholz
Minnesota Department of Commerce
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

Scoping the ER Content

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(Use back of page for additional comments.)

The Key Nature Center is located about one mile east of Henderson along Hwy. 19. It would be good to avoid going through the center of this 446 acre area.

Bill Fahrney 12-11-2007
Clearwater, MN

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(Use back of page for additional comments.)

The Avon Hills Conservation Area adjacent to I-94 is not an appropriate corridor for a new high voltage power line.

Wild life preservation for the Red Shouldered Hawk, Curian Warbler and Pug Nose Shiner would be severely impacted by disturbing natural areas adjacent to I-94 by cutting right of way and create a barrier for their movements.

(over)

Additional Comments:

Alternate corridors are available
for expansion of power transmission.

One that was designed to bypass the Aoon Hills in Stearns County including Aoon, Colquhoun, St Joseph and St Wendell Townships, and the St Cloud Area urban area, is the 400 KV DC line that was routed South of this area.

Please use that existing corridor for this expansion and not follow I-94

Your response and comments are appreciated and welcomed.

Bill Fahrney
Land Heritage Coordinator for the
Aoon Hills Initiative
29035 Kepler Court

Cold Spring,
MN 56320

320-685-4053

steldshi@aol.com

Complete and turn in today or mail by January 14, 2008 to:

David Birkholz
Minnesota Department of Commerce
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

Scoping the ER Content

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(Use back of page for additional comments.)

*Is this a forward looking project, i.e.:
might end-user generation, like fuel cell
home generators, obsolete the transmission
lines. If by not converting the D.C. lines to AC
who is responsible for the demolition of
obsolete power lines, including footing, etc?*

Scoping the ER Content

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(See Minnesota Rule 7849.7030)



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(Use back of page for additional comments.)

Your representative stated that this long transmission line has a loss approaching 30%. That's a lot of loss.

Why not build the plant in a central location & avoid the long lines & the problem of getting easements along the way.

JIMH@CHARTER.NET

Scoping the ER Content

- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
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(See Minnesota Rule 7849.7030)



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(Use back of page for additional comments.)

*Consider expanding the use
of additional Atomic plant energy!
Closer to the customers needing power*

Scoping the ER Content

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(See Minnesota Rule 7849.7030)



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(Use back of page for additional comments.)

WILL HAAPALA
REGIONAL MANAGER, NW OFFICE, DETROIT CAGES, MPCA
D 218/846-0730 William.haapala@pca.state.mn.us
REQUEST EARLY AND FREQUENT COMMUNICATION
WITH MPCA ST PAUL AND REGIONAL OFFICES
ON ENVIRONMENTAL SCOPE AND REPORT.
SOME IMPACTS OF INTEREST ARE
CONSTRUCTION STORM WATER, PROJECT
DESIGN STORM WATER CONTROLS, GROUNDWATER,
SHORELAND AND WETLAND IMPACTS, IMPAIRED
WATERS AND POTENTIAL INDUSTRIAL
ACTIVITIES. ALSO, ARE THERE SUSTAINABLE
PRACTICES AND CLIMATE CHANGE CONSIDERATIONS
THAT CAN BE INTEGRATED INTO THE ER AND
PROJECT DESIGN?

Scoping the ER Content

- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
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(See Minnesota Rule 7849.7030)



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(Use back of page for additional comments.)

Since the interstate has already impacted the environment, wouldn't it make sense to align the transmission lines along the same route as the interstate. It would lessen the environmental impact to the same area & affect ~~less~~ fewer landowners, homes, businesses, etc.

OR
Double circuit existing lines - will not impact environment more. If a major ice storm is in region, it will affect both lines even in different locations.

Patrick & Katherine Walters
17177 State Hwy 24 NW
Cloverton MN 55320

Scoping the ER Content

- ◆ Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
- ◆ Information on alternatives to the project
- ◆ Mitigating measures for possible adverse impacts

(See Minnesota Rule 7849.7030)



Using the above slide as a guideline, please share your ideas on issues for the Environmental Report. The report will be a part of the PUC Hearing on the CapX 2020 Project's Certificate of Need application.

(Use back of page for additional comments.)

The route to La Crosse should follow the I-90 corridor as that area is already impacted.

Stay away from large residential areas if possible.

Stay away from Dairy operations if possible.

Dennis Siems
3855 Cannon Lake Tr
Faribault, MN 55021

I have property
North of Oronoco

siems.dennis@co.olinsted.mn.us

Scoping the ER Content

- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
- Information on alternatives to the project
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(See Minnesota Rule 7849.7030)



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(Use back of page for additional comments.)

— THE CAPX 2020 PROJECT IS NOT ENOUGH TO FULFILL THE CURRENT MN. RES AND IS ALREADY OVERSUBSCRIBED WITH RENEWABLE ENERGY (56,000 MW MISO QUEUE)

— THE TIME TO BUILD NEW LINES IS NOW (BEYOND THE 3, 345KV LINES),
NOT 2021

— TAX INCENTIVES & FUNDING ARE NECESSARY TO BRING INDEPENDENT TRANSMISSION PROVIDERS INTO MN. NOW

Scoping the ER Content

- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
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(See Minnesota Rule 7849.7030)



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(Use back of page for additional comments.)

what is Xcel prepared to do to promote conservation to "lower" demand and reduce the rate of increase of demand. The certificate of need should include a very committed "conservation plan" at all consumer levels.

Stephen Quinlivan
3141 Dean Court # 704
Minneapolis, MN 55416

December 3, 2007

Mr. David Birkholz
Energy Facility Permitting
Minnesota Department of Commerce
85 7th Place East
Suite 500
St. Paul, MN 55101

Dear Mr. Birkholz:

I am writing this letter in connection with the Department of Commerce's efforts to solicit input regarding the potential human and environmental impacts of the CapX 2020 project. In particular, this letter relates to Fargo-Alexandria, St. Cloud and Monticello project.

Note that I am a long time property owner in Stearns County. My particular concern is the project in the area of St. Joseph, Avon and Albany, as that is closest to my property on Big Fish Lake.

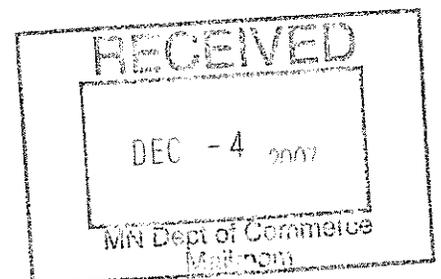
The project in that area should be restricted to the I-94 corridor in order to minimize human and environmental impact. Otherwise, the project will have to cross or be adjacent to many lakes used for recreational purposes, natural wooded areas, hills, streams and wet lands. It will not be possible for a project of this scale not to have adverse human and environmental impact on this serene setting. That same human and environmental impact will not be present if the project is limited to the I-94 corridor.

Please contact me if you have any questions.

Very truly yours,



Stephen Quinlivan



STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Application of Great River Energy, Northern States Power Company (d/b/a Xcel Energy) and Others for Certificates of Need for the CapX 345-kV Transmission Projects

PUC Docket No. CN-06-1115
OAH Docket No. 15-2500-19350-2

**UNITED CITIZENS ACTION NETWORK
COMMENTS ON SCOPE OF
ENVIRONMENTAL REPORT**

United Citizens Action Network is a group of Minnesota landowners whose private property interests may be impacted by the outcome of this Certificate of Need application, and other persons who are interested in advocating for the rights of Minnesota citizens when large energy facilities are proposed to be constructed on private lands. Our members are passionate about private property rights and environmental stewardship in the State of Minnesota.

United Citizens Action Network offers the following comments on the scope of environmental review in this proceeding. The rules direct commenters to identify the impact or alternative to be analyzed in the Environmental Report, and to explain why the impact or alternative should be included.¹ We will not burden the Department with voluminous supporting documentation unless requested to do so, since our resources are carefully cited and are available online.

These written comments constitute the formal written comment of United Citizens Action Network, as authorized by our directors. We do expect that some of our members may submit individual comments as well.

I. SOCIOLOGICAL IMPACTS / DUE PROCESS VIOLATIONS

A. Regulators' Conflicts of Interest Preclude the Possibility of a Fair and Impartial Public Process.

Minnesota's regulators and decision makers swore their allegiance to regional wholesale power markets—and to this CapX 2020 Project—long before the Application was ever filed. As such, they are not qualified to conduct this Certificate of Need proceeding or to make decisions on the outcome of the Application.

¹ Minn. Rule 7849.7050, subp. 6.

1. Public Utilities Commission.

Minnesota Public Utilities Commissioner Phyllis Reha delivered a presentation at the 2006 National Electricity Delivery Forum in which she introduced the upcoming CapX 2020 Application as a promising “model” for the construction of regional transmission facilities. Commissioner Reha’s presentation reveals her support for this project more than a year before the Application was filed: Here’s what Commissioner Reha had to say about the CapX 2020 application in 2006:²

- “CapX 2020 is a collaborative effort among utilities, regulators, legislators and other stakeholders.”
- “The CapX 2020 Initiative may have promise as a model”
- “State regulators are having to re-evaluate their roles in planning.”
- “Role of State Commissions is to ‘balance needs of customers with changing grid dynamics and uses.’”
- Commissioner Reha’s presentation Includes a CapX 2020 “transmission concept” map, which extends this project well beyond the boundaries of the CapX Application—into Canada, western North Dakota, western South Dakota, Iowa and Wisconsin.

In her presentation, Commissioner Reha pondered how to deal with public opposition to “economic”-based (unnecessary) transmission projects being forced through our communities:

- “The Difficult Questions:

“Will federal policymakers and regulators force states in our region into a catch-22, compelling us to stand down public opposition to economic projects or default to federal backstop authority?”

“Can states in a region, on their own initiative or through an RTO such as MISO, agree on a goal that makes sense to the public who would challenge land takings for [regional] transmission projects?”

Clearly, a Public Utilities Commissioner who publicly endorses an upcoming project application—by its unique name—and who endorses collaboration with the entities she regulates, cannot serve as a decision maker in this docket.

Public Utility Commissioner Thomas Pugh is Minnesota’s current decision making member on the Organization of MISO States (“OMS”), which is a regional transmission compact among state regulators designed to create a regional wholesale power market:

² “Enhancing the Nation’s Electricity Delivery System: Transmission System Needs” presentation by Phyllis A. Reha, Commissioner, Minnesota Public Utilities Commission, to the 2006 National Electricity Delivery Forum, Feb. 15-16, 2006, Washington, DC

- Statement of Purpose: “The OMS and the Midwest ISO look forward to establishment of a long and productive relationship between the two organizations, working together with all industry participants to create and maintain efficient and reliable wholesale electric markets throughout the Midwest Region.”³
- “The OMS is a non-profit, self-governing Regional State Committee comprised of representatives of each state with regulatory jurisdiction over entities within MISO.”⁴
- “The Midwest Independent Transmission System Operator, Inc. (“MISO”), oversee[s] and coordinate[s] regional transmission planning and regional transmission services and manag[es] access to the transmission grid to facilitate fair and competitive wholesale electric markets.”⁵
- “MISO is comprised of 28 transmission owner members, including the Applicants, and 69 non-transmission owners, including municipal utilities, cooperatives and state regulatory authorities.” “The MISO region or footprint encompasses all or portions of 15 states from the Dakotas to western Pennsylvania.”⁶
- “In April 2005, MISO began operation of a centralized regional wholesale energy market, known as the ‘Day 2’ market.”⁷
- “The OMS is funded through the MISO Board of Directors.”⁸
- “The Minnesota Commission and Department of Commerce are active in the affairs of OMS.”⁹

The OMS policy prevents Minnesota’s Commissioner Pugh from voting the position of his home state’s interests:

- “Each designated state commission representative is expected to serve as a representative of all MISO states in a manner consistent with representative democracy. To the extent that voting occurs in the Advisory Committee, each state commission representative is expected to be cognizant that its vote represents the collective thinking of the state commissions as a whole, not the position of the individual state.”¹⁰

³ OMS Funding Agreement, entered into between the Organization of MISO States, Inc. and The Midwest Independent Transmission System Operator, Inc., June 11, 2003

⁴ Minnesota Office of the Attorney General Legal Issue and Recommendation White Paper to Minnesota Public Utilities Commission, 1/11/06, in response to Reinhardt Petition to Restore Neutrality to the Minnesota Public Utilities Commission filed in Docket No. E-999/TL-03-1752, p. 3

⁵ CapX Application, p. 3.8

⁶ CapX Application, p. 3.12

⁷ CapX Application, p. 3.15

⁸ OMS Funding Agreement, entered into between the Organization of MISO States, Inc. and The Midwest Independent Transmission System Operator, Inc., June 11, 2003

⁹ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, Appendix 7 p. 4

¹⁰ OMS Policy on “MISO Advisory Process – Role of State Commission Representatives,” approved by OMS Board of Directors on June 25, 2003.

Commission Chair LeRoy Koppendrayer previously served on this same regional power marketing committee, and he routinely announces at transmission hearings that “we need more transmission!” The Commissioners’ actions demonstrate that they cannot possibly serve as neutral decision-makers in this docket.

2. Department of Commerce Energy Staff.

The Department of Commerce Energy Staff is in charge of analyzing the issues raised in this proceeding to help the Commission decide whether the CapX Application is in Minnesota’s public interest.

- “The DOC is responsible for analyzing the Certificate of Need application and administering the environmental review process for the Commission.”¹¹
- “The [Minnesota] Department [of Commerce] takes a leading role in analyzing certificate of need applications.”¹² “The Department also directly regulates the conservation and demand-side management programs of investor-owned public utilities (such as Xcel Energy), which can affect system reliability and the need for new transmission facilities.”¹³

While their salaries and benefits are being paid by Minnesota taxpayers, numerous DOC Energy staffers spend their workdays actively planning regional transmission facilities through an OMS Transmission Planning & Siting Work Group. Bob Cupit and Deborah Pile are members of this committee; Marya White, Steve Rakow, David Birkholz, Samir Ouanes and Hwikwon Ham have also worked as regional transmission planners through the OMS.

- The Energy Planning and Advocacy unit [of the Minnesota Department of Commerce] “is a leader and active participant in electric transmission activities through its seat on the MISO Advisory Committee and OMS.”¹⁴
- “Steve Rakow is an economist and principal analyst on need review for electric transmission projects [in Minnesota]. David Birkholz is a [Minnesota] siting project manager.”¹⁵
- “Bob Cupit from Minnesota has been the leader in the work of the Northwest Subgroup (Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin).”¹⁶
- The CapX projects were a focus of the Northwest Subgroup’s 2006 meeting, and Cupit noted “FERC and utility interest in the work of [their group].”¹⁷

¹¹ DOC Notice of Public Information Meetings in the CapX docket, November 26, 2007

¹² CapX Application, p. 3.10

¹³ Id.

¹⁴ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, Appendix 1, p. 1

¹⁵ Summary of the OMS Transmission Planning & Siting Work Group, Northwest Subgroup Meeting, September 20-22, 2006, p. 1.

¹⁶ Memo to Interested Members of the Public from Northwest Subgroup of the OMS Transmission Planning and Siting Work Group, August 14, 2006

The DOC Energy staffers' boss is Deputy Commerce Commissioner Edward Garvey. Mr. Garvey is now also serving as Minnesota's "Reliability Administrator," which is an important energy position created by our Legislature. Mr. Garvey's views on building regional transmission lines in Minnesota are quoted by one of the Applicants in a 2006 CapX presentation:

- "Am I impatient that we don't have more transmission? Yes."
"We're growing impatient – why aren't you moving ahead to build?"¹⁸

It is impossible for the Minnesota Public Utilities Commission and the Department's Energy Unit to wear one hat while serving on interstate wholesale power marketing committees, and a different hat to govern within the strict parameters of our State's laws. Their actions have established an impossible dilemma that even the Applicants can see:

- "The potential exists for conflicts between the MISO regional plan and decisions of the PUC and EQB [now DOC] regarding facilities solely within Minnesota."¹⁹

3. "The Law is a Promise of Neutrality."

Our Legislature prohibits inside fixes ("collaboration") between Commissioners, their staffs, and the entities they regulate, and requires a Code of Conduct to "include standards to preserve the quasi-judicial function of the commission."²⁰ The Commission's Code of Conduct says this:

- "The purpose of this code is to preserve the integrity and independence of commission decision making and to promote public confidence in the objectivity of commission decisions. Commissioners and employees should maintain high standards of conduct to prevent a conflict or the appearance of a conflict between private interests and official duties. This code must be construed to secure these objectives in keeping with the quasi-judicial function of the commission.²¹
- "A commissioner or employee shall respect and comply with the law and shall behave in a manner that promotes public confidence in the integrity and impartiality of the commission's decision making process."²²

¹⁷ Id.

¹⁸ As quoted in CapX 2020 Transmission Expansion Plan presentation by Terry Wolf, Manager of Transmission for Missouri River Energy Services, at the South Dakota Energy Infrastructure Authority, June 9, 2006 Symposium

¹⁹ CapX 2020 Interim Report, December 2004, p. 22

²⁰ Minn. Stat. § 216A.037.

²¹ Minn. Rule 7845.0300

²² Minn. Rule 7845.0400

Commissioner Reha's disclosure that Minnesota regulators are involved in a "collaborative effort among utilities, regulators, legislators and other stakeholders" to push the CapX Project through our state is certainly not the best way to promote public confidence in her integrity.

Minnesota citizens are entitled to come before neutral analysts and decision makers when an energy producer wants to build large industrial facilities on our private lands. The actions of Minnesota's regulators in this docket disparage the judicial neutrality entrusted to them by our Legislature. Minnesota citizens will not accept the legal authority of energy regulators who have pledged collaboration with the industries they regulate.

The law is a promise of neutrality. If the promise is broken, if neutrality does not prevail, then the law, as we know it, the law as we respect it, ceases to exist. The reason for judicial independence is to preserve neutrality. . . . [I]f members of the public . . . think that judicial power . . . is just a subtle disguise for the exercise of a political function, then they do not believe in judicial independence.

United States Supreme Court Justice Anthony Kennedy, February 5, 1999, as quoted in Commentary of Minnesota Supreme Court Justice Alan C. Page to the Minneapolis Star Tribune, January 17, 2005.

B. Failure to Notify Landowners of Environmental Review Scoping Process.

1. Mailed Notices Were Not Sent as Required by Law.

In its Order Accepting the CapX Application as Substantially Complete (dated November 21, 2007), the Commission noted that new "and more detailed environmental rules" were now codified in Minnesota Rules.²³ The Commission listed each step in the process to be followed under each of these new rules. The first rule cited by the Commission is 7849.7050, subp. 1, which requires the Commissioner of Commerce to provide mailed notice of the pending project and the ER scoping process to the following persons:

- A. those persons on the commissioner's list maintained pursuant to part 7849.5240;
- B. those persons on the general service list maintained by the applicant pursuant to part 7829.0600;
- C. those persons on any service list maintained by the Public Utilities Commission for the proceeding;
- D. those persons who are required to be given notice of the certificate of need application or the transmission projects report under rules of the Public Utilities Commission for the proceeding;

²³ PUC Order Accepting Application as Substantially Complete Pending Supplemental Filing, 11/21/07, p.4.

- E. local government officials in the area of the proposed project; and
- F. those persons who own property adjacent to any site or within any route identified by the applicant as a preferred location for the project or as a site or route under serious consideration by the applicant if such sites or routes are known to the applicant.”

The “Notice of Public Information Meetings” is the Department’s official notice document under the ER rules. It describes the regulatory review process, explains the procedure and deadline for filing comments on the scope of the ER, provides contacts and websites for further information, and offers inclusion on the official mailing list for this project. The Department scheduled public information meetings in affected communities to explain this process, and announced the schedule of public meetings required by the ER rules. On November 29, 2007, the Department filed an Affidavit of Mailing the required notice.

We can’t tell whether the Department complied with subparts A, B and C of the mailed notice requirement, because the Department attached a list of names to its Affidavit of Service without any information about where they come from or which part(s) of the law they might satisfy. There is a lengthy list of local governments included on the list, so we assume the subpart E was met. Subpart F does not come into play, because no routes or sites have been identified in this docket.

That leaves subpart D’s requirement to also send the Notice to: “Those persons who are required to be given notice of the certificate of need application under rules of the Public Utilities Commission.” PUC Rule 7829.2550, subp. 3(A), states that “landowners and residents reasonably likely to be affected by the proposed transmission line” must receive direct mailed notice of a certificate of need application. Applicants’ potentially-affected Landowner List contains the names and addresses of approximately seventy-three thousand Minnesota citizens to whom CapX Applicants mailed notice of the Application (in July 2007) as required by PUC’s Certificate of Need Notice Rule 7829.2550.²⁴ Subpart D connects directly to PUC’s certificate of need notice rule.

On January 3, 2008, John Reinhardt contacted David Birkholz, the Department of Commerce official who is handling environmental review in this case, to find out why mailed notices were not sent to Applicants’ list of potentially-affected landowners as required by the new ER Notice Rule. Mr. Birkholz agreed that the Department’s Notice was not sent to the Landowner List that was filed by the Applicants, but he disagreed that subpart D of the Rule requires the Department to do so. (Although he couldn’t explain what he thought subpart D *does* require.)

Mr. Birkholz argues that 73,000 persons are not “reasonably likely” to be affected by this transmission application, but that estimation is not the DOC’s to make. The list of Minnesota’s potentially-affected residents and landowners that was identified by Applicants is on file with regulators in this docket; it’s the list of people who received the

²⁴ Applicants’ Notice Plan Compliance Filing, Docket No. E-002/CN-06-1115, p. 3 (see also landowner list filed electronically only).

first set of notices under PUC's notice rules; and it names the people who must be sent mailed notice of the ER process under subpart D of the Rule. This was not done.

We've also learned that some people (including the Reinhardts) who did receive this mailed notice were sent only pages 1 and 2, without the critical information contained on page 3: that eminent domain may be used if the Application is approved, explains the ER scoping and comment process, and provides information regarding when and where to send written comments, as well as how to get on the state's official mailing list.

2. Published Notices Were Inadequate.

The Commissioner of Commerce is also required by the ER laws to publish the same notice in a newspaper of local circulation in the area at least ten days before the public meetings.²⁵ The Department didn't bother with this publication, but left it up to the Applicants. At our request, Applicants provided the proofs of publication under the requirements of this rule.

When Applicants originally published newspaper notices announcing the Certificate of Need Application in August 2007, they placed the notice in 99 Minnesota newspapers.²⁶ However, when Applicants published newspaper notices announcing the public information meetings and the ER scoping process, they only placed the notices in 13 Minnesota newspapers. We do not know why the list of newspapers was narrowed between the first published notice and the next (or why the Department did not handle notice publication as stated in the rule), but since there are 35 counties affected by this 600 mile transmission project, the published notices are inadequate.

The Department's failure to provide direct mailed notice to the list of landowners identified by the Applicants as potentially affected, and its failure to publish notice in an adequate number of newspapers, represents an unacceptable breach of citizens' rights to notice and due process. We request that these notice deficiencies be remedied, and that new public meetings held, before this proceeding advances.

C. Applicants Are Improperly Diverting Landowner Inquiries Concerning the Certificate of Need Process into Unofficial Route Proceedings.

In the Notice Plan portion of this Proceeding (back in the summer of 2006), John and Laura Reinhardt repeatedly argued that the need and routing portions of the CapX application process had to be combined under Minn. Stat. § 216B.243, subd. 4:

Unless the commission determines that a joint hearing on siting and need under this subdivision and section 116C.57, subdivision 2d, is not feasible or more efficient, or otherwise not in the public interest, a joint hearing under those subdivisions **shall** be held.

²⁵ Minn. Rule 7849.7050, subp. 3.

²⁶ Applicants' Notice Plan Compliance Filing, Docket No. E-002/CN-06-1115, p. 3 (Attachment 5, Affidavit of Publication/List of Newspapers and Copy of Advertisement).

The Reinhardts argued that the Legislature had substituted the word “shall” for the previous, more discretionary “may” in this law, to send a clear directive that it wants the certificate of need and route selection proceedings to be combined. Applicants argued against combining the regulatory processes, and Commission staff agreed:

- “At some point it will become very difficult for members of the public to keep with the proceeding. Further, does it really make sense to dump route alternatives on top of this agenda, when there is a substantial chance that the requested facilities will not be approved?”²⁷

The Commission also agreed, noting that “the CapX proposals are the largest transmission proposal the Commission has ever received,” and that the burden of conducting joint need and routing hearings would outweigh any benefits. The Commission ruled that “hearings addressing both CapX’s Certificate of Need and the Route Permits would prove to be infeasible, inefficient and contrary to the public interest.”²⁸ The Commission also ordered the Applicants to explain each separate regulatory process in their Notices of the Application, which they did.²⁹

- Applicants’ notice to Minnesota Legislators and Congressional Delegation: “If the commission decides the lines are needed, [the commission] will also conduct separate proceedings to determine specific routes for the lines. CapX 2020 utilities will encourage the public to participate at every stage of the process.”
- Applicants’ notice to Local Officials and Landowners: “Two Minnesota Public Utilities Commission proceedings must take place before our proposed transmission lines can be constructed. The first proceeding is to determine whether the facilities are needed. The second will be conducted to determine where the facilities should be built.”
- September 2007 CapX Newsletter sent to the thousands of potentially-affected landowners named on Applicants’ Landowner List: “Following a rigorous public process, the Minnesota Public Utilities Commission will likely decide whether the lines are needed by early 2009. If it is determined that the projects are needed, the Commission will decide routes for the new lines in separate proceedings.”

Therefore, we were surprised to learn that Applicants are responding to landowners’ questions about this proceeding by suggesting they participate in a non-public, Applicant-controlled routing work group process. When John Reinhardt called Applicants’ public advisor, Tim Carlsgaard, on January 3, 2008 to inquire about proofs of publication for the notice of public information meetings, John identified himself as a representative of the United Citizens Action Network landowner group. Mr. Carlsgaard told John that the landowners should go to Applicants’ routing work groups, and that Applicants were conducting need and routing “SIMULTANEOUSLY.”

²⁷ Staff Briefing Papers regarding CapX Notice Plan, September 21, 2006, p. 8.

²⁸ Public Utilities Commission Order Approving Notice Plans and Requiring Compliance Filings, November 3, 2006, pp. 11-12.

²⁹ See Notices attached to Applicants’ Notice Plan Compliance Filing dated September 18, 2007

John Reinhardt immediately contacted David Birkholz to complain that Applicants were diverting the public's attention with unofficial route proceedings. Mr. Birkholz acknowledged his prior awareness of these actions, and said the Applicants had offered this off-the-books "routing work group process" to citizens who came to the public information meetings on certificate of need in December 2007. These public information meetings had nothing to do with routing, but were instead designed to:

- "Inform the public about the project and the regulatory proceedings; discuss environmental, social and economic issues of importance in the areas potentially affected; and gather public input into the scope of the Environmental Report to be prepared for the project. The meetings provide the public an opportunity to ask questions about the project and suggest alternatives and specific impacts that should be addressed in the ER."³⁰

Applicants long ago convinced regulators that combining the Certificate of Need and route selection proceedings would be too overwhelming for the public to handle. Therefore, Applicants' attempts to immediately divert the attention of affected landowners away from this all-important Certificate of Need proceeding—where authorization to build the CapX Transmission Projects will be decided, and where the critical issues of size, type, timing, alternatives, impacts and costs will be examined—is underhanded and unfair.

This certificate of need proceeding has been structured so that routing proceedings will commence after the need decision has been made. If Applicants are ready to route simultaneously with this proceeding, then let's combine the processes right now, as the Reinhardts had originally requested, and we'll find out exactly who the affected landowners are.

Minnesota regulators must immediately advise Applicants to stop redirecting landowners away from the Certificate of Need process and into an Applicant-controlled routing process. The public has no way of knowing how their interest in this case is being gamed, and Applicants' trick violates citizens' due process rights to understand and participate in the official regulatory proceeding which affects them.

³⁰ Written and published version of the Department's Notice of Public Information Meetings issued November 2007.

II. ECONOMIC IMPACTS:

The Department has correctly noted that “It is important that policymakers and regulators making decisions understand the economic consequences of their actions and, perhaps take a larger, longer-term view of things. That is, the cost of policies that differ from a basic approach to ensuring reliable power in a least-cost manner should be reasonably known so that decisions to pursue such policies are fully informed.”³¹ We challenge the Department to develop this record in a manner that will allow decision makers to fully understand the economic consequences related to the CapX Application.

A. Planning is Underway for a 765 kV Super High Voltage Regional Transmission System Through Minnesota.

The CapX 2020 Application is untimely. Applicants’ tepid Minnesota-based justifications for building 600 miles of industrial transmission facilities can easily be addressed by numerous alternatives, as discussed in later sections of this Comment. The CapX project is undersized when compared to the massive regional transmission build-out that is already in planning stages by power marketers. We call on Minnesota officials to defend our State’s interests as these plans unfold, rather than “provide the foundation” for regional transmission infrastructure at the expense of Minnesota’s ratepayers and landowners.

- CapX Application, p. 7.5: “The current proposed Twin Cities – Brookings County 345 kV Project is compatible with MISO’s conceptual studies of adding 765 kV transmission lines since 345 kV lines of this type would need to be constructed for the 765 kV lines to be integrated into the system. The authorization of the current lines does not foreclose future consideration of higher-voltage lines and may, in fact, provide the necessary foundation for such higher voltage lines.”
- CapX Application, p. 7.4: “Applicants are aware that MISO has been studying the regional transmission system and is considering the implications of a major transmission build-out to provide outlet for large amounts of wind [and coal] generation. MISO is studying the feasibility of a series of 765 kV transmission lines for this purpose.”
- “The Midwest ISO, PJM, SPP, and TVA intend to hold a stakeholder meeting in the fourth quarter 2007 to announce a Joint Coordinated System Plan. This plan will build upon the internal initiatives of each of these transmission entities and has as its goal to advance the understanding of the benefits of a series of high voltage regional expansions that once completed would create a super-highway of extra high voltage transmission that would link the resources and loads across a multi-state area from North Dakota to Pennsylvania and points south impacting 400,000 MW of customer demand.”³²

³¹ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, p. 26

³² Midwest ISO Transmission Expansion Plan 2007, October 2007, p. 18

- In its presentation on Transmission Issues at the National Wind Coordinating Conference titled “Wind Energy & Transmission: The South Dakota Landscape” (November 29-30, 2007), the Utility Wind Integration Group introduced a “conceptual 765-kV Extra-High Voltage Transmission Line overlay” that is being considered to facilitate bulk power transfers throughout the entire United States.³³ If one compares the CapX2020 Vision map (3,300 miles of new HVTL in the Upper Midwest)³⁴ to the 765-kV overlay conceptual map, the lines drawn are virtually identical.
- Wind developer entities have asked the United States Department of Commerce to “pro-actively work to develop the Dakotas Corridors, which we call a ‘Heartland Transmission Corridor.’” According to these developers, the Heartland Transmission Corridor could match “resources located on the western edge of the MISO footprint [North and South Dakota] to “higher priced energy markets in the eastern part of MISO [Pennsylvania].”³⁵
- “For long distance transmission (longer than 100 miles), one 765 kV line can carry the same amount of power as five single circuit 345 kV lines.”³⁶

Minnesota’s energy officials know all about these big regional plans, because, as discussed previously, many Commission and Department personnel participate directly in MISO’s interstate transmission planning process.

B. Are Cap-X “Investors” Trying To Fleece Minnesota Citizens and Ratepayers?

The Cap-X utilities have cleverly crafted their plan to get Minnesota ratepayers to pay for regional wholesale transmission lines, after which a “third party” can sweep, in take over the assets, and make a killing!

- “The criteria for cost recovery under this statute focuses on the facility and the existence of a permit for the facility and does not limit cost recovery to the “applicant” for a certificate of need.”³⁷
- [The CapX] entities have agreed to participate in the development stage of the four projects and will have the right to decide whether to participate in ownership of the line(s), but there is no requirement that a participant in project development will ultimately participate in ownership.”³⁸

³³ UWIG Presentation on Transmission Issues at the National Wind Coordinating Conference: Wind Energy & Transmission: The South Dakota Landscape, November 29-30, 2007

³⁴ This is the map shown by Minnesota Public Utilities Commissioner Phyllis Reha in her presentation at the 2006 National Electricity Delivery Forum, in Washington, D.C.

³⁵ Written comments of the American Wind Energy Association, Wind on the Wires, Interwest Energy Alliance, The Wind Coalition and The Renewable Northwest Project on the Department of Energy’s Congestion Study, October 10, 2006

³⁶ AEP’s I-765 Proposal and the Future of America’s Transmission Grid, presented by Mike Heyeck, AEP Vice President-Transmission, at the 2006 National Electricity Delivery Forum, Washington, D.C., February 15-16, 2006

³⁷ CapX Application, p. 1.31, quoting Minn. Stat. § 216B.16, subd. 7b(a).

³⁸ CapX Application, p. 1.25

- “Under the PDAs, once all critical permits (including a certificate of need) have been obtained, the CapX2020 participants have the opportunity to decide whether to take an ownership stake in the line. Each CapX2020 participant has the option to “opt out” of ownership entirely.”³⁹
- “It is possible new participants may join the Initiative.”⁴⁰
- “The Participation Agreement [among CapX members in the CapX projects] does not require that participants construct, develop, own, or operate any transmission upgrades or expansions, but it is intended that such upgrades or expansions may be the subject of other agreements and arrangements among the participants and, in some instances, other parties.”⁴¹
- “CapX 2020 Group 1 Project Investment . . . Will the \$\$ be there?": If capital is unsubscribed, we will be forced to access the capital markets, including the possible formation of a TransCo. or special project entity.”⁴²
- “The Minnesota Public Utilities Commission today voted to approve the sale of the transmission assets of Interstate Power and Light to ITC LLC. ITC’s purchase of IPL’s transmission assets represents the company’s first purchase of high voltage electric lines outside the state of Michigan. [ITC] is also exploring construction of an extra-high voltage 765 kV line that would link the state [of Michigan] to 765 kV service lines in Ohio and Indiana, thus producing an extra-high voltage regional transmission infrastructure that would facilitate lower energy costs, higher reliability and renewable resources. ‘ITC Midwest ownership of the transmission system in Minnesota will result in significant investments in the state’s electric grid,’ said Joseph Welch, president and CEO of ITC.”⁴³
- “ITC is the largest independent electricity transmission company in the country.”⁴⁴
- “The Vision Study is examining approximately 3,300 miles of additional transmission facilities.”⁴⁵
- “It is anticipated that the projects proposed in this Application will lay the foundation for additional improvements to the east that will reduce constraint conditions in the NCA region and thereby improve the ability of the transmission system to transfer power.”⁴⁶
- “The system benefits involving inter and intra regional transfers of power were assigned no value. Interarea transfer capability (Minnesota to Wisconsin or, historically MAPP Region to MAIN Region) can have a great economic impact on a system and has become more important in recent times. Further,

³⁹ CapX Application, p. 1.28

⁴⁰ CapX Application, p. 1.29

⁴¹ CapX Application, p. 1.25

⁴² CapX 2020 Transmission Expansion Plan presentation by Terry Wolf, Manager of Transmission for Missouri River Energy Services, at the South Dakota Energy Infrastructure Authority, June 9, 2006 Symposium. [Does this remind anyone of Xcel’s failed TransLink debacle?]

⁴³ “Minnesota Public Utilities Commission Approves Plan to Transfer IPL Transmission Assets to ITC Midwest,” CNN Money, 12/18/07

⁴⁴ Id.

⁴⁵ CapX 2020 Interim Report, December 2004, p. 6

⁴⁶ CapX Application, p. 3.17

assuming the construction of the 345 kV transmission segments proposed by this study, provides significant incentives for others to build additional 345 kV transmission to meet this radial line, proceeding on either south or east. Any future additions spawned by this 345 kV construction will have large impacts on the transfer capabilities mentioned above.”⁴⁷

- “More recently Roger Wood, the head of Rothschild’s Power & Utilities Group in North America, has been spending time on both sides of the deal table with a new class of financial buyer, called Infrastructure Funds, which are making a play for the utilities industry.” Roger Wood says: ⁴⁸
 - “The interesting area where that is happening with some companies is in transmission.”
 - “There may be shareholder-oriented management teams and boards who would say, ‘I like this asset. I would like to continue to own this asset, but someone is offering me a price that I can’t resist.’”

Minnesota lawmakers and regulators cannot allow straw-man applicants to abuse our regulatory process on behalf of a hidden true party. (That is SO ENRON!)

C. Who Should Pay to Build Regional/Wholesale Transmission Facilities?

- “Transmission planning and development must be prepared to meet the needs of all regional market participants rather than just those of the individual utility or specific generation resource type.”⁴⁹
- “The transmission grid now must do much more. It acts as a regional ‘highway,’ providing the physical link between sellers and buyers, facilitating an ever-increasing number of transactions among an increasing number of market participants and over increasing distances.”⁵⁰
- The CapX 2020 Vision Plan would also provide a “platform for meeting the needs of anticipated regional growth.”⁵¹
- “Getting wind to Twin Cities load is not enough. More transmission needed east out of the Twin Cities.”⁵²
- “North Dakota is a rural state lacking the population and load growth needed to drive energy development. Instead, we rely on transmission export capability to out-of-state load centers located to the south and east.”⁵³

⁴⁷ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p.162

⁴⁸ A New Vintage of Investor: Rothschild investment banker Roger Wood explains why those new infrastructure funds are hot on utilities,” Public Utilities Fortnightly, March 2007

⁴⁹ CapX 2020 Interim Report, December 2004, p. 5

⁵⁰ CapX 2020 Interim Report, December 2004, p. 10

⁵¹ CapX Application, p. 3.31

⁵² “Wind Energy & Transmission: The South Dakota Landscape,” presentation of Randall Oye, Xcel Energy Transmission Access Analyst, National Wind Coordinating Conference: Wind Energy & Transmission: The South Dakota Landscape, November 29-30, 2007

- “The North Dakota transmission system operates under stability and voltage constraints caused by large amounts of generation located long distances from load. Resolving these constraints to sufficiently increase North Dakota export limits will require some major new multi-state transmission lines.”⁵⁴
- The Lignite Energy Counsel’s Research and Development program “Assists with developing new lignite-fired power plants that will create additional jobs, tax revenue and business volume” in North Dakota.”⁵⁵
- To do this, the state of North Dakota and the lignite industry have formed a partnership called Lignite Vision 21 to encourage the construction of base-load power plants.”⁵⁶
- “The Lignite Energy Council is a regional trade association representing all lignite producers who produce over 30 million tons annually.”⁵⁷
- Last summer, Sandi Tabor, General Counsel for the Lignite Energy Council and Acting Director of North Dakota’s new Transmission Authority, told the North Dakota Legislature that “the issue is who pays for the transmission line if there is an energy generation plant built in North Dakota and a transmission line is built to Minnesota.”⁵⁸
- She told the Legislature that “It will take a multi-state and national effort to open the transmission gridlock” to the export of North Dakota’s “hottest commodity”: energy products.⁵⁹
- “The Midwest ISO continues to search for innovative ways to best address infrastructure needs of the competitive bulk power market and to allocate costs fairly amongst those who cause the problem as well as those who will benefit from the solution.”⁶⁰
- “We expect to reestablish joint stakeholder discussions to address cross border treatment of economic projects early in 2008.”⁶¹

D. Minnesota’s Ratepayers are Protected from Building Transmission Infrastructure for Regional Wholesale Power Markets.

While admitting that the CapX Projects would benefit the regional wholesale power market run by MISO, and while stating their intent to use Minnesota’s annual “transmission cost adjustment” rate rider mechanism to obtain cost recovery from retail

⁵³ Presentation by Jerry Lien, Public Utility Analyst, North Dakota Public Service Corporation, 5/13/05

⁵⁴ Presentation by Jerry Lien, Public Utility Analyst, North Dakota Public Service Corporation, 5/13/05

⁵⁵ Lignite Energy Council, April 2007, “The Story of Lignite Energy”

⁵⁶ Lignite Energy Council, April 2007, “The Story of Lignite Energy”

⁵⁷ Lignite Energy Council, April 2007, “The Story of Lignite Energy”

⁵⁸ Minutes of North Dakota Legislative Council’s Energy Development and Transmission Committee’s July 31, 2007 hearing

⁵⁹ “North Dakota’s energy road in traffic jam,” Bismarck Tribune, 8/6/07.

⁶⁰ Midwest ISO Transmission Expansion Plan 2007, Issued October 2007, p. 15

⁶¹ Midwest ISO Transmission Expansion Plan 2007, Issued October 2007, p. 19

customers, Applicants—incredibly— suggest that costs recovery should be addressed “later.”⁶² However, Applicants’ desire to sweep the question of “who pays?” under the rug, is prohibited by our state’s laws.

- “The commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs of new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 [so long as the tariff] allocates project costs appropriately between wholesale and retail customers.”⁶³
- The Public Utilities Commission has authority over investments proposed to satisfy renewable energy mandates, including transmission investments. However, in considering cost recovery for such investments, “The commission may not approve recovery of the costs for that portion of the power generated from sources governed by this section that the utility sells into the wholesale market.”⁶⁴
- The Public Utilities Commission is charged with “protecting Minnesota ratepayers against the subsidization of wholesale transactions through retail rates” when evaluating whether a proposed transmission asset transfer is in the public interest.⁶⁵
- Even in its mandate regarding an emissions-reduction project, the Minnesota Legislature required the Minnesota Public Utilities Commission to “allocate project costs appropriately between wholesale and retail customers.”⁶⁶
- The Legislature defines “Electric service” to mean “electric service furnished to a customer at retail for ultimate consumption, but does not include wholesale electric energy furnished by an electric utility to another electric utility for resale.”⁶⁷

Minn. Stat. § 216A.07, subd. 6, states that: “It is part of the Department’s mission to prevent the waste or unnecessary spending of public money.”

Applicants are claiming authority to charge Minnesota’s retail customers for the CapX project under Minnesota’s accelerated cost recovery provision—without any ownership requirements—while they ignore wholesale/retail project cost disclosures set forth in our laws. The size, type, timing and cost of Minnesota’s portion of a large regional transmission plan cannot be viewed in isolation. The economic consequences of the larger regional CapX project (600 miles applied for—3,300 miles envisioned), must be viewed in a way that will allow “policymakers and regulators to understand the economic consequences of their actions and, perhaps take a larger, longer-term view of things.” Therefore, the Environmental Report must carefully analyze the economic consequences to Minnesota citizens and ratepayers related to the full scope of the regional transmission facilities that are being planned.

⁶² CapX Application, p. 1.30

⁶³ Minn. Stat. § 216B.16, Subd. 7(b)(5)

⁶⁴ Minn. Stat. § 216B.1645, Subd. 2

⁶⁵ Minn. Stat. § 216B.16, Subd. 7(c)(2)

⁶⁶ Minn. Stat. § 216B.1692, subd. 5(b)(3)

⁶⁷ Minn. Stat. § 38, subd. 4(a)

III. ENVIRONMENTAL IMPACTS

A. Potential for CapX 2020 Transmission Improvements to Foster Increased Coal-Fired Generation In North Dakota and Other States that Would Degrade Minnesota's Air and Water Quality.

Applicants request authorization to construct regional transmission infrastructure that has the potential to damage Minnesota's water quality, air quality and the health of our citizens through the imposition of additional mercury, carbon dioxide and other pollutants on Minnesota. As shown in this Comment, Minnesota's immediate neighbor, North Dakota, wants to build and load cheap electricity from new lignite-fired coal plants into new regional transmission lines for sales far away. North Dakota has already announced plans and dedicated funding to resist any attempt by Minnesota to prevent it from producing and marketing coal power. Minnesota regulators must carefully consider this issue in the Environmental Report.

- "Pursuant to MISO's TEMT, MISO uses a security constraint economic dispatch that . . . is intended to take into account the costs of resources and capacity limitations (referred to as "congestion") on the transmission system to use the least cost available generation to serve loads on a regional basis within MISO." The result is that lower-cost transactions are scheduled."⁶⁸
 - "The average daily price at the Minnesota Hub from 4-1-06 through 3-31-07 was \$45.52/MWh."⁶⁹
 - The average cost per megawatt-hour for electricity from lignite-based plants in 2005 was \$15.34.⁷⁰
- "Under the TEMT, short-term and spot market transactions are available to utilities to acquire energy supply to meet load demands at lower cost than operating their own longer-term resources."⁷¹
- Caption placed atop a map of MISO's market stretching all the way to the Atlantic Ocean: "Transmission needs to link low prices in west to high prices in the east to produce a benefit."⁷²
- "The designation of much of Minnesota as an NCA [Narrow Constrained Area] indicates the need for additional transmission to alleviate congestion and allow lower cost energy supplies to be delivered."⁷³
- "North Dakota has vast lignite coal reserves."⁷⁴

⁶⁸ CapX Application, p. 3.15, p. 16

⁶⁹ CapX Application, p. 4.5

⁷⁰ Lignite Energy Council Update, Nov. 2006

⁷¹ CapX Application, p. 3.15

⁷² "RTO and Inter RTO Transmission Planning," presentation by Dale Osborn, Midwest ISO, National Wind Coordinating Conference: Wind Energy & Transmission: The South Dakota Landscape, November 29-30, 2007

⁷³ CapX Application, p. 3.17

⁷⁴ Presentation by Jerry Lien, Public Utility Analyst, North Dakota Public Service Corporation, 5/13/05

- “The North Dakota transmission system operates under stability and voltage constraints caused by large amounts of generation located long distances from load. Resolving these constraints to sufficiently increase North Dakota export limits will require some major new multi-state transmission lines.”⁷⁵
- Roger Johnson, North Dakota’s Agricultural Commissioner (and one of three members that make up the North Dakota Industrial Commission), said on December 4, 2006 that one of the two priorities for the North Dakota Transmission Authority is to “incorporate North Dakota into the CapX 2020 plan and develop a roadmap to work with Minnesota.”⁷⁶
- “The North Dakota Transmission Authority, which began in 2005, could help the state address constraints in the existing transmission grid.”⁷⁷
- Sandi Tabor is the Acting Executive Director of North Dakota’s new Transmission Authority and General Counsel for the Lignite Energy Council.
- Sandi Tabor wrote that Minnesota is “trying to put the [North Dakota coal] industry out of business by way of backdoor efforts to regulate how we sell electricity” and labeled Minnesota’s potential imposition of environmental cost values on CO₂ to be “Minnesota’s latest attempt to control business in North Dakota.” She said that the North Dakota Industrial Commission “is protecting an important part of the North Dakota economy” by opposing Minnesota’s imposition of environmental costs to the combustion of coal-fired electricity.⁷⁸
- The North Dakota Transmission (NDTA) Authority Executive Director “serves as an employee of the Lignite Energy Council.”⁷⁹
- “Currently there is 42,414 MW of active Midwest ISO projects in the Generator Interconnections Queue. Of the 229 active projects, there are 33 projects with a signed interconnection agreement and an expected in-service date prior to 2016. The expected capacity additions are dominated by 4,511 MW of coal projects. Gas fueled combined cycle projects amount to 1,805 MW and wind projects total 1,008 MW.”⁸⁰
- “Minnesota and North Dakota appear to be headed for a showdown.” The North Dakota Legislature last month set aside \$500,000 for a litigation war chest to ‘protect and promote’ its lignite industry – a step many believe is aimed at Minnesota.”⁸¹

⁷⁵ Presentation by Jerry Lien, Public Utility Analyst, North Dakota Public Service Corporation, 5/13/05

⁷⁶ Presentation regarding the North Dakota Transmission Authority by Roger Johnson, North Dakota Agriculture Commissioner, at the Midwest Transmission Workshop held in Bloomington, MN on 12/4/06.

⁷⁷ Lignite Energy Council, April 2007, “The Story of Lignite Energy”

⁷⁸ “Minnesota, don’t overregulate coal,” Grand Forks (N.D.) Herald, 11/06/07

⁷⁹ Job Description and Application for Employment: North Dakota Transmission Authority Executive Director (deadline for submissions is February 2, 2008)

⁸⁰ Midwest ISO Transmission Expansion Plan 2007, October 2007, p. 37

⁸¹ “Can Minnesota discriminate against coal,” Minnesota Star Tribune 11/05/07

- North Dakota's government officials, editorial writers and industry groups are calling Minnesota's intention to assign a cost factor to carbon dioxide production is a "coal tax" that will "hit North Dakota's plants hard, because they export half their electricity to Minnesota."⁸²
- "North Dakota is one of only 12 states to meet all of the federal government's ambient air quality standards." Of these 12 states, 7 are located in the Upper Midwest: Minnesota, Iowa, North Dakota, South Dakota, Nebraska, Kansas and Oklahoma.⁸³

The Applicants have suppressed any discussion of coal generation from their Application, even though MISO says that the of the 33 projects in the queue that have signed interconnection agreements, 4,511 MW are coal projects and only 1,008 MW are wind projects.⁸⁴ That's coal over wind by a margin of more than 4 to 1. (Applicants claim to have attached the July 14, 2007 MISO queue as Appendix D-4 to the Application, but, alas, only *wind* projects are disclosed.) MISO also says that the "current profile of queued requests" reveals that "wind requests exceed current [renewables] mandates by 340%." while "baseload requests lag the expected need by 20%-35%."⁸⁵ Clearly, MISO is looking for low cost baseload generation, and North Dakota wants to supply it.

It's not hard to imagine why eastern power markets would want to build coal-fired power plants in far-away states that still enjoy clean air, because the massive pollution relocation that is envisioned by power marketers would award eastern energy markets with lower-cost power and no yukky pollution! What could be better for them—or worse for Minnesota?

- Minnesota Environmental Policy Act: "All departments and agencies of the state government shall: (8) undertake, contract for or fund such research as is needed in order to determine and clarify effects by known or suspected pollutants which may be detrimental to human health or to the environment, as well as to evaluate the feasibility, safety and environmental effects of various methods of dealing with pollutants." Minn. Stat. § 116D.03, subd. 2(8).

Minnesota regulators are required to develop and respond to the potential for CapX power lines to degrade our state's air quality, our water quality, our fish quality, our health, and our economy by "laying the foundation" for the construction new coal-fired electric generators in nearby states.

⁸² "Can Minnesota discriminate against coal," Minnesota Star Tribune 11/05/07

⁸³ Lignite Energy Council, April 2007, "The Story of Lignite Energy"

⁸⁴ Midwest ISO Transmission Expansion Plan 2007, Issued October 2007, p. 37

⁸⁵ "Transmission Challenges and Opportunities in the Midwest ISO", presentation by Clair Moeller, Vice President of Transmission Asset Management for Midwest ISO, November 2007

B. The Substantial Environmental Impacts Associated with the CapX 2020 Application are not Justified if Electric Power is not Needed in Minnesota.

Applicants (and others) have made wildly inconsistent claims about the need for new generation resources to serve Minnesota's electric load:

- “To serve the growing needs of consumers in this State, large amounts of new electric generation will need to be installed.”⁸⁶
- “Minnesota's utilities project the need for over 4,000 megawatts of mostly baseload and some intermediate resources in the next ten years.”⁸⁷
- “Since there is not enough excess generating capacity available to meet this increase in demand, significant new generation facilities will be needed in the near future.”⁸⁸
- Governor Tim Pawlenty's August 23, 2004 letter to the Commissioner of Commerce, stressed that “new power plants will be needed to meet Minnesota's growing energy needs.”⁸⁹
- “Minnesotans will require access to new generation facilities to meet projected growth.”⁹⁰
- “The CapX 2020 Vision Study identified a need for over 8,000 MW of generation additions during the 2009-2020 time period in order to satisfy generating capacity requirements arising from continued load growth in Minnesota and electrically adjacent areas.”⁹¹
- Expected load growth of “4,500 to 6,300 MW between 2009 and 2020 will require implementation of vital generation resources.”⁹²

Applicants, the Department (and others) agree that this claimed need is for baseload generation cannot be supplied by provided by wind generators:

- “Since wind power is an intermittent resource, it cannot meet the electricity requirements associated with the 4,000 to 6,000 MW of anticipated system wide growth.”⁹³
- “Wind energy, by itself, cannot be relied upon for baseload or peaking purposes – it cannot be ‘dispatched’ (turned on or off as needed).”⁹⁴

⁸⁶ CapX Application, p. 1.14

⁸⁷ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, p. i

⁸⁸ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, p. 13

⁸⁹ 08.23.04 Letter to Glenn Wilson accepting the 2004 Quad Report, bottom of p. 2.

⁹⁰ CapX 2020 Interim Report, December 2004, p. 7

⁹¹ CapX Application, Appendix A-3 (Evaluation for CapX 2020, 2/13/06), p. 9

⁹² CapX Application, p. 6.3

⁹³ CapX Application, p. 1.15

⁹⁴ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, p. 30

- “The Wind doesn’t always blow, so utilities need to bring in power from other sources or add new power plants,’ said Tim Carlsgaard of Xcel Energy.”⁹⁵
- “Wind generators can produce electricity only when the wind is blowing, and the amount of electricity they produce is dependent on the wind speeds as well. Therefore, it is necessary to have reliable baseload generation that can provide customers with the electricity they need even when wind energy is not being produced.”⁹⁶

Applicants become so strident in their insistence on Minnesota’s need for the CapX 2020 transmission projects that they falsely proclaim that reliable electric service in Minnesota will not be maintained unless almost \$2 billion worth of transmission lines are strung from one end of our state to the other.

- “Without implementing these projects, reliable service to the communities of Rochester and LaCrosse/Winona will not be maintained.”⁹⁷
- “Without implementing these projects, reliable service to the communities of St. Cloud and the southern portion of the Red River Valley area, including the Alexandria area will not be maintained.”⁹⁸

Applicants also claim that a 28% to 37% increase in Minnesota’s power demand from now until 2020 (12 years) is a reasonable assumption:

- “At the time of the 2005 Vision Plan, the demand on the electrical system in the CapX2020 region was 19,300 MW. To assess future transmission system needs, planning engineers modeled the performance of the electrical system when electrical demand reaches almost 26,500 MW system-wide, and when demand reaches about 24,700 MW. These values were selected to represent reasonable approximations of the range of power requirements in the 2020 time frame within the systems of utilities servicing Minnesota customers.”⁹⁹

So, then, why aren’t we studying applications for the desperately-needed baseload power plants instead of for regional wholesale transmission lines? The end of the CapX study period for NEED is 2020, a mere 12 years away, yet the Application contains no plan to secure Minnesota’s baseload power requirements. Transmission lines cannot deliver generation that hasn’t been built (or even planned), and baseload power plants require many years to obtain plan, permit and construct . . . so what is the explanation?

⁹⁵ “Birds, tourism and global warming topic of transmission line hearing,” Post-Bulletin, Rochester (Minnesota), 12/13/07

⁹⁶ “Wind-energy backers should support Big Stone II, by Noel Rahn, president of Geronimo Wind Energy in Minneapolis, Grand Forks Herald, 12/9/07

⁹⁷ CapX Application, p. 1.20

⁹⁸ CapX Application, p. 1.20

⁹⁹ CapX Application, p. 6.5 (you do the math)

- “Xcel Energy has pledged to achieve an annual reduction of up to 1.5 percent in retail electricity sales as required by a state law that takes effect in 2010.”¹⁰⁰
- “Two major electric utilities backed away Monday from plans to buy power from the proposed Big Stone II power plant in South Dakota. Great River Energy and the Southern Minnesota Municipal Power Agency [two CapX Applicants] would have bought about 27 percent of Big Stone II’s 630 megawatts of electricity once the plant was up and running early in the next decade.” Edward Garvey, deputy commissioner of energy at the Minnesota Department of Commerce, said the withdrawal of these project proposers from the Big Stone II is ‘surprising and disturbing,’ ‘throws into question the need for another power plant’ and raises ‘questions over whether any plant is needed.’ Garvey said ‘we’re going to reexamine the need question.’ Great River said a new review showed that the utility co-op won’t need as much energy.”¹⁰¹

In stark contrast to the enormous environment destruction that would come with the imposition of an industrial transmission corridor across 600 miles of Minnesota’s beautiful landscape, Applicants’ claims regarding Minnesota’s power needs to justify this project are incredibly small.

Minnesota law forbids environmental destruction in the absence of our own state’s need for power, making NEED the ultimate environmental issue!

1. Twin Cities to Fargo, North Dakota 270-Mile Transmission Line:

- “The most immediate needs are in the St. Cloud area.”¹⁰²
- “The St. Cloud area, with load of approximately 300 MW, presently has the need for transmission additions to increase customer service reliability, even though only 25 miles away at Sherburne County and Monticello there is approximately 2,600 MW of generation.”¹⁰³
- “The Fargo-St. Cloud 345 kV line is the longest and presumably most expensive transmission option.”¹⁰⁴
- A “long-term solution” could be either a transmission line or generator addition.¹⁰⁵
- “An additional study is under way to determine whether addition of local area electric generation is a reasonable alternative to the construction of new transmission lines.”¹⁰⁶
- “The construction of the new 345 kV line from Fargo to the Twin Cities by itself will enable [ONLY] an additional 350 MW of generation to be transmitted on the electrical system to customers.”¹⁰⁷

¹⁰⁰ “Xcel ready to pare back on fossil fuel,” Minneapolis Star Tribune, 12/15/07

¹⁰¹ “Coal plant suffers setback,” Minneapolis Star Tribune, 9/18/07

¹⁰² CapX Application, p. 4.35

¹⁰³ CapX Application, p. 7.13

¹⁰⁴ CapX Application, Appendix A-3 (Evaluation for CapX 2020, 2/13/06) p. 23

¹⁰⁵ CapX Application, Appendix A-3 (Evaluation for CapX 2020, 2/13/06), p. 3

¹⁰⁶ CapX Application, Appendix A-3 (Evaluation for CapX 2020, 2/13/06), p. 57

An obvious *transmission* alternative would be to access some of the 2,600 megawatts of generation near St. Cloud. It's shocking that St. Cloud residents—who have to live with massive coal and nuclear generators in their community—don't even obtain their power from these local resources!

Without including *any* generation alternatives or revealing the results of a separate generation study (conducted way back in 2006), the Applicants are asking Minnesota regulators and citizens to believe that the only way to “maintain reliable electric service” to the St. Cloud area is to build a 345 kV industrial transmission corridor all the way from Fargo to the Twin Cities! A 300-mile transmission line that would provide ONLY 350 megawatts of generation is the wrong solution for northwestern Minnesota and St. Cloud.

2. Twin Cities to LaCrosse, 150-Mile, 345 kV Transmission Line (along with 45 miles of new 161 kV Transmission) in the Rochester Area.

The Applicants' Rochester-area “needs” claim is no less tortured that St. Cloud's:

- When demand exceeds 181 MW available on transmission system, the Rochester area must rely on internal generation which can, at most, support an additional 181 MW for a total of 362 MW. Summer peak load during 2006 was 330 MW. Summer peak load in 2020 is projected to be 480 MW. That means Applicants are counting on a 46% increase in electric usage from 2006 to 2020 (14 years), but even if that were true, only 118 MW is needed, and only at peak. The cost of the CapX 2020 improvements that Applicants claim are needed to serve the Rochester area is \$360 million (to achieve a mere 118 MW of Minnesota need—at peak). That's almost \$3 million per megawatt IF the power demands for this area skyrocket the 46% in that time. (If the need isn't that high, then the cost for this fix would be higher yet for each megawatt achieved.)¹⁰⁸
- “The two most important variables are first, the amount and operational cost of internal generation available that does not depend on the condition of the transmission system in order to be delivered to the load.”¹⁰⁹
- “Both the installation of additional generation alternative and the construction of transmission alternative require an assessment of Rochester Public Utility's generation capacity internal to the system and what the future generation resource plan identifies for installation of additional generation both internal and external to the system. These questions must be answered in a coordinated fashion in order to minimize the long term cost for maximum supply reliability.”¹¹⁰

¹⁰⁷ CapX Application, p. 4.48

¹⁰⁸ CapX Application, p. 7.37

¹⁰⁹ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p.23

¹¹⁰ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p. 18

- “A robust transmission system is critical if the strategy employed is to place more reliance on generating resources outside the RPUT system.”¹¹¹
- “These transmission needs exist currently and become greater each year, exacerbated by continued high load growth and more electric wholesale market activity.”¹¹²

The Minnesota alternatives available to meet Rochester’s minimal additional power needs very are readily apparent, even in the Application:

- “Results from a customer survey completed during Phase II of RPU’s Infrastructure Plan indicate that customers want more aggressive conservation programs.”¹¹³
- “A plan of aggressive DSM spending is under development that would spend an additional \$10,071,356 over the state minimum requirements also thus reducing the required base expenditures because of the lesser energy.”¹¹⁴
- “Task Force recommendations included: providing dynamic pricing options, focus more on conservation education, encourage renewable energy participation, provide energy audits at a reasonable rate, and work more with trade allies. RPU is researching various Demand Response programs that incorporate pricing options.”¹¹⁵
- “The third identified need for these projects (community service reliability) theoretically could be addressed by additional local generation.”¹¹⁶
- Rochester Public Utilities “may require installation of a combustion turbine earlier to maintain reliability if upgrades are not complete in next five years.”¹¹⁷
- “The effect of aggressive DSM and renewable strategy could be to delay this new coal unit by up to five years and potentially significantly reduce the size of it.”¹¹⁸

3. Twin Cities to Brookings, South Dakota 200-mile, 345 kV Transmission Line

The Applicants’ sole justification for this line is to increase wind outlet capacity on the Buffalo Ridge in Southwestern Minnesota, and to satisfy renewable purchase mandates. However, our State’s renewable objectives and mandates are explicitly subject to the Commission’s consideration of economic, reliability and other impacts that may hamper compliance.

¹¹¹ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p. 18

¹¹² CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p. 34

¹¹³ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p. 29

¹¹⁴ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p. 29

¹¹⁵ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p. 33

¹¹⁶ CapX Application, p. 7.13

¹¹⁷ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p.21

¹¹⁸ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p.21

Since 2003, Minnesota regulators have approved or are expected to soon approve extensive transmission system enhancements to move wind power out of Southwestern Minnesota. These include a 94-mile 345 kV transmission line, a new 161 kV transmission line and five new 115 kV transmission lines that, according to Applicants, will allow the system to “reliably deliver approximately 1,200 MW of power from Buffalo Ridge.”¹¹⁹ Additional build-out of Southwest Minnesota’s transmission system at this time would serve regional wholesale—not Minnesota retail—energy markets, and our Legislature prohibits Minnesota ratepayers from subsidizing that construction.¹²⁰

The economic issues relating to Minnesota’s tremendous support of wind energy are major economic impacts that must be analyzed in this record.

What is the true cost to Minnesota’s ratepayers and taxpayers for wind energy and the enormous subsidies that its developers collect?

- Federal and State production subsidies on every kilowatt
- Government-mandated purchase orders
- Construction of new transmission facilities
- State-enforced land takings for transmission corridors
- Construction of substations for smaller projects
- Curtailment payments that transfer risk onto taxpayers and ratepayers. (Curtailment payments are payments made to wind-generator owners when the transmission provider refuses available generation output.)

Applicants admit that under FERC regulations, “transmission capacity cannot lawfully be reserved for specific technologies,”¹²¹ that MISO dispatches the least-cost generation available to serve loads on a regional basis,¹²² and that wind power “cannot meet the electricity requirements associated with the 4,000 to 6,000 MW of anticipated system wide growth.”¹²³ These statements describe some of the many real risks associated with reliance on wind generation for virtually all of Minnesota’s renewable portfolio.

- MISO says that the “Current profile of queued requests reveals a mismatch with expected future generation needs: Wind requests exceed the current mandates by 340%.”¹²⁴

Alternative and less risky renewable strategies, such as aggressive DSM, pricing signals, smart meters, energy efficient building materials, lighting, HVAC and appliance initiatives, would deliver much larger reliability benefits for the buck—and deliver them at critical peak-load periods. Such alternatives would reduce the need to build industrial

¹¹⁹ CapX Application, pp. 4.41-4.44

¹²⁰ Minn. Stat. § 216B.16, Subd. 7(c)(2); Minn. Stat. § 216B.1645, Subd. 2

¹²¹ CapX Application, p. 5.25

¹²² CapX Application, p. 3.15, p. 16

¹²³ CapX Application, p. 1.15

¹²⁴ “Transmission Challenges and Opportunities in the Midwest ISO”, presentation by Clair Moeller, Vice President of Transmission Asset Management for Midwest ISO, November 2007

energy infrastructure across our beautiful Minnesota landscape, reduce the strain on our existing transmission grid, and reduce the chance that North Dakota would be able to dump the fallout from new coal-burning power plants into our State's air and water. Minnesota's single-minded focus on wind energy may be misplaced. Because wind is the only "need" justification offered for the 200-mile Brookings-Twin Cities power line, these cost and environmental issues must be carefully examined in the Environmental Report.

C. Alternatives to Construction

State law requires a thorough analysis of alternatives to construction of the proposed transmission line.

- Minn. Stat. § 216B.243, Subd. 3: "No proposed large energy facility shall be certified for construction unless the applicant can show that demand for electricity cannot be met more cost effectively through conservation and load-management measures."
- Minn. Stat. § 116D.04, Subd. 6: "No state action significantly affecting the quality of the environment shall be allowed, nor shall any permit for natural resources management and development be granted, where such action or permit has caused or is likely to cause pollution, impairment, or destruction of the air, water, land or other natural resources located within the state, so long as there is a feasible and prudent alternative consistent with the reasonable requirements of the public health, safety, and welfare and the state's paramount concern for the protection of its air, water, land and other natural resources from pollution, impairment, or destruction. Economic considerations alone shall not justify such conduct."
- "The need determination process provides an important and in-depth review of the specific proposed facilities and alternatives, and is based on criteria specified in Minnesota Statutes."¹²⁵

The Environmental Report must include a thorough analysis of feasible and prudent alternatives to construction of the proposed CapX Transmission Lines, including the following alternatives:

Alternative 1: Generation Located Near Load

The Applicants dismiss local and distributed generation as an alternative to the CapX Regional Project, but their claims are unsubstantiated:

- "Any shortage in the power grid can be corrected by either: (1) expanding generation capability; (2) expanding transmission capability; (3) reducing demand for electricity during shortages."¹²⁶

¹²⁵ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, Appendix 7 p. 2

¹²⁶ Presentation of Steve Gaw, President of Organization of MISO States, to The Council of State Governments Midwestern Legislative Conference Electric Task Force, 2006

- “The performance of the transmission system depends not only on the demand for power by consumers but also on the location of the generation to meet consumer demand.”¹²⁷
- “Many benefits have been attributed to distributed generation. It may reduce the need for long-distance transmission of electricity. That is, an electric system with a lot of distributed generation may be able to operate with fewer resources devoted to transmission than can a system of the same size with little distributed generation. An electric system with a lot of distributed generation may be more reliable as well. The use of many small generators instead of a few large generators suggests that the failure of any one generator would affect a smaller portion of the utility’s customers. Similarly, a reduced reliance of long-distance transmission suggests that a transmission line failure would affect fewer customers. Finally, facilitating privately-owned distributed generation may make it easier for customers to adopt a means of generating electricity – such as solar power – that better reflect their values and preferences.”¹²⁸
- “The farther the source is from the community, the more the line will cost to build. Also, if the new line goes to a strong source, but is a very long line, by the time the line reaches the community, it will effectively be a weak source.”¹²⁹
- “The third identified need for these projects (community service reliability) theoretically could be addressed by additional local generation.” **[But]** “Local generation cannot provide for the type of region-wide benefits that the proposed 345 kV lines will provide.”¹³⁰

Alternative 2: Innovative Demand Response / Price Signal Initiatives

What is demand response? “The voluntary reduction of electric usage during periods of power shortages.”¹³¹

- “A number of states have established demand response programs which look at generation from a conservation perspective. That is, instead of generating megawatts, demand response asks consumers to generate ‘negawatts.’ On-call firm demand reduction is being bid into RFPs for peak load generation – generators are paid capacity credits each month in addition to high per kilowatt-hour rates.”¹³²
- “Demand resources are everywhere since many customers from among all customer classes can offer a demand response if given a reasonable opportunity.”¹³³

¹²⁷ CapX Application, p. 6.3

¹²⁸ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, pp. 17-18, quoting an Order of the Public Utilities Commission.

¹²⁹ CapX Application, p. 5.3

¹³⁰ CapX Application, p. 7.13

¹³¹ Presentation of Steve Gaw, President of Organization of MISO States, to The Council of State Governments Midwestern Legislative Conference Electric Task Force, 2006

¹³² DOC Energy Policy & Conservation Report, as Revised Dec. 2004, p. 61

¹³³ Organization of MISO States: Midwest Demand Resources Initiative; Statement of Principles for Demand Resources, adopted by OMS Board of Directors 11/8/07

- “Unfortunately, many of these demand resources are currently only prospective resources because of barriers to their active participation in the market.”¹³⁴
- “Demand resources represent a broad category of options potentially available to customers, including demand response, energy efficiency, distributed generation and dynamic or time-based rate options.”¹³⁵
- “As shown in California’s recent statewide pricing pilot, customers do not have to make drastic adjustments in order to drop their load during critical hours and that customers responded to higher prices without making any drastic changes in their lifestyle.”¹³⁶
- “A drop of 13 percent in critical peak loads can have a substantial impact on wholesale energy costs in the near term, benefiting all customers. But by lowering the need for investing in peaking generation (and transmission and possibly distribution) capacity, demand response can have a greater impact on the long-run price of electricity.”¹³⁷
- “California is about to convert virtually all electrical meters in the state to the smart variety. Other jurisdictions, including the province of Ontario in Canada, are moving in the same direction.”¹³⁸
- “Because DR trims load at peak times it leads to the more efficient utilization of existing supply-side resources and potentially defers or decreases the need to develop additional generation, transmission and/or distribution. These facilities—particularly transmission lines—can face significant environmental, land use and aesthetic challenges.”¹³⁹
- “It is important as national and state energy policy and utility practices develop in the coming years that Demand Response be viewed comprehensively and robustly and be given a full seat at the table.”¹⁴⁰
- “A savings of \$1 per year for 20 years has a present value of \$10.26.”¹⁴¹
- “Markets should recognize and assure economic value from real time load reduction actions, especially in congested areas, through material payments to market participants and customers, as appropriate, that enable the response to occur.”¹⁴²
- “Well functioning wholesale electric markets require an active and engaged demand side.”¹⁴³

¹³⁴ Organization of MISO States: Midwest Demand Resources Initiative; Statement of Principles for Demand Resources, adopted by OMS Board of Directors 11/8/07

¹³⁵ Id.

¹³⁶ “Breaking Out of the Bubble: Using demand response to mitigate rate shocks,” Public Utilities Fortnightly, March 2007, pp. 47-51

¹³⁷ Id.

¹³⁸ “The Missing Link,” Public Utilities Fortnightly, March 2007

¹³⁹ “The Green Effect: How demand response programs contribute to energy efficiency and environmental quality,” Public Utilities Fortnightly, March 2007, pp. 41-45

¹⁴⁰ Id.

¹⁴¹ CapX Application, p. 5.28

¹⁴² Organization of MISO States: Midwest Demand Resources Initiative; Statement of Principles for Demand Resources, adopted by OMS Board of Directors 11/8/07

- “Regulators (and lawmakers when necessary) should remove inefficient institutional barriers to demand response and other demand resources, both at the state level and in all markets that MISO operates”¹⁴⁴
- “Market rules and tariffs should maximize cost-effective demand response enrollment and participation; all demand resource market participants should be subject to equivalent registration and technical requirements as any other resource in a MISO market.”¹⁴⁵
- Regulatory strategies that offer support for these principles include “(1) considering the value of dynamic or time-sensitive retail prices such as critical peak pricing and variations of real time pricing and supporting infrastructure; (2) the distribution of revenues to demand resources should reflect the values contributed by customers, utilities, and third parties; (3) All MISO market tariffs, resource adequacy determinations and system planning should promote demand response as a resource.”¹⁴⁶
- There is no Minnesota member on the OMS Work Group to address Demand Response Initiatives.
- “Study after study has confirmed the presence and the cost-effectiveness of demand response (DR) as a resource option when capacity is tight.”¹⁴⁷
- “The system operator can adjust the incentives to get sufficient number of megawatts off the network.”¹⁴⁸
- “Empirical evidence from research conducted in a variety of settings involving different schemes and different segments of population has demonstrated that when confronted with time-variable pricing and empowered with enabling technology, such as smart thermostats, average consumers respond to signals in tangible and significant ways.”¹⁴⁹

Since “commercial and industrial users make up 14 percent of Xcel’s customers but account for 64 percent of sales,”¹⁵⁰ there is enormous potential for creating “negawatts” by spending the dollars Minnesotans will save by rejecting CapX on energy “produced” by shedding load.

- The Minnesota Legislature just created an important incentive for utilities to embrace conservation improvements: “All investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph (i), incurred in connection with energy conservation improvements shall be

¹⁴³ Organization of MISO States: Midwest Demand Resources Initiative; Statement of Principles for Demand Resources, adopted by OMS Board of Directors 11/8/07

¹⁴⁴ Id.

¹⁴⁵ Id.

¹⁴⁶ Id.

¹⁴⁷ “The Missing Link,” Public Utilities Fortnightly, March 2007

¹⁴⁸ Id.

¹⁴⁹ Id.

¹⁵⁰ “Electric bills rising to pay cost to upgrade infrastructure,” Minot Daily News, December 16, 2007

recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.”¹⁵¹

- “Positing that states face a choice between continuing to incur the high costs of overbuilding the system that reinforces consumption on the few highest demand days or, instead, becoming more efficient and getting more from the existing infrastructure, the president and CEO of New England’s ISO called for making dynamic pricing the basis for default pricing for large customers.”¹⁵²
- “It is MISO’s goal that this [Day 2] market develop into a robust and efficient energy market that sends accurate price goals.”¹⁵³
- “Customers face time-varying rates for other products and services, such as cellular phone services, bridge tolls, airline tickets, and vacation packages, so why not for electricity?”¹⁵⁴
- “As anyone who has taken Economics 101 can attest, one of the main tenants of economic theory is the law of supply and demand, a critical component of which is that consumers respond to rising prices by reducing consumption—to varying degrees.”¹⁵⁵

Applicants had to admit that demand response is invisible in this Application:

- “The incremental demand forecast of 4,000 to 6,000 MW by 2020 does include some imbedded DSM, although the exact number would be difficult to quantify.”¹⁵⁶
- “The forecasts do not assume that no new DSM programs are implemented, instead the assumption is that DSM programs continue to be implemented at approximately the same rate as they had been in the historical data.”¹⁵⁷

Alternative 3: Innovative Conservation / Energy Efficiency Initiatives

Applicants also brush off energy conservation as an alternative to satisfying Minnesota’s need for electricity:

- “It does not appear that the Energy Conservation Policy Goal will have a significant impact on the incremental peak demand forecast for 2020.”¹⁵⁸

¹⁵¹ Minnesota Session Laws 2007, Chapter 136, Article 2 (“Energy Efficiency and Conservation”), Section 2.

¹⁵² “Breaking Out of the Bubble: Using demand response to mitigate rate shocks,” Public Utilities Fortnightly, March 2007, pp. 47-51

¹⁵³ CapX Application, p. 3.15

¹⁵⁴ “Breaking Out of the Bubble: Using demand response to mitigate rate shocks,” Public Utilities Fortnightly, March 2007, pp. 47-51

¹⁵⁵ “The Missing Link,” Public Utilities Fortnightly, March 2007

¹⁵⁶ CapX Application, Appendix C-7 (Revised Nov. 2007), p. 16

¹⁵⁷ CapX Application, Appendix C-7 (Revised Nov. 2007), pp. 14-15

¹⁵⁸ CapX Application, Appendix C-7 (Revised Nov. 2007), p. 16

- “In light of the new conservation legislation, several of the participating utilities were contacted to ascertain whether they had generated empirical methods to determine the impact of conservation on peak demand. To date, none of the utilities have done so.”¹⁵⁹

However, study after study demonstrates the exciting possibilities that progressive regulators can turn to rather than forcing industrial energy infrastructure across the entire State:

- “Studies carried out by three of Minnesota’s investor-owned utilities indicate that, in 5 to 20 years, cost-effective conservation will have the potential to reduce the state’s energy needs by between 10 and 30 percent.”¹⁶⁰
- “An electron saved is an electron that never needed to be produced.”¹⁶¹
- “In addition to the environmental benefits of conservation, conservation can help reduce energy costs and increase the competitiveness of business.”¹⁶²
- “Energy efficiency is the most effective, least expensive way for customers to meet their energy needs. A study conducted by the Minnesota Chamber of Commerce using data from the American Council for an Energy Efficient Economy indicated that energy efficiency compares favorably to every single source of generation in terms of cost savings per kWh, at an average of 2 cents-4 cents/kWh saved.”¹⁶³
- The Chamber also noted that ‘customers have experienced inconsistent treatment between utilities when submitting efficiency programs for consideration, have had difficulty getting rebates for programs that show demonstrated energy reduction, and in some cases have not even been made aware of the program’s existence and its potential to reduce the capital costs associated with efficiency improvements.’¹⁶⁴
- “And a much smaller thing, such as a requirement that utilities tell building owners and tenants how much energy their buildings consume, will instantly raise awareness of greenhouse gas emissions and prompt searches for efficiencies, [Minnesota Climate Change Advisory Group member Rick] Carter said.¹⁶⁵
- Kathleen Hogan, Director of the Climate Protection Partnerships Division for the U.S. Environmental Protection Agency, delivered a remarkable presentation on Energy Efficiency at the 2006 National Electricity Delivery Forum in Washington, DC:

¹⁵⁹ CapX Application, Appendix C-7 (Revised Nov. 2007), p. 15

¹⁶⁰ Minnesota Office of the Legislative Auditor’s Evaluation Report Summary on Minnesota’s Energy Conservation Improvement Program, January 2005, p. 3.

¹⁶¹ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, p. 27

¹⁶² DOC Energy Policy & Conservation Report, as Revised Dec. 2004, p. 61

¹⁶³ Minnesota Chamber of Commerce White Paper on Energy Policy Background: Efficiency, Transmission, Base-Load Supply & Renewable Energy, December 2006

¹⁶⁴ Id.

¹⁶⁵ “Putting a price on fighting climate change,” Minneapolis Star Tribune, January 10, 2008

- “Energy efficiency is a resource that is available, valuable, measurable and key to a least-cost system”
- “Energy Efficiency is a cost-competitive solution.”
- “Lower cost compared to new generation and transmission”
- “Lower wholesale electricity prices”
- “Lower baseload and peak demand”
- “Reduce need for ‘hard to site’ generation and transmission assets”
- “Lower greenhouse gas emissions and criteria pollutants”
- “Lower water use”
- “Diversifies utility resource portfolios”
- “Energy efficiency provides substantial environmental benefits while creating economic benefits for customers.”
- “Electricity generation accounted for 33.2% of U.S. Greenhouse gas emissions (by sector) in 2002.”
- “A decade of experience has established energy efficiency as a reliable, low-cost resource”
- “Real programs delivering efficiency at 2 to 4 cents/kWh”
- “Established large potential to meet new demand, regionally and nationally”
- “Can help control load growth by 50% or more”
- “Savings are real and persistent”
- “Energy efficiency funding has declined over last decade”
- “Utilities do not earn the same rate of return on energy efficiency like generation, transmission and distribution”
- “Utilities may not be ensured cost recovery or shareholder incentives”
- “Customer rate structures provide delayed reaction by customers”
- “Planning does not incorporate demand-side resources”
- “Full value of efficiency not considered, including reliability, environmental, risk management and economic benefits”
- “State decision-makings offer little integration of air / energy issues”
- “Existing electricity regulations / market rules incentivize supply-side resources”
- “Goal: to create a sustainable, aggressive national commitment to energy efficiency through gas and electric utilities, utility regulators, and partner organizations”
- “Using energy efficiency and distributed generation to address transmission congestion / transmission planning”
- “Businesses are promoting efficiency vs. new tariffs for transmission”
- “Investigating how to integrate non-wires alternatives into transmission planning process”
- “Examining the possibility of meeting reliability needs by deferring some new transmission construction through measures such as energy efficiency programs, demand reduction initiatives, pricing strategies and distributed generation”
- “California Energy Action Plan’s 2006/2008 energy efficiency program avoids building three (500 MW) power plants”
- “Cost-effective and achievable conservation should meet over 45% of Pacific Northwest load growth from 2005-2025”
- “Not subject to fuel price risk”

- “Let efficiency compete” -- the “EPA is ready to help”
- “An aggressive pursuit of energy efficiency in the United States over the next 18 years could cut the nation’s growth in energy use by 50% or more, according to a new report. The report, ‘Vision for 2025, Developing a Framework for Change,’ was prepared by the National Action Plan for Energy Efficiency Leadership Group, which comprises more than 60 leading organizations, with DOE and the U.S. EPA acting as facilitators. ‘To achieve that goal, the report calls for placing a high priority on cost-effective energy efficiency improvements, creating energy efficiency incentives for utilities, and implementing the latest technologies.’”¹⁶⁶
- In 2006, Commissioner Reha opined that energy efficiency, conservation and demand response “can become a focus of public debate about proposed new [transmission] facilities, and must be addressed.”¹⁶⁷

Alternative 4: Smart Grid

Approving the CapX 2020 Transmission Plan would serve to commit Minnesota’s energy plan for decades to come. Major technological improvements are being realized in transmission system components that allow more power to flow safely on existing rights-of-way, thus avoiding more land takings for more wires. Minnesota regulators must carefully consider the timing issues related to the potential for emerging technologies to meet our long-term power needs.

- “Smart Wires’ Potential: Defer new lines and reduce congestion with easy installation and zero land use.”¹⁶⁸
- High Temperature Superconductors carry much higher current than copper wires with zero resistance, which significantly reduces transmission losses. By the end of the decade, will be cost-effective replacement for copper, offering 100 times the power density and 10 times the transfer capacity of copper cables.¹⁶⁹
- “The positives associated with phase-shifting transformers are that they can usually be installed in existing substations and do not require additional land or right-of-way to be purchased from local residents. A phase shifting transformer can correct overload problems specific to an area without the addition of transmission lines over a larger geographical area.”¹⁷⁰

¹⁶⁶ Report: Efficiency could cut growth in U.S. Energy Use in Half, Transmission & Distribution World, 11/30/07

¹⁶⁷ “Enhancing the Nation’s Electricity Delivery System: Transmission System Needs” presentation by Phyllis A. Reha, Commissioner, Minnesota Public Utilities Commission, to the 2006 National Electricity Delivery Forum, Feb. 15-16, 2006, Washington, DC

¹⁶⁸ “Innovating our way out of trouble,” Terry Boston, Executive VP, TVA Power Systems Operations, presentation to the National Electricity Delivery Forum, 2/22/07

¹⁶⁹ Philip Pellegrino, President of SuperPower, Inc.’s Presentation to the National Electricity Delivery Forum, 2/22/07

¹⁷⁰ CapX Application, Appendix A-2 (Transmission Analysis for Southeastern Minnesota, 3/13/06), p.22

Alternative 5: No Build

- “The Legislature finds and declared that continued growth in demand for energy will cause severe social and economic dislocations, and that the state has a vital interest in providing for: increased efficiency in energy consumption. . . . Therefore, the Legislature finds that it is in the public interest to review, analyze, and encourage those energy programs that will minimize the need for annual increases in fossil fuel consumption and the need for additional electrical generating plants, and provide for an optimum combination of energy sources consistent with environmental protection and the protection of citizens.”¹⁷¹

There are many exciting alternatives to the CapX 2020 Transmission Project that must become the focus of this proceeding. Minnesotans are progressive, we care about our environment, and we want to be offered opportunities to protect our fragile and lovely world.

- “Today, with a former vice president as the spokesman for global warming and higher energy prices hitting everyone’s pocketbook, some Americans see going green as their new duty. More mainstream Americans are going beyond recycling to considering their carbon footprint when flying, buying locally and second-hand shopping as an environmental statement.”¹⁷²
- A KPMG Consumer Survey conducted in December [2007] found 88 percent of respondents were very concerned about the environment.”¹⁷³
- “Results from a customer survey completed during Phase II of Rochester Public Utility’s Infrastructure Plan indicate that customers want more aggressive conservation programs. Many ‘less than efficient’ appliances and other equipment exist in RPU service territory; aggressive DSM helps delay or reduce the need for additional capacity.”¹⁷⁴

Innovative demand response and conservation/efficiency resources, combined with peak generation located near load, is a superior alternative for supplying the relatively small amounts of power generation Applicants point to as Minnesota’s “need.” This vastly superior alternative would impose much less environmental and economic impacts on Minnesota citizens, and must be carefully reviewed in the record of this proceeding.

¹⁷¹ Minnesota Session Laws 2007, Article 1, Section 2.

¹⁷² “A pledge to go a year without buying anything new,” Minneapolis Star Tribune, 1.8.08

¹⁷³ Id.

¹⁷⁴ CapX Application, Appendix A-2 (SE MN/SW WI Reliability Enhancement Study), p. 29

D. Economic and Land Use Issues:

There are numerous land use impacts associated with construction of the Regional CapX facilities proposed in this docket. All of these impacts must be carefully addressed in the Environmental Report:

- How stray voltage may affect Minnesota's farms and livestock
- Hazards to expensive farm equipment associated with farming near transmission structures
- Dangers associated with electromagnetic fields near super high voltage power lines
- Dangers associated with aerial spraying near super high voltage power lines
- Diminution in property values caused by imposition of industrial energy facilities on agrarian, forest, and urban/suburban lands
- Potential impacts on future development of urban and suburban property
- Building restrictions
- Impediments to airport expansion
- Whether the State of Minnesota possesses the legal authority to execute powers of eminent domain to build regional transmission facilities to facilitate national (and international) wholesale power transactions (what Public Utilities Commission Reha calls "economic projects")¹⁷⁵
- Whether Minnesota landowners have a right to demand annual land lease payments for granting easement rights to support regional power facilities
- Analysis of potential economic benefit to rural communities if landowners are able to collect annual land lease payments for accepting "economic based" industrial energy facilities on their lands¹⁷⁶

¹⁷⁵ "Enhancing the Nation's Electricity Delivery System: Transmission System Needs" presentation by Phyllis A. Reha, Commissioner, Minnesota Public Utilities Commission, to the 2006 National Electricity Delivery Forum, Feb. 15-16, 2006, Washington, DC

¹⁷⁶ In 2005, the Minnesota Legislature formed a working group to examine issues surrounding annual landowner payments for regional transmission lines, but the group never completed its work or filed a report. Landowners have not forgotten.

E. Unavoidable Environmental Impacts:

The CapX 2020 Application is dependent upon Minnesota's acceptance of the unavoidable environmental impacts that would be imposed on our state by these transmission lines. Potential environmental impacts must be carefully analyzed in the Environmental Report at Certificate of Need. Applicants may try to claim these impacts as "routing" issues, but they would be wrong. Even if we don't know exactly which forests or farmlands or wetlands or rivers or flyways or habitats or species or cities or towns would be harmed, we do know that all of these types of ecosystems will be greatly impacted. In order to reach a reasoned decision on whether to allow large industrial energy facilities to dominate the landscape across our entire state, we must first analyze what the environmental consequences might be and whether the trade-off is justified for Minnesota.

- numerous river crossings, including of specially designated rivers
- aesthetic impacts
- destruction of large blocks of forested areas and river valleys
- threats to endangered species, flora, fauna
- impacts on cultural, historic and archeological resources
- SNA areas preserved by the DNR due to their natural features and rare resources of exceptional scientific and educational value
- wildlife refuges and production areas
- recreation areas
- electromagnetic fields
- stray voltage
- farming interruptions
- impacts on tourism industry
- Industrialization of rural landscapes
- interference with radio/GPS/cell phone signals
- carbon dioxide and mercury deposition related to the transmission project's facilitation of expanded coal production in neighboring states
- cumulative impacts associated with expanded coal production in nearby states
- forest fragmentation
- habitat protection areas
- migratory bird flyways and food resources
- residential growth and development
- suburban development
- burial mounds and earthworks
- large wetland complexes, fens
- placement of transmission structures on islands in the Mississippi River
- challenge to get heavy equipment into vast wetland complexes
- access roads are inadequate to support major equipment without significant upgrades
- destruction of riverline bluffs

IV. POLICY ISSUES:

PUC staff has already informed the Commission that “there is a substantial chance that the requested facilities will not be approved.”¹⁷⁷ The gaping deficiencies in the CapX Application, when compared to Minnesota’s legal requirements for granting a Certificate of Need) amplify staff’s prediction. Minnesota regulators should utilize the Environment Report process to open a public discussion of broader energy policy issues.

- “The proposed projects raise numerous, significant policy questions regarding the future of the electrical industry in Minnesota. The Department expects that significant issues will be raised regarding distributed generation, the renewable energy objective / portfolio standard, wholesale versus retail needs, conservation, and other issues. Therefore, significant policy debates should be expected.”¹⁷⁸
- “The full effects of a restructured electric industry on the resource planning and certificate of need processes are not clear and require continual evaluation.”¹⁷⁹
- “This chapter describes the long-range goals and policy choices raised by a coordinated build-out of the transmission system.”¹⁸⁰
- Applicants repeatedly claim the CapX transmission lines are needed to satisfy renewable energy mandates from the Legislature. However, implementation of the renewable energy standard depends on the Commission’s determination that implementation is in the public interest, by considering costs, reliability, technical advances or concerns, delays in acquiring sites or routes for infrastructure, delays in obtaining equipment, transmission constraints, and other statutory obligations of the Commission or a utility.¹⁸¹ This raises numerous policy issues for consideration in the record.
- That the State’s power of eminent domain may not be available to take private property by force for regional power marketers.
- That landowners may be entitled to demand land lease payments for voluntary siting of national and international power infrastructure.
- A policy of cooperation should be considered by in this record. All stakeholders may be surprised to learn that goodwill develops when people are treated with respect.

¹⁷⁷ Staff Briefing Papers on the CapX Notice Plan, September 21, 2006, p. 8

¹⁷⁸ Comments of the Minnesota Department of Commerce (by Analyst Steve Rakow) on the Completeness of the CapX 2020 Application, 9/24/07

¹⁷⁹ DOC Energy Policy & Conservation Report, as Revised Dec. 2004, Appendix 7 p. 3

¹⁸⁰ CapX Application, p. 3.1

¹⁸¹ Minn. Stat. § 216B.1691, subd. 2(b)

CONCLUSION

The Environmental Report must contain comprehensive information on the human and environmental impacts of the proposed project that are associated with size, type, and timing, system configurations and voltage, as well as information on alternatives to the project and mitigating measures for anticipated adverse impacts.¹⁸² The Environmental Report must include all the issues discussed in this comment.

The United Citizens Action Committee intervened in this proceeding to press for fair treatment of landowners and comprehensive environmental review. Some of our members are currently involved in condemnation proceedings for the MinnCan Pipeline Project, and are waiting for the Minnesota Court of Appeals to consider issues of inadequate notice, inadequate environmental review and Department bias in that proceeding. Their properties now face another threat imposed by the CapX Application to build regional transmission lines in Minnesota.

Our group is determined that citizens' due process and environmental rights will be central to this proceeding.

Respectfully submitted,

Dated: January 13, 2008

UNITED CITIZENS ACTION NETWORK
P.O. Box 1165
Burnsville, MN 55337
(952) 435-5984

/s/ Laura A. Reinhardt

Laura A. Reinhardt, Its Secretary

/s/ John C. Reinhardt

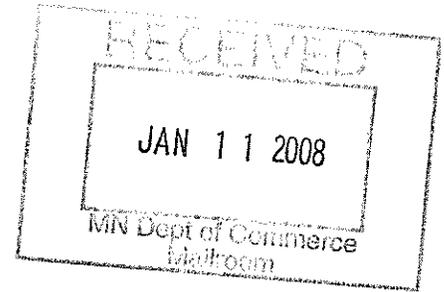
John C. Reinhardt, Its Representative

3552 26th Avenue South
Minneapolis, MN 55406
(612) 724-0740
johnandlaurar@yahoo.com

¹⁸² Minn. Rule 7849.7030

January 10, 2008

David Birkholz
Energy Planning Permitting
MN Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN
55101-2198



Subject: CapX2020 - St. Cloud to Fargo Line – 06-1115

Dear Mr. Birkholz,

We cannot offer much in the way of discussing the technicalities involved in evaluating the actual need for this 345 kV line. We will leave that to the Public Utilities Commission and the Department of Commerce. We sincerely hope that they will thoroughly research the options and ask the hard questions and will then use their knowledge to act in the public's behalf.

Lowell was in attendance at the informational meeting at St. John's University on Wednesday January 9, 2008. As a result of what we heard there from the various participants from XCEL, Wind in the Wires and the North American Water Office groups we do have some concerns and questions.

The following are technical and policy issues we feel must be examined prior to any decision.

How has the 2007 legislative requirement for 25% renewable energy changed the need?

Has the analysis been done to see if CapX2020 would be different if had started after this 2007 mandate?

The CPX2020 proposal was designed to meet a projected need for about 6,000 MW of additional electrical generation capacity during the forecast period. Those forecasts have since been abandoned due to changed circumstances. Considering that revised forecasts project a need for about half as much new generation capacity as the abandoned forecasts, why hasn't the CAPX 2020 Proposal been revised to reflect the new projections?

Would the North American Water Office (NAWO) proposal in which scattered smaller power station generators could be retro-fitted be feasible? Would this distributed and dispersed method (as described by NAWO) as quicker, less disruptive, and more optimal be the route to go. Even if more expensive up front it may pay bigger dividends later in stabilizing communities and providing another source of income. It surely seems to be well worth slowing up the process to research this method.

What are the alternatives to building this line?

Considering the complexity and scale of the interconnected electrical utility system, it appears in some ways that the Applicant and the regulators are interested in considering only one, single solitary scenario for addressing multiple perceived

inadequacies of the system. Why do no alternatives appear to be included in the CAPX2020 Application?

Our property lies within the boundaries of the Avon Hills Initiative (we are approximately 900 feet from a 200 acre DNR Scenic and Natural Area (SNA)) and we support their mission of maintaining open space and habitat that makes up this area.

The Avon Hills Initiative has mapped the diverse natural resources of the area. This relatively small area of parts of 4 townships encompasses the largest collection of native plant communities and rare species in Stearns County.

The Stearns County Planning Commission has recommended that the County adopt a special Conservation Overlay District for the Avon Hills area as part of the new County Comprehensive Plan.

The Legislative Citizen Commission on MN Resources (LCCMR) just awarded \$337,000 to protect the landscape of the Avon Hills.

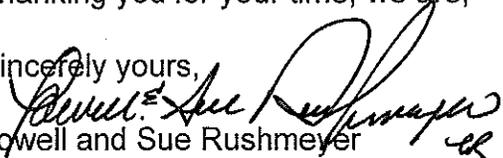
Last fall, the Nature Conservancy finished a detailed conservation action plan for the Avon Hills and following an analysis of the resources and the threats named the Avon Hills area as the newest focus area for its work.

Last year The Audubon Society named the Avon Hills area as its latest "Important Bird Area" in Minnesota. The natural habitats remaining in this area are very important in what is otherwise a largely human-dominated and disturbed landscape.

We understand that we are also consumers of electricity but we simply ask that all alternatives be studied and hard questions asked.

Thanking you for your time, we are,

Sincerely yours,

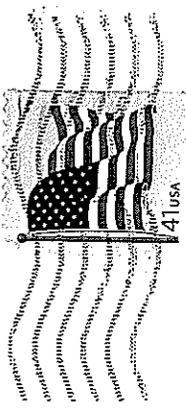

Lowell and Sue Rushmeyer

35241 Tower Rd.

Albany, Mn. 56307

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DAVID BIRKHOLZ
ENERGY PLANNING PERMITTING
MN. DEPT. OF COMMERCE
85 7TH PLACE EAST, SUITE 500
ST. PAUL, MN. 55101-2198

David Birkholz

From: Fordice, Randy GRE/ER [rfordice@GREnergy.com]
Sent: Monday, January 14, 2008 4:31 PM
To: David.Birkholz@state.mn.us
Cc: Koeckeritz, Al - OTP; Carlsgaard, Tim MISC/Xcel
Subject: Email sent to CapX 2020 web site

David and Al,

Here's a comment that was submitted to the CapX 2020 Web site today regarding the Bemidji-Grand Rapids line. It was addressed to David Birkholz and I'm not sure the sender realized he was sending the comment to the utilities and not the Department of Commerce. Also, I don't think the writer knew that the Certificate of Need application has not been filed yet for the Bemidji-Grand Rapids line.

Sorry about the formatting issues, the table didn't copy well. the Yes entries below note that he is writing about general information and about the Bemidji-Grand Rapids project.

Let me know if you have any questions.

Thanks!
-Randy

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+ -

Bob	Russell	612-713-5437	Robert_Russell@fws.gov	Yes	Yes	No
No	No	David Birkholz	Energy Planning Permitting MN Department of Commerce	85		

7th Place East Suite 500 St. Paul, MN 55101-2198 Subject: CapX2020 - St. Cloud to Fargo Line -06-1115 Dear Mr. Birkholz: As a staff wildlife biologist for the U.S. Fish and Wildlife Service, Region 3, Regional Office, Division of Migratory Birds, Fort Snelling, Minnesota and as a member of the St. John's Arboretum advisory council, I worked with Minnesota Audubon and other groups to help establish the Avon Hills Important Bird Area. This Important Bird Area includes 70,000+ acres of Avon and Collegeville Townships and parts of St. Joseph, St. Wendell, Farming, and Wakefield Townships and includes all of the St. John's Arboretum, several Federal waterfowl production areas, and two state natural areas. This and Camp Ripley to the north are the two most important hardwood forest tracts in central Minnesota for avian resources and as such would lose many of their attributes and value from forest fragmentation that such a powerline would likely cause. This is one of the most important breeding areas in the state for several species of birds that are on state, Federal, and Minnesota Audubon's species of conservation concern lists (various titles, same meaning). These lists include the Wood Thrush, Cerulean Warbler, Golden-winged Warbler, Mourning Warbler, Whip-poor-will, Red-shouldered Hawk, and several other breeding species. Several breeding species such as Red-shouldered Hawk and American Woodcock perform spring aerial courtship flights that would risk collision with any towers and transmission lines in their habitat. All of these species are protected by the Migratory Bird Treaty Act. Serious fragmentation that this line would cause would likely increase Brown-headed Cowbird nest parasitism and mammalian predation on these and other protected bird species in the Avon Hills. Migratory Birds urges that serious consideration be taken into routing this line to the south or north of the Avon Hills to avoid this very resource-rich landscape. Additional information on the birdlife of the Avon Hills can be provided by our staff upon request. Sincerely, Robert P. Russell, Wildlife Biologist, Division of Migratory Birds U.S. Fish and Wildlife Service Ft. Snelling, MN 55111-4056 612-713-5437 2008-01-14 15:44:06

January 13, 2008

Mr. David Birkholz
Minnesota Department of Commerce
85 - 7th Place East, Suite #500
St. Paul, MN 55101

RE: Written Comments on Scope of Environmental Report for:

In the Matter of Xcel Energy and Great River Energy Certificate of Need Application for
Three 345 KV Transmission Lines in Minnesota;

Docket #: PUC Docket ET-2, E-002/CN-06-1115

Dear Mr. Birkholz,

I am currently involved with a number of property owners who are on the receiving end of eminent domain litigation for the MnCan pipeline project being constructed in Minnesota. As a result, I have knowledge of the impact on both property owners and their property from this type of project. The current application for power lines, and the planned Enbridge pipeline project can be expected to have similar negative impacts. I have provided some background for your consideration.

For years, property owners subject to an eminent domain taking of some, or all of their property, complained of unfair laws and abusive treatment on the part of condemning authorities. Not until the Kelo Case in Connecticut, decided by the US Supreme Court in June 2005, did state legislatures wake up and start to respond to the voices of their citizens. The Minnesota Legislative Session of 2006 responded by enacting changes to Minnesota's eminent domain laws that included several positive steps in the direction of trying to bring fairness and protections to property owners. Many people in the real estate industry regard the 2006 changes in Minnesota's eminent domain laws as the first significant changes in many years. The last notable change occurred in 2003 when the reimbursement limit of appraisal fees to property owners was raised from \$500 to \$1,500. However, as 2007 progresses and the full impact of the changes created by the 2006 eminent domain law play out in real cases, we come to the startling realization that reality, as reflected by Minnesota Statute 117.189, is substantially different than first believed.

Minnesota statute 117.189 is officially titled Public Service Corporation Exceptions. A public service corporation (PSC) has a specific definition in the law, but from a layman's viewpoint we are generally referring to utility, communication or pipeline entities that have the right to condemn private property to construct their facilities. In general, these are power lines, pipelines and cable/communication lines placed on a property by way of condemning an easement over that property. What MN Statute 117.189 does is roll back time and creates greater protection for PSCs from its own actions and responsibilities than provided to your state and local government in the eminent domain process. I refer to this statute as the legislature's betrayal of property owners. Specifically:

- MN Statute 117.031 provides for payment of a property owner's attorney fees and other litigations costs if the final judgment on damages is more than 40% greater than the last written offer by the condemning authority. Between 20% and 40% the court may award these fees at its discretion. However, damages must exceed \$25,000 before attorneys' fees can be awarded. MN Statute 117.189 exempts PSC from any risk of paying attorney fees.
- MN Statue 117.036 requires the condemning authority to obtain at least one appraisal before commencing eminent domain proceedings and to provide that appraisal to the property owner at the time an offer is made for damages. An owner can request copies of all appraisals of the property obtained by the condemning authority as well. In addition, this statute provides for payment of appraisal fees to owners at the rate of \$1,500 for one and two family residential properties plus minimum damage acquisitions (\$10,000 damage or less) and \$5,000 for all other property types. Finally, this statute requires the condemning authority to negotiate in good faith. However, MN Statute 117.189 exempts PSCs not only from the appraisal requirement prior to starting eminent domain proceedings, but also from providing an appraisal as the basis of its offer and from negotiating in good faith.
- MN Statue 117.036 also stipulates that both the condemning authority and the property owner must provide copies of their appraisals to the opposing side at least five days before a commission hearing. If the appraisal is not provided, the appraiser may not testify at the hearing. MN Statute 117.189, on the other hand, exempts PSCs from this appraisal exchange requirement but does not exempt the property owner.
- MN Statue 117.186 provides for compensation for loss of going concern value if a business is destroyed in the eminent domain process. It also provides for up to three years of gross income (revenues minus cost of goods sold) for damages to a business if 51% of driveway access is lost/taken. Under MN Statute 117.189, PSCs are exempt from paying the property owner for a business that is destroyed or damaged in an eminent domain proceeding.

- MN Statute 117.187 provides that when an owner must relocate as a result of the eminent domain project, the minimum compensation must be sufficient for the owner to purchase a comparable property in the community. MN Statute 117.189 exempts PSCs from paying this minimum compensation when relocation of the owner is required.
- MN Statute 117.188 creates a limitation by preventing the condemning authority from forcing the property owner to accept, as partial compensation, any substitute property or replacement property or the return of any or all of the property taken. MN Statute 117.189 exempts PSCs from this limitation.
- MN Statute 117.52 [(1a) & (4)] pertains to Uniform Relocation Assistance. Section (1a) provides for reestablishment costs for a nonresidential move up to actual costs incurred of \$50,000. Section (4) provides that, if an owner objects to the relocation assistance amount, the condemning authority must initiate contested case proceedings with an administrative law judge making the final decision. The condemning authority must pay all costs of the proceeding including charges billed by the Office of Administrative Hearings. MN Statute 117.189 exempts PSCs from reestablishment costs for a business as well as from initiating the administrative hearing process and paying for it.

After all these exemptions, for what is a Public Service Corporation actually responsible? Besides actual damages, the only obligation a PSC has is to cover a maximum appraisal fee of \$500 for all property types regardless of how far apart the award is from its written offer. Conceptually, a pipeline company, a power line company or some type of cable company with the power of eminent domain could offer \$0.10 on the dollar with no appraisal, not negotiate, but appear at the commission hearing with a five-day advance knowledge of the owner's valuation case, without disclosing its own case, pay the award and never be held responsible for its actions or the economic harm inflicted on a property owner. As with any situation, there will be some PSCs that operate on a higher ethical standard than implied by these exemptions while other PSCs will take every advantage these exemptions offer.

To be fair to the 2006 Minnesota legislature, its focus was on the Kelo Case and an attempt to prevent abuses by government in the eminent domain process. Somewhere in the process of protecting owners from government actions, the legislators lost sight of the hugely abusive situation created by exempting PSCs from those very same actions. What we have now is a system whereby pipeline companies, power line companies and cable/communication companies enjoy far greater protection from the consequences of their actions than every municipal, county and state entity currently has in Minnesota.

Over the years, the most common argument I have heard for exempting PSCs from full compliance with all eminent domain statutes is that they sometimes have very small takings. In cases where only a few square feet of land area are taken, the damages may amount to no more than a few hundred dollars. PSCs don't think it is fair to pay a \$1,500 appraisal fee when damages are only a few hundred dollars. But what about the majority of their cases where damages are in the thousands, tens of thousands or even hundreds of thousands of dollars? In these situations the cost to a land owner for an appraisal can exceed \$10,000 and a tenant or business may be forced to move. Even under the new law, a property owner generally does not receive full reimbursement of the cost to defend his property from offers he believes are inadequate. The cost of hiring legal representation, appraisers and other experts to defend a property owner from a forced sale of their property can create an economic burden on the owner that is never fully recaptured. This economic burden is actually a significant barrier to defending an owner's property. I am aware of one property owner who could not get an attorney or an appraiser to take his MnCan eminent domain case because it was worth less than \$25,000. As a result, the property owner was forced to take a "lowball offer." Many of the property owners I take to are outraged over the offers being made and the cost to defend their property from this abuse.

Keep in mind that eminent domain is basically a situation where someone wants to take away the property you own and the law allows that entity to use a lawsuit against you in order to acquire it. If the goal of an eminent domain law is to make the property owner whole because of this forced sale condition, then, as a society, we should seek better protection of property owner rights, not weaken that protection with exceptions to the statute. What this really comes down to is a failure to recognize the full cost of these projects by pushing a disproportionate share of the cost onto the property owners whose land is being taken. Acquisition of land rights is often only a small part of the overall project cost. If any project cannot afford the cost of being fair to property owners, then, I submit, that project is too financially risky to be undertaken.

State, County and local units of government are clearly nonprofit oriented organizations. Pipelines, power lines and cable/communication lines are generally related, either directly or indirectly to an organization that is profit oriented, even if regulated. By what measure or reasoning can the exemptions under MN Statute 117.189 be justified for a PSC when state and local government itself does not have those same exemptions? How is eminent domain for expansion of a road any different from eminent domain for a new pipeline easement next to a road? The 2006 legislative changes to Chapter 117 of Minnesota Statutes for eminent domain usage were made for reasons which were illustrated for the entire nation when the US Supreme Court announced its ruling in the Kelo case. Not only did the 2006 Minnesota legislature exempt PSCs from those rules, legislators actually rolled back time by providing PSCs with a pre-2003 appraisal reimbursement fee structure. To exempt PSCs from nearly all responsibility for some types of damages and costs suggests a special treatment for big business at the cost of individual property rights. There is simple no reason to create an economic barrier (weapon) for public service corporations to abuse property owners.

With pipeline projects and power line projects in active planning stages across the state, it is time to rescind the eminent domain exemptions for PSCs. The MnCan pipeline project is a clear example of the abuses and barriers created by MN Statute 117.189. The financial environment of these projects and their impact on property owners must be taken into consideration during the Certificate of Need and Permit application process.

Minnesota property owners deserve better than to now suffer the same abuses of property rights from PSCs as they previously did from government. The legislature reacted positively in 2006 when senators and representatives heard the citizens' voices. It's time for legislators to hear our voices again. Delete MN Statute 117.189 Public Service Corporation Exemptions.

Respectfully,

John Schmick
Brooklyn Park, MN

Attachment

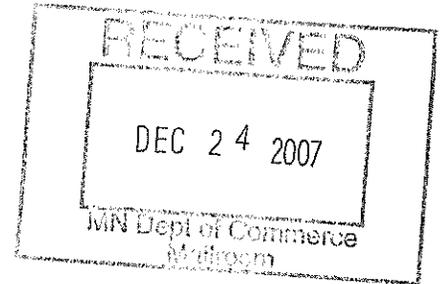
CURRENT MINNESOTA LAW

STATUTE - Summary	Condemning Authority	
	Government (nonprofit)	PSCs (profit oriented/related)
MN 117.031 Owner's attorney fees	Damages over 40% from offer - automatic; Damages 20% to 40% over offer - may be required; Damages must be at least \$25,000	Exempt from statute
MN 117.036 Appraisal and negotiation requirement	Must have appraisal before starting eminent domain; Must provide appraisal at time an offer is made; Must negotiate in good faith; Payment of appraisal fees \$1,500 to \$5,000; Exchange appraisals five days before hearing.	Exempt; Exempt; Exempt; Payment of appraisal fees \$500; Exempt.
MN 117.186 Loss of Going Concern	Damages for a business that is destroyed; Damages of up to three years effective gross income for loss of 51% driveway access.	Exempt from statute
MN 117.187 Minimum Compensation	If relocation required, compensation must be sufficient to purchase a comparable property in the community.	Exempt from statute
MN 117.188 Limitations	May not force property owner to accept, as partial compensation, any substitute or replacement property.	Exempt from statute
MN 117.52 Section (1a) Reestablishment Costs; Section (4) Determination of relocation assistance by administrative law judge.	Payment of up to \$50,000 actual reestablishment cost for a non-residential move; Initiation of, and payment for, an administrative law proceeding for determination of relocation assistance amount when owner objects to offer.	Exempt; Exempt.

Allen & Sherri Schmitz
27846 Sundance Lane
Cold Spring, MN 56320

December 19, 2007

Mr. David Birkholz
Energy Facility Permitting
Minnesota Department of Commerce
85 7th Place East
Suite 500
St. Paul, MN 55101



Dear Mr. Birkholz:

I am writing this letter in connection with the Department of Commerce's efforts to solicit input regarding the potential human and environmental impacts of the CapX 2020 project. In particular, this letter relates to Fargo-Alexandria, St. Cloud and Monticello project.

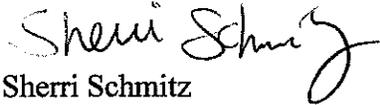
We are long time property owners in Stearns County. My particular concern is the project in the area of St. Joseph, Avon and Albany, as that is closest to our property on Big Fish Lake.

The project in that area should be restricted to the I-94 corridor in order to minimize human and environmental impact. Otherwise, the project will have to cross or be adjacent to many lakes used for recreational purposes, natural wooded areas, hills, streams and wetlands. It will not be possible for a project of this scale not to have adverse human and environmental impact on this serene setting. That same human and environmental impact will not be present if the project is limited to the I-94 corridor.

Please contact us if you have any questions.

Very truly yours,

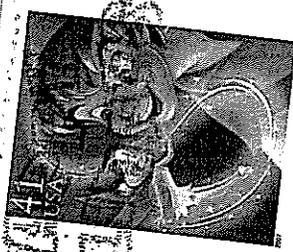

Allen Schmitz


Sherri Schmitz

Allen Schmitz
27846 Sundance Ln.
Cold Spring, MN 56320

SAINT CLOUD MN 563

21 DEC 2007 PM 2 1



Mr. David Birkholz
Energy Facility Permitting
Minnesota Department of Commerce
85 7th Place East
Suite 500
St. Paul, MN 55101

55101+2195



Richie Swanson
Mississippi River Revival
www.RiverBirdBlog.com
Winona MN 55987
richieswan@lycos.com
12 13 2007

Mr. David Birkholz
Energy Facility Permitting
Minnesota Department of Commerce
85 7th Place East
Suite 500
St. Paul MN 55101

Dear Mr. David Birkholz,

I speak on behalf of the Mississippi River Revival, which for more than 25 years has been organizing cleanups on the Mississippi, and encouraging multi-cultural events, ecology education, and clean water tests and standards on the Mississippi.

I have for you a letter from an incidental take specialist of the Wisconsin Endangered Resources Program to Xcel Energy and the city of Winona, regarding the legal protection—under the Wisconsin Endangered Species Law—of the red-shouldered hawk at one of the proposed locations where new transmission lines would cross the Mississippi. I have documented red-shouldered hawk nests with USFWS and other agencies since 1994 at the location, Aghaming Park and Preserve, which John Latsch deeded to Winona “to be used as a public park and animal, bird, fish, game and hunting preserve.” (Aghaming deed, Jan. 18 1933) Red-shouldered hawks have nested on both sides of the existing transmission lines during different years, and Wisconsin and/or the federal government legally protects seven more bird species who use the 200-year-old swamp white oaks, emergent wetlands and floodplain forest adjacent to Aghaming’s power towers.

But this does not mean bigger transmission lines should run beside or cross the Mississippi at any other locations. Transmission towers and electrical lines kill millions of migratory birds per year, and the Mississippi and forested bluffs beside it are probably the most crucial migration corridor in all of North America. The Upper Mississippi supports 40 percent of the continent’s waterfowl and 185 Neotropical migrants—birds who breed in North America and winter in habitats disappearing rapidly from the tropics. The Breeding Bird Survey lists 48 species of Neotropical migratory birds with mathematically significant declines since 1966. The Upper Mississippi supports a full three-quarters of these species, 36.

But I do not speak only of birds here. Remember, the passenger pigeon on the river told us when we ~~was~~ shot too much wildlife with too few laws. The ivory-billed woodpecker told us when we destroyed too much floodplain forest on the river. The bald eagle and peregrine falcon told us when we used too much DDT. Now birds tell us we use too much coal and too much electricity and generate too much mercury pollution and global warming from coal plants.

Three quick examples...

USFWS lists Minnesota's state bird, the common loon, as rare and declining in this region, and scientists are beginning to link reproductive failures to mercury in fish, which also exceeds EPA standards for mercury for pregnant women and young children.

The river's most swiftly declining duck is the lesser scaup—also known as the bluebill. Scientists fear the water chemistry and insect populations of its boreal breeding grounds up north may be changing so rapidly the bluebills cannot find enough food to raise broods.

The continent's most swiftly declining bird is virtually unknown, but its survival depends on the river's bottomland forests—mature woods which are wetlands filters already 90% diminished, and which should not be reduced any more by cutting due to larger transmission lines.

The rusty blackbird has declined 99% since 1966. It winters primarily on Lower Mississippi bottomlands, uses our bottomlands during migration, and scientists think its breeding sites in boreal wetlands may be shrinking and drying up so quickly the species may be losing its reproductive niche.

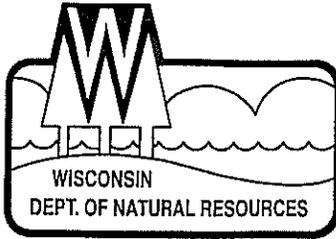
So, do not take humanity flying in the wrong direction as far as global warming is concerned. Keep wind generation local. Decentralize the power industry. Shrink the size of your towers and lines. Find and utilize alternatives to coal. And above all, promote and facilitate conservation.

The Mississippi River Revival does not want larger, uglier transmission towers in the beautiful Upper Mississippi National Wildlife & Fish Refuge or at any other places in the most beautiful valley in the Midwest.

Thank you.

Sincerely,

Richie Swanson



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Scott Hassett, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711

October 10, 2005

Mark Moeller, City Planner
Winona City Hall
207 Lafayette Street
Winona, MN 55987

Subject: Red-shouldered Hawk Nesting and their legal protection

Dear Mr. Moeller:

It was recently brought to our attention that the City of Winona is planning a trail development for Aghaming Park in Buffalo County, Wisconsin. I was asked to write a letter clarifying the legal protection of the State-threatened red-shouldered hawk that is known to nest within the park and the ramifications the Wisconsin State Endangered Species Law may have on future trail siting and use. The intent of this letter is to clarify the requirements of the law and necessary protection for the species in an effort to strengthen the protection of this important bird within Aghaming Park.

The Wisconsin Endangered Species Law (s. 29.604 Stat.) specifically prohibits the "take...of any wild animal specified by the department's endangered and threatened species list." Wild animal is defined as "...any wild bird...or any part, products, egg or offspring thereof." Take is defined in DNR Administrative Code NR 27 as "shooting, shooting at, pursuing, hunting, catching or killing any wild animal." The red-shouldered hawk (*Buteo lineatus*) was listed as State-threatened in 1979 and remains fully protected under the Wisconsin Endangered Species Law. It is a special concern species within the State of Minnesota.

The implication of this law for trail planning and development means that the City of Winona is responsible for preventing, as much as practicable, any actions or activities that would negatively impact the red-shouldered hawk, its young and eggs. This is most critical during the bird's nesting season of March through July 15. Standard DNR guidance to avoid impacts to the hawk requires avoiding any activity (including trail development, motorized vehicle use, vegetation management, utility maintenance, etc.) within 300 feet of a nest between March and July 15. In addition, it is important to protect the nest tree and surrounding habitat outside of the nesting period so that site conditions will remain adequate for future nesting.

In particular, I understand that Excel Energy constructed a maintenance road within close proximity to an active nest that is now being used throughout the year for other activities (ATV use, ice-fishing access, etc.). Future road development within the area should be planned and constructed with consideration for the hawk and known nesting locations so that any potential take issues can be avoided. It is equally important that the current road be maintained and controlled in such a way that potential impacts to the nest are also avoided. This can be done by re-routing the road, controlling access (gates), or signage. Signage, however, has not proven to be adequate to protect rare species and may even increase unwanted attention to the nesting area.

The City of Winona has a great opportunity to maintain this rare hawk and its habitat within Aghaming Park. I urge you to consider ways that will protect this important habitat for the benefit of the hawk and other species. If you have questions or would like to discuss further, please contact me at 608-264-8968.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew P. Galvin", with a long horizontal line extending to the right.

Andrew P. Galvin
Incidental Take Consultation Specialist
Wisconsin Endangered Resources Program

cc: Pam Rasmussen, Excel Energy
Fred Rozumalski, Barr Engineering
Ritchie Swanson
Armund Bartz, DNR/LaCrosse

The Citizens Energy Task Force (CETF), created on January 3, 2008, would like to submit the following comments into the public record of the Department of Commerce Environmental Review Proceeding in the case of the CapX Large Transmission Line Application to the Public Utilities Commission.

Comment: CETF is asking that ER address the health dangers from large transmission lines caused by the electromagnetic fields they create and the studies that link these fields to human disease. In MINNESOTA STATUTE 216C.05 FINDINGS AND PURPOSE, the statute that underlies the Certificate of Need process for the CapX project, the legislature specifically lists "environmental protection and the protection of citizens". The following studies, along with other important information are found at <http://www.powerlinefacts.com>. Choose EMF.

A major new study found that children whose birth address was within 200 meters of an overhead power line had a 70% increased risk of leukemia. Children living 200 to 600 meters away from power lines had a 20% increased risk. This indicates the danger from power lines is appreciably further from the lines than had been identified in previous studies. The study, which was partially funded by the power-line industry, mapped how far each child lived from a high voltage overhead power line. It compared the children who had cancer with a control group of 29,000 children without cancer, but who lived in comparable districts. Appearing in the June 2005 British Medical Journal, the study concludes there is a statistical link between EMF from power lines and leukemia. The study, a collaboration between the Childhood Cancer Research Group at the University of Oxford and National Grid owners, Transco looked at cancer data on children aged up to 15 years old in England and Wales between 1962 and 1995.

A Connecticut law requires the Connecticut Siting Council to include health and fair market value issues when deciding on the application to expand and build 345-kilovolt lines. Here is the rationale for the law. As a follow-up, the Council study shows that burying long lines is feasible.

Based on experiments involving rats and ozone, scientists at the Pacific Northwest National Laboratory have identified a chemical reaction that may explain higher rates of illness observed among some people exposed to strong electromagnetic fields such as those produced by high-voltage power lines.

A California Department of Health Sciences Evaluation concludes EMFs "can cause some degree of increased risk of childhood leukemia, adult brain cancer, Lou Gehrig's Disease, and miscarriage" [emphasis added]. The Evaluation, which is the culmination of a 9 year, \$7 million research effort, further concludes that magnetic fields may cause suicide and adult leukemia. The Final Evaluation is dated June 2002, but was only released about October 13, 2002. The Final Evaluation uses as a standard causation, which is a more rigorous test than the more common standard that seeks to demonstrate an association between EMF and many of these diseases. In addition, the California Health Department also produced a relatively short analysis of the policy options implied by the Evaluation. The Department discusses the policy implications of its analysis in a separate report. Even though the incidence of all these diseases (except miscarriages) is low, the California Department concludes EMF represents a significant health risk. "[I]f EMFs do contribute to the cause of these conditions, even the low fractions of attributable cases and the size of accumulated lifetime risk of highly-exposed individuals could be of concern to regulators. Indeed, when deemed a real cause, estimated lifetime risks smaller than these...have triggered regulatory evaluation and, sometimes, actual regulation."

As a direct result of the California Report, parents in Edmonton, Canada, were able to temporarily

delay construction on a new school that they feared was too near a transmission power line. However, ultimately, the school board decided to proceed.

During the week of March 31, 2002, the Minnesota Department of Health posted an evaluation of the massive report of the California Health Department that found that magnetic fields probably cause a number of deadly diseases. The evaluation, whose authorship is not stated, was produced in secret utilizing a process that was completely closed. Perhaps as a result, it contains numerous factual errors. Nothing is known about the people or process through which reached its conclusions, nor the standards it used. Additionally, in Minnesota, a so-called Interagency Working Group on EMF issues issued a report dated September 2002, but likely also published last week. It also contains numerous errors. Again, no authors were identified, and the process through which this report was produced was completely closed. It is clearly not a serious report but rather a reiteration of the utility industry's position.

A California Administration Law Judge recently agreed, concluding that power lines represent a health risk.

The Japanese news service reports that new Japanese study finds that EMF is linked to children's brain cancer. This is part of a three-year research effort into the impact of EMF being conducted by the former Japanese Science and Technology Agency, now part of the education ministry. Nevertheless, the Minnesota Department of Health continues to cite this study as not finding such a link.

A new UK study similarly finds a link between power line EMF and childhood leukemia. (Also reported by the BBC on October 30, 2004.) It is now asserted UK authorities suppressed this information for 3 years.

A three-fold increase in overall spontaneous abortions and a six-fold increase in spontaneous abortions occurring before the 10th week of pregnancy is associated with even momentary exposure to magnetic fields greater than 16 mG. This is the conclusion of new research by Dr. De-Kun Li reported in the January 2002 issue of *Epidemiology*. Similar results were found in a separate paper on spontaneous abortions prepared for the project by G. M. Lee which is printed in the same issue.

According to a news report in *New Scientist* of January 10, 2002, Li's results caused a California Health Services department scientist, Raymond Neutra, to reexamine his 1991 study of 727 women. Originally, his group's study had measured average magnetic field exposures and with inconclusive results. However, when Neutra recently reanalyzed the data from his earlier study, he discovered the results were similar to Li's. Women exposed to peak magnetic field levels greater than 14 mg doubled their risk of miscarriage over those who had no such exposure.

The results of nine major studies on EMF are reversed in a major analysis found at: <http://www.powerlinefacts.com/British%20Journal%20of%20Cancer%20Abstract%20of%20Meta-Analysis%20of%20Cancer.htm>. Most of these studies originally had failed to find a link between electromagnetic fields (EMF) and cancer. The new review concludes that, upon re-analysis, the data used in the earlier studies do identify an association between cancer and EMF. The authors of the new analysis are the same researchers who headed the earlier studies that had failed to find an association. (See also the appraisal of this study in the industry journal, *Microwave News*.) The authors now conclude, "The level of [statistical] significance that we see for the excess risk at high [EMF] exposure makes chance an unlikely explanation."

A dose-responsive relationship between magnetic fields from power lines and asthma and combined

chronic illnesses is identified in an August 2001 Australian study. The study concludes, "The results are consistent with a possible adverse effect of environmental magnetic field exposure on immune-related and other illnesses."

Dr. Paul Vailleneuve of the University of Ottawa finds in study published in February 2002 that those who were exposed to a moderate 6mG of magnetic fields increased by a factor of 12 their odds of developing an aggressive brain tumor know as glioblastoma multiforme.

The Japanese National Institute for Environmental Studies and the National Cancer Center, in midterm analysis of a joint three-year survey project, have concluded children who are often exposed to such electromagnetic waves, emitted from high-voltage power lines and some household appliances, are on average more than twice as likely to get leukemia than those who are not exposed to EMF.

In a significant July 2002 study sponsored by, among others, the National Institute of Environmental Health and the Department of Energy, Reba Goodman and Martin Blank (who testified for the PLTF) note "It is now well established that low frequency (<300 Hz) electromagnetic (EM) fields induce biological changes that include effects ranging from increased enzyme reaction rates to increased transcript levels for specific genes... Despite cell and tissue differences (e.g., mammalian, dipteran, yeast, bacteria), approximately the same EM field exposure, 60 Hz, 80 mG for 20 min, (Goodman and Blank, 1998) induces hsp70 synthesis in all systems studied... DNA is known to conduct electrons, and studies on ATPase, cytochrome oxidase, and the BZ reaction, show that EM fields accelerate electron transfer rates. We have suggested that EM fields activate DNA by generating repulsive forces when accelerating electrons within the DNA double helix (Blank and Goodman, 1997, 1999, 2001)."

ALTERNATIVES 7849.0200

CERTIFICATE OF NEED FOR LARGE ENERGY FACILITY

Minnesota Statute 216B.243, Subdivision 3.6 states: Showing required for construction. No proposed large energy facility shall be certified for construction unless the applicant can show that demand for electricity cannot be met more cost effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need. In assessing need, the commission shall evaluate:

(6) possible alternatives for satisfying the energy demand or transmission needs including but not limited to potential for increased efficiency and upgrading of existing energy generation and transmission facilities, load-management programs, and distributed generation.

DISTRIBUTED GENERATION

Comment: The CapX Application to the PUC for Certificates of Need responds to the statute's distributed generation alternative (specifically, C-BED) requirement, from 7.3.4 to 7.3.4.3 C-Bed Study. They conclude that C-Bed is not sufficient to handle future demand. However, the index for the application's Appendix does not show the study from which this conclusion is made. How is the commission going to "evaluate" the claims? The Citizens Energy Task Force is asking that the studies for a C-Bed alternative be included in the Certificate of Need Process. To this point, one study "West Central C-Bed Study" has been done and its results produced very promising information about distributed generation as an alternative to central station energy supplies.

COMBINED HEAT AND POWER

Comment: CETF is asking that alternatives to the proposal include the thorough Development of Community Based Co-Generation/Combined Heat and Power. Although there are safe emission issues that require improvements to this alternative, with these issues resolved it could be part of a solution to non fossil fuel energy distribution. The system of Central Station Thermal plants runs at a low thermal efficiency. Fossil fuel conservation on the Generation side of the electrical system can be directly achieved by locating most generation where the lower levels of heat after electric generation can be used to heat and cool districts of urban buildings as in the St. Paul District Energy, Mayo Clinic, Minnesota paper plants.

Comment: 2007 Minnesota statute 216C.05 subd. 2 on Energy Policy Goals states that: (1) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives; Energy efficient Combined Heat/Cooling and Power is likely the most direct way the PUC can direct electric Utilities to conserve per capita fossil fuel that otherwise will be used by customers to heat buildings and operate industrial process.

Comment: Minnesota statute supports a future of Plug Hybrid cars which in a way can be a Distributed Energy Storage system. These may be available in mass production before these HV lines are built. How would 100,000 Plug Hybrids a year added to the regional mix change the needs for electric infrastructure? The applicants may need to provide smart meters to homes and businesses having CHP systems and Plug Hybrids capable of generating when electric energy prices are high.

Comment: The South East Transmission Zone may be able to accommodate around 2500MW of wind from existing Transmission and is the closest Wind resource to Metro loads. This should be the most economic Transmission path to pursue.

Comment: Concentrating Solar Power with Thermal Storage (CSP/TS) is rapidly entering utility scale use. Minnesota has good summer solar resources that match summer peak loads. CSP/TS systems could be located near most Minnesota communities and each contribute 10MW and above capacity to the system in the next few years. Solar One has been operating at that capacity since the early 80's. They can also contribute to thermal loads, even in the winter. Wind is light in summer but when complimented by CSP/TS can be balanced without fossil fuel. CETF is asking that CSP/TS also be included in the alternatives.

UNDERGROUND LINES

Comment: CETF notes that costs are an important part of the rationale in the CapX application for dismissing underground lines as an alternative (7.6). However, on this site's list of EMF consequences

(human costs) of large transmission lines (<http://www.powerlinefacts.com/EMF.htm>.), the following is found:

A Connecticut law requires the Connecticut Siting Council to include health and fair market value issues when deciding on the application to expand and build 345-kilovolt lines. As a follow up, the Council study shows that burying long lines is feasible.

The site further states: One of the issue confronting policymakers is the value of a human life. Does it make sense to spend \$4 million to bury a line if the reduction in EMF will save one life? An article in the on-line magazine Slate suggests a human life is worth between \$4 million and \$8 million. CETF is asking that underground lines be considered in the alternatives.

CETF is asking that vulnerability issues be reviewed for the proposed long, overhead transmission lines. Vulnerability issues such as security, safety, and reliability are exacerbated on long overhead transmission lines.

EFFICIENCY and CONSERVATION EXEMPTIONS

216C.05 STATES: "that the state has a vital interest in providing for: increased efficiency in energy consumption, the development and use of renewable energy resources wherever possible, and the creation of an effective energy forecasting, planning, and education program." EFFICIENCY has been exempted in the CapX application- 7849.0260 C, "for facility and for each alternative discuss": #6 "Efficiency" EXEMPT

Also: Rule 7849.0290 states:

7849.0290 CONSERVATION PROGRAMS, APPLICATION.

An application must include:

- A. the name of the committee, department, or individual responsible for the applicant's energy conservation and efficiency programs, including load management;
- B. a list of the applicant's energy conservation and efficiency goals and objectives;
- C. a description of the specific energy conservation and efficiency programs the applicant has considered, a list of those that have been implemented, and the reasons why the other programs have not been implemented;
- D. a description of the major accomplishments that have been made by the applicant with respect to energy conservation and efficiency;

E. a description of the applicant's future plans through the forecast years with respect to energy conservation and efficiency; and

F. a quantification of the manner by which these programs affect or help determine the forecast provided in response to part 7849.0270, subpart 2, a list of their total costs by program, and a discussion of their expected effects in reducing the need for new generation and transmission facilities.

STAT AUTH: MS s 216A.05; 216B.08; 216B.2421; 216B.243; 216C.10

Comment: THIS RULE HAS ALSO BEEN EXEMPTED IN THE CAPX APPLICATION
Comment: REGARDLESS OF THE UTILITY OR THE COMMISSIONS RATIONALE FOR THE EXEMPTION OF EFFICIENCY AND CONSERVATION PROGRAMS, CETF believes the efficiency and conservations issues are very important to public interest, public health, public environmental implications; and the intentions of statute and public policy to make efficiency/conservation a priority strategy for reducing dependency on fossil fuels is clear. The 2007 legislature has made efficiency a priority and has mandated actual energy savings of 1-1.5% per year for all utilities. For these reasons and because conservation was a topic of main concern at the DOC's ER scoping meeting in Cannon Falls on December 18, and probably at other meetings not attended by this group, the CETF is asking that this information be included in the environmental review and, consequently, in the CON proceedings.

LINE LOSSES

Exemption # 5 of the PUC's ruling on application exemptions state: "Applicants are exempt from the obligation arising under Minnesota Rules, part 7849.0260, subparts A(3) and C(6), to state in the Certificate of Need application "the expected losses ... in the length of the transmission line and at the terminals or substations." Applicants shall estimate line losses throughout the system instead."

Comment: At the Avon Hills Initiative meeting, Community based distributed generation advocates shared findings that as you develop distributed and disbursed alternatives, you make it easier to balance line load. If the commission is to evaluate distributed generation alternatives compared to large transmission lines, it seems this exemption reduces their ability to do a part of that evaluation. CETF is asking that expected line losses be included in evaluating the CapX proposal.

OPEN SPACE, FARMLAND OPERATIONS AND PROPERTY VALUES

Comment: Many townships in southern Minnesota have "Right to Farm" ordinances and counties such as Dakota County have expressed the importance of open space and farmland through their planning initiatives to 2030 and through such programs as Dakota County's "Farmland and Natural Areas Program". The viability of continued farming is considered to be an integral part of economic and social and aesthetic benefit to this area.

Comment: At the Cannon Falls scoping meeting, a farmer told of the existence of large transmission lines across their property which kept them from being able to run the equipment needed to irrigate their crops. In countering CapX representatives comments that underground lines are more costly, this farmer observed that the same rationale was given in the 70's when lines were put overhead instead of underground and since that time they (the farm family) have had to bear the costs instead.

Comment: CETF believes the existence of these lines will also create a reduction in property values in areas close to urban areas and hub cities as these properties are considered for needed residential expansion and as more information surfaces about the health effects on humans.

Comment: The existence of these lines near greenways and preserved nature areas will also affect not only the flora and fauna of these areas, but also reduce the aesthetic appeal of these areas considered important to citizens for recreational enjoyment. The following is an example of a concern as expressed by a township supervisor from Bridgewater Township in Rice County: "The most northern section of Bridgewater Township is in the path of the Brookings line. Heath Creek, identified by the city of Northfield as a greenway for wildlife and walking and biking trail system is in this area. Siting the transmission line in this area is inconsistent with that use. This is the position of the Bridgewater township board." CETF is asking that farmland and open space concerns be addressed in the evaluation of the CapX project.

Comment: CETF is asking that non-proliferation of transmission lines, as established in the famous PEER decision which states that power lines have 'significant environmental impacts', is an important consideration in the ER and as it relates to open space. The task force believes this points to, at the minimum, no new transmission line corridors.

Finally, CETF supports the comments from Windustry and United Citizens Action Network regarding the importance of the decision on the Certificate of Need for the CapX project and the potential adverse effects it could have on Minnesota ratepayers and in the development of alternatives.

Scoping the ER Content

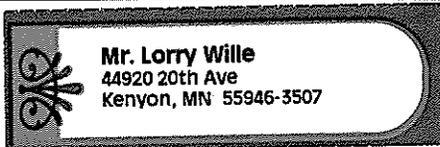
- Human and environmental impacts of the project due to size, type, and timing of the project, system configurations, and voltage
- Information on alternatives to the project
- Mitigating measures for possible adverse impacts

(See Minnesota Rule 7849.7030)



Using the above slide as a guideline, please share your ideas on issues for the Environmental Report. The report will be a part of the PUC Hearing on the CapX 2020 Project's Certificate of Need application.

(Use back of page for additional comments.)



Mr. Birkholz: I own a farm in Holden Township where the Transmission line maybe built. I do have a lot of questions. Some pertain to the actual routing and placement.

- Will my quality of life change?
- Will I be able to use my land as I see fit?
- Will my property value go down?
- Will Radio, T.V. and phone systems operate?
- What are the conditions on easements?

(Over)

Additional Comments:

I worked for a small Electric Utility for 33 yrs. Some of those years as superintendent, some of my experiences dealt with rate negotiations. Graphs and charts can be used in many ways and not always provide the truth. I am hoping your staff will be able to verify information CAPX2030 has submitted.

We have become a wasteful nation. Until the people decide to save energy and natural resources there will be shortages. We use appliances that take energy 24-7 coffee pots, computers, T.V., water coolers, lighting.

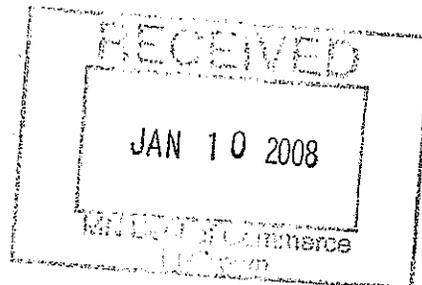
You have to run a Utility like a business. You have to make money to exist. Only this is with the customer be able to afford to use the end result.

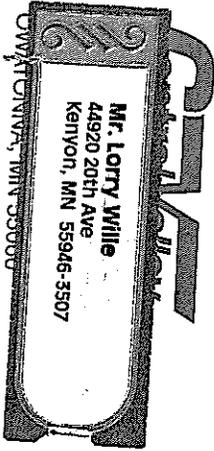
Thank you for listening. you may not think so but everything is tied together in one way or another. Some how things must start to turn around. a change is hope.

Henry Wille.

Complete and turn in today or mail by January 14, 2008 to:

David Birkholz
Minnesota Department of Commerce
Energy Facility Permitting
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198



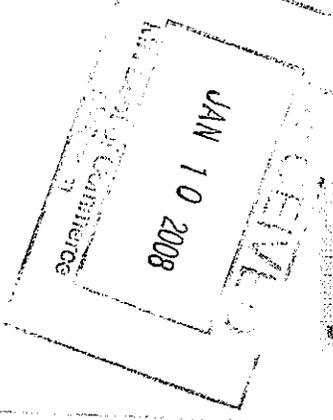


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Saint Paul MN, 55101-2198

55101+2198



David Birkholz

From: Woida, Mariterese [MWoida@csbsju.edu]
Sent: Monday, January 14, 2008 10:51 AM
To: David.Birkholz@state.mn.us
Subject: CAPX2020

Regarding the need for more power:

-It is possible to reduce consumption even with a growing population. Can efforts be put toward that end?

-Alternatives to the proposed project do exist. Change the policies to support other viable alternatives- such as incentives to promote the production and contribution of power generated by solar power even on a small scale. Home owners can be brought into the mix.

Mariterese Woida

104 Chapel Lane

St. Joseph, MN 56374