



In the Matter of the Application of Great River Energy, Xcel Energy and Others for a Certificate of Need for the CapX 2020 345-kV Transmission Projects

**ENVIRONMENTAL REPORT
SCOPING DECISION**

PUC Docket No. ET02, E002/CN-06-1115

The above matter has come before the Commissioner of the Department of Commerce (the Department) for a decision on the content of the Environmental Report (ER) to be prepared in consideration of the Xcel Energy, et al., Application for a Certificate of Need for three, 345 kilovolt (kV) high voltage transmission lines (HVTL) in Minnesota. According to Minnesota Rule 7849.7030:

The Commissioner of the Department of Commerce shall prepare an environmental report on a proposed high voltage transmission line or a proposed large electric power generating plant at the need stage. The environmental report must contain information on the human and environmental impacts of the proposed project associated with the size, type, and timing of the project, system configurations, and voltage. The environmental report must also contain information on alternatives to the proposed project and shall address mitigating measures for anticipated adverse impacts. The commissioner shall be responsible for the completeness and accuracy of all information in the environmental report.

An ER provides a high level environmental analysis of the proposal and system alternatives, and reviews environmental impacts associated with named and alternative project corridors. The ER does not take the place of an EIS that would evaluate route alternatives, nor is it comparable in scope. It is only one part of a larger Department investigation of the Certificate of Need Application. The Department in its overall review will address in detail all the issues and alternatives required by rule.

The Minnesota Department of Commerce Energy Facilities Permitting (EFP) Unit held public information meetings on December 10, 11, 13, 17 and 18 in Moorhead, Fergus Falls, Alexandria, Clearwater, Winona, Rochester, Marshall, Olivia, Arlington, and Cannon Falls to inform the public about the project and the regulatory proceedings; discuss environmental, social and economic issues of importance in the area potentially affected; and to gather public input into the scope of the Environmental Report to be prepared for the project. The meetings provided the public an opportunity to ask questions about the project and to suggest alternatives and specific impacts to address in the ER. The public was given until January 14, 2008, to submit written comments. Fifty-four written comments were received.

Having reviewed the matter, and having consulted with staff, I hereby make the following Order on the content of the ER:

MATTERS TO BE ADDRESSED

The ER will address the following subjects/matters for the proposed project:

PROJECT DESCRIPTION

The ER will describe the proposed project, right-of-way requirements, location, purpose, and proposed design.

REGULATORY FRAMEWORK

The ER will describe the regulations and regulatory processes which the project is being reviewed under, including the Certificate of Need, environmental review, and the public participation process.

ALTERNATIVES TO THE PROJECT

The ER will describe and analyze the feasibility of the following alternatives:

- No-build alternative,
- Conservation alternative,
- Existing line or system improvements,
- Generation alternative, and
- Use of alternative corridors.

ASSESSMENT OF PROJECT IMPACTS AND MITIGATION

The ER will describe the environmental setting within the project area and analyze the avoidable and unavoidable impacts of and mitigation measures for the proposed project corridors, including data specific to each of the Fargo, LaCrosse and Brookings projects respectively. As appropriate, data may include:

- Impacts on human settlement: socioeconomic, displacement, noise, aesthetics, radio and television interference, archeological and historic resources, human health and safety (including electric and magnetic fields, and safety codes).
- Impacts on land-based economies: recreation, prime farmland, transportation, mining and forestry, and economic development.
- Impacts on natural environment: air quality, water quality (including surface water, groundwater and wetlands), soils and geology, flora and fauna, rare and unique natural resources

PERMITS AND APPROVALS REQUIRED

The ER will describe the federal, state and local permits anticipated to build the project.

ISSUES OUTSIDE OF THE ENVIRONMENTAL REPORT

The ER will not consider the impacts or mitigative measures associated with specific routes within the proposed corridors. Site specific concerns (i.e., along specific routes) will be addressed in separate PUC permitting proceedings for each of the three line proposals expected to be filed sometime in late 2008. The ER will only identify the general potential impacts from the construction, operation, and maintenance of the proposed HVTLs along the broad geographic areas proposed, and the measures generally available to mitigate these potential impacts.

The ER will not review impacts of specific energy sources in addressing the project, such as carbon outputs from coal-generated facilities or environmental impacts from a wind generation installation. The proposal is a set of transmission lines designed, as stated, to serve local needs and to improve the access of Minnesota renewable energy sources unto the grid. Transmission operates irrespective of the source of energy and is managed on the grid by the Midwest Independent System Operators independent of generation type. Therefore, these transmission lines are not directly associated with any particular source. This project differs from others designed to accommodate or compensate for the connection of a proposed generating facility onto the grid.

It is not possible to associate this environmental review with any federal review at this time. Minnesota Rule 4410.3900 anticipates coordinating state and federal review where possible. However, the association is not possible in this case due to timing and relevance. First, completion of this ER is required for the contested case hearing prior to when any application initiating potential federal review would be filed.

Additionally, no application for a permit or funds from the Rural Utility Service is anticipated by any of the applicants. No action requiring a federal EIS is anticipated. If that situation were to change when any route applications are filed, the Department would pursue all opportunities to coordinate the EIS reviews in those proceedings with any relevant federal agency reviews.

SCHEDULE

The ER shall be completed by March 31, 2008, except for those portions which are dependent upon other direct testimony of the Department of Commerce due April 30, 2008.

Signed this 18 day of February, 2008

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



Glenn Wilson, Commissioner