



ISSUED: November 21, 2007

MINNESOTA DEPARTMENT OF COMMERCE NOTICE OF PUBLIC HEARING

Certificate of Need Application Large Electric Power Generating Plant Site Permit Application Great River Energy's Elk River Peaking Station Project PUC Docket No. ET2/GS-07-715 PUC Docket No. ET2/CN-07-678

PLEASE TAKE NOTICE that Public Hearings will be held on Great River Energy's (GRE) application to the Minnesota Public Utilities Commission (Commission) for (1) a Certificate of Need and (2) a large electric power generating plant (LEPGP) Site Permit. The hearing will convene at 7:00 p.m. at the following locations:

Rosemount

Wednesday, December 19, 2007
Rosemount City Hall
2875 145th Street West
Rosemount, MN 55068-4997

Elk River

Thursday, December 20, 2007
Elk River City Hall
13065 Orono Parkway NW
Elk River, MN 55330-5600

Administrative Law Judge Richard C. Luis will preside at the hearing. Judge Luis's address is Office of Administrative Hearings, P.O. Box 64620, St. Paul, Minnesota 55164-0620, phone (651) 361-7900.

Deadline for written public comments to the Administrative Law Judge on the site permit application must be post marked by February 8, 2008.

Purpose of Hearing. The purpose of the public hearing is to compile the record for the Commission to consider in making a final decision on the certificate of need and the LEPGP site permit request. The ALJ will write a report and make a recommendation to the Commission on which site to authorize and on any appropriate permit conditions. The Commission will make a final decision on the need and site permit at a subsequent Commission hearing.

Project Description. The proposed project consists of a single, simple-cycle combustion turbine (CT) generator with a nominal summer generating capacity of 175 MW and other associated facilities. The facility will use natural gas and ultra-low sulfur distillate fuel oil. The preferred project site is on GRE's campus in Elk River, Sherburne County, Minnesota. The Elk River campus currently includes the Elk River Station, a Refuse-Derived-Fuel (RDF) combustor that co-produces electricity, and GRE's corporate offices. The preferred site is an area of approximately 11 acres in the northeast portion of the campus.

The alternative site is located on GRE's property in the city of Rosemount in Dakota County, Minnesota. The site is bordered on the south by County Highway 42, on the east by Emery Avenue, on the north by Ehler's Path and 140th Street, and to the west by Rich Valley Golf Club. The property is currently leased to a farmer for crop production.

Determination of Need. No large energy facility shall be sited or constructed in Minnesota without the issuance of a Certificate of Need (CON) by the Commission pursuant to Minnesota Statutes 216B.243. GRE filed an application for a certificate of need with the Commission for the Elk River Peaking Station on May 18, 2007 in accordance with Minnesota Rules Chapter 7829 and 7849. The Commission has accepted the applicant's certificate of need application and ordered an informal case proceeding.

An Environmental Report on the project and alternatives to it has been prepared by the Department of Commerce (DOC) Energy Facility Permitting (EFP) staff. The ER contains 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 also contains information on alternatives to the proposed project and shall address mitigating measures for anticipated adverse impacts.

Site Selection and Permit. In accordance with the Power Plant Siting Act (Minnesota Statutes, 216E.001 through 216E.18) a site permit is required before a large electric power generating plant (LEPGP) can be constructed. A LEPPG is defined as any electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts or more. GRE's permit application will be considered by the Commission under the provisions of Minnesota Rules Chapter 7849.5010 through 7849.6500.

GRE's LEPPG site permit application is being reviewed under the Full Review Process (Minnesota Rule Chapter 7849.5200). Under the full review process the applicant is required to submit two sites (i.e., a preferred and an alternate) for consideration. As part of the full permitting process, the Department of Commerce is responsible for certain procedural requirements (i.e., public notice and meetings), issuing the Scoping Decision (issued August 30, 2007) and preparing an Environmental Impact Statement (EIS). The contested case hearing is also required. The Commission will make the final decision on the site permit application; that decision includes a determination on the adequacy of the EIS and the determination whether to grant the requested permits, as well as site selection and permit conditions.

The DOC Energy Facility Permitting (EFP) staff has prepared a draft EIS (DEIS) on the proposed project. The DEIS addresses the potential impacts of the proposed project at either of the two sites evaluated. Copies of the DEIS, the permit application, and other material are available for public review at the Elk River and Rosemount city halls. The DEIS, the Environmental Report, the Scoping Decision and the permit application can be found on the Commission webpage at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=19178>

Questions and Additional Information. Questions about the site permit application or requests for documents can be directed to the DOC EFP staff. Bill Storm (651-296-9535) is the project manager and Deborah Pile (651-297-2375) is the public advisor. The public advisor is available to answer questions about the permitting procedures and how to effectively participate in the process, but does not provide legal advice. The address for the DOC EFP staff is Suite 500, 85 7th Place East, St. Paul, Minn. 55101.

Conduct of Hearing The DOC EFP staff will be present at the hearing and make a brief presentation about the project and introduce into the record a number of documents relating to the project, including the application, the DEIS, and certain procedural documents. Representatives of the applicant (Great River Energy) will be present to offer evidence and to answer questions. Members of the public will have an opportunity to ask questions of DOC EFP staff and GRE representatives, to make statements, and to offer written comments and material into the record at both sessions. Members of the public are not required to file any papers in advance of the hearing in order to

participate. Members of the public may be represented by legal counsel but such representation is not required.

OAH Rules The Office of Administrative Hearings has adopted rules that apply to public hearings like this one. (See Minn. Rules Chapter 1405). The applicable statutes and rules can be found on the webpages of the Office of Administrative Hearings:

www.oah.state.mn.us

The rules and statutes are also available on the Revisor's webpage. Rules and statutes may also be purchased at the State Bookstore, 660 Olive St., St. Paul, Minn. 55155, phone (651) 297-3000.

Continuation of Hearing. The Administrative Law Judge may elect to recess the hearing and set additional days for hearing if necessary.

Evidentiary hearings for the parties on the Site Permit application will be held in the Public Utilities Commission Large Hearing Room, 121 7th Place East, St. Paul, Minnesota on January 8th and 9th, 2008, beginning at 9:30 am. GRE will prepare its direct testimony in support of the project in a written question and answer format. This testimony will be filed with the Administrative Law Judge by no later than December 31, 2007.

Identified Parties. The only party to this proceeding identified on the date of this notice is the applicant. The contact person for the applicant is Mark Strohfus, Great River Energy, P.O. Box 800, Elk River, Minnesota 55330-0800, phone (763) 241-2491.

Intervention. Any person may seek to intervene as a full party to this proceeding. If a person desires to intervene, the person must file a document called a Petition for Intervention with the ALJ by December 26, 2007. (See Minn. Rules Part 1405.0900). Intervention ensures that the person will have all the rights of a party, including the right to make motions, to attend any prehearing conferences, to be served with documents, and to present witnesses, and also the obligations of a party such as responding to discovery requests and serving other parties.