



**In the Matter of the Noble Flat Hill
Windpark I, LLC Applications for a 201
Megawatt Large Wind Energy Conversion
System Site Permit, a 230 Kilovolt High
Voltage Transmission Line Route Permit and
a Certificate of Need for the Noble Flat Hill
Windpark I Project in Clay County.**

**ENVIRONMENTAL IMPACT STATEMENT
SCOPING DECISION**

**PUC Docket Nos. IP6687/WS-08-1134
TL-08-988
CN-08-951**

The above matter has come before the Director of the Office of Energy Security for a decision on the scope of the Environmental Impact Statement (EIS) to be prepared on the proposed Noble Flat Hill Windpark I Project (Project). Noble Flat Hill Windpark I, LLC (Applicant), a subsidiary of Noble Environmental Power, an independent power producer and renewable energy company based in Essex, Connecticut, is proposing the project.

The Project is a Large Wind Energy Conversion System (LWECS), as defined by the Wind Siting Act, Minnesota Statute 216F.01. The Project is located in Clay County and would be up to 201 megawatts (MW) in size, consisting of up to 134, 1.5 MW General Electric wind turbine generators. Associated facilities include access roads, a substation, an Operations and Maintenance building, a wind electrical collection system, and a new 230 kilovolt (kV) high voltage transmission line (HVTL) of approximately 11.5 miles.

The Project requires a Certificate of Need (CN), a Site Permit for the LWECS and a Route Permit for HVTL. The Applicant filed an application for a CN with the Public Utilities Commission (Commission) on October 17, 2008, that was accepted as complete on January 14, 2009; an application for a Site Permit on October 17, 2008, that was accepted on December 23, 2008, with the Commission issuing a draft permit on that date; and an application on August 29, 2008, for a Route Permit, that was accepted as complete on September 26, 2008.

The Director of the Office of Energy Security (OES), in consultation with the Applicant and the Commission, has decided to join the environmental review requirements of the various permits into one document, as per Minn. Rule 7849.7100, subp 2. OES will issue an EIS in lieu of the Environmental Report normally required in a CN proceeding, including in the EIS the analysis of alternatives required by Minn. Rule 7849.7060.

OES Energy Facility Permitting (EFP) staff held a public information and scoping meeting for the Project in Glyndon on Wednesday, February 4, 2009. There were approximately 120 residents in attendance at the meeting. Public comments relating to both the proposed LWECS and HVTL were presented by attendees at the public meeting. The public comment period on the project was open until Wednesday, February 25, 2009. Residents submitted 14 written comments to the OES. The Minnesota DNR was the only government agency to submit written comments during the scoping process.

Response to Public Comments

The following are the questions and comments received from the public during the comment period. The EIS will address these issues as follows:

Human Health Risks. The EIS will summarize available research and studies previously conducted on potential human health risks from wind turbines due to low-frequency noise and sound levels. Potential human health risks concerning the HVTL and electromagnetic fields (EMF) will be addressed in the same manner.

Aesthetics–Noise. The EIS will include a description of the State noise standard requirements, and will describe potential noise mitigation measures. The EIS will not conduct field studies, but will research available information on noise-related impacts from existing wind parks or HVTL and provide a qualitative estimate of potential noise related project impacts.

Aesthetics–Visual. The EIS will identify potential visual impacts from the wind park and HVTL on the surrounding landscape, including analysis for nearby residences and Buffalo River State Park. Possible mitigation measures for visual impacts will also be identified.

Wildlife. The EIS will include an analysis of potential wildlife and habitat impacts from both the wind park and the HVTL. General information will be provided on issues such as wildlife displacement or alteration of migration routes. Specific impacts to wildlife will be estimated through habitat loss when possible. Information will be gathered on the habitat and biological requirements of rare and sensitive species in the area to determine potential project impacts.

Road Impacts and Construction Traffic. The EIS will gather information relating to the anticipated amount of construction traffic associated with the proposed project and to the extent possible, determine the potential for construction-related road damage. The EIS will also provide a description of mitigation required by the Applicant for project-related road damage.

Flooding and Groundwater. The EIS will include a description of the soils and underlying geology in the project area to assess potential impacts to the floodplain or groundwater where applicable. The EIS will also provide a description of potential changes in floodplain storage as related to existing defined floodplain elevations, but detailed hydrological modeling of floodplain changes will not be conducted. The EIS will also describe the potential for groundwater impacts (i.e. contamination or alteration of drinking water supplies) as a result of the proposed project. The EIS will also describe the permit and mitigation requirements associated with construction within the floodplain or areas affecting groundwater reserves.

Site Safety and Hazards. A description of the safety factors of the constructed towers will be included in the EIS and will be based on the safety records of previously constructed towers. The EIS will use information provided by the Applicant to describe the hazardous substances that are within the turbines and assess the potential for impacts from the project. The EIS will also provide a description of hazardous materials that may be present on site during project construction (i.e. diesel fuel; hydraulic fluid) and the preventative measures that will be employed to prevent impacts from hazardous chemicals. The EIS will also describe project or

site specific plans or preventative measures that will be employed for the project such as the Spill Prevention, Control and Countermeasure Plan.

Public Notice and Participation Process. The EIS will describe the required process detailed under PUC rules for public participation, review and comment during the CN, Site and Route Permit Applications and EIS review and approval periods.

Economic Benefits and Tax Revenue. The EIS will gather and summarize information regarding how the proposed project will be taxed and how the generated tax revenue will be distributed. The EIS will also summarize the Applicant's estimates of jobs generated by the project and potential revenue created for the local economy during project construction and operation.

Sensitive Resources, Lands and Parks. The EIS will provide a description of the sensitive resources and lands in proximity to the proposed project, including the Buffalo River State Park. The EIS will describe the habitats and resources present on these lands, including park amenities and recreational opportunities. The EIS will provide an estimate of the potential for project related impacts to these sensitive resources.

Property Values. The EIS will attempt to gather information on property value impacts from constructed wind farm projects in Minnesota or from comparable projects in other states and provide an estimate of the potential impacts from the proposed project. However, project related property values impacts are very difficult to estimate and there may only be anecdotal information available to include in the EIS discussion of potential property value impacts.

Compatibility with County Rules and Regulations. The EIS will describe the different State, county and local regulatory requirements for the proposed project. Compatibility with existing zoning and regulatory requirements will be described as well as the potential need for variances from existing regulations that may be required of the proposed project.

Permit Requirements. The EIS will include a summary of permits and approvals required for the Wind Park and the HVTL. In addition, permit requirements may be discussed in specific sections where applicable.

The EIS will not address the following issues:

Project Location and Site Selection. The EIS will not evaluate the Applicant's rationale for selecting Clay County for the project nor describe the procedures used to determine potential turbine locations, but rather will address the impacts of the project as proposed.

Target Sales Market for Generated Power. The EIS will not provide information regarding where the electrical power generated by the proposed project will be sold and consumed or whether or not the Applicant will have a sales agreement in place with a specific power supplier. The comments have been forwarded to OES Energy Regulation and Planning for input into their analysis and testimony in the Certificate of Need hearing.

Alternatives under Review

Project Alternatives. Because the environmental review requirements for both the Certificate of Need and the Route Permit will be addressed in a single EIS, the analysis will review feasibility, general impacts and mitigation measures for those alternatives that would otherwise be required in an Environmental Report for the Certificate of Need.

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

The energy from the project that would be produced by Noble Flat Hill Windpark I, LLC, would, according to the Applicant, contribute to Minnesota utilities’ Renewable Energy Standard (RES) compliance. Under this scenario, it is not logical to conduct an analysis of an alternative that would not contribute to the RES. The generally equivalent alternatives that will be discussed in this section will be a generic 200 MW wind generation facility; a 77 MW biomass plant, considered an “eligible energy technology” that can produce an equivalent amount of energy as the wind facility; and the “no-build” option.

Route Alternatives. Further analysis of the Applicant’s proposed and alternative transmission routes was requested by a few residents, along with suggestions to keep the HVTL away from residences by possibly moving Route 1, the alternative, further west to minimize impacts. Another comment was provided in relation to the Applicant’s alternative route, suggesting that running through Glyndon is not properly analyzed as the best alternative to the preferred route.

The second section of this EIS will include an analysis of the potential environmental and socio-economical impacts of both HVTL routes presented by the Applicant in the Route Permit Application. The EIS will also review the possibility of adapting the alternate route to run west of Glyndon.

Having reviewed the matter, consulted with the EFP staff, and in accordance with Minnesota Rule 7849.5300, I hereby make the following Scoping Decision:

MATTERS TO BE ADDRESSED

INTRODUCTION

1.0 SUMMARY OF THE NOBLE FLAT HILL WINDPARK I PROJECT

Project Description
Project Location
Project Purpose
Project Alternatives
Sources of Information

2.0 REGULATORY FRAMEWORK

Commission Certificate of Need
Commission Site Permit
Commission Route Permit
Scoping of Environmental Impacts and Alternative Routes
Environmental Impact Statement Requirement

ALTERNATIVES TO THE PROJECT

3.0 POTENTIAL HUMAN AND ENVIRONMENTAL IMPACTS

Alternatives for Review

No-build alternative
200 MW wind project
77 MW biomass plant
Noble Flat Hill Wind Project and Associated 230 kV HVTL

Review for each Alternative [Minn. Rule 7849.7060, subp. 2, A-J]

Emissions
Hazardous air pollutants and VOCs
Visibility impairment & shadow flicker
Ozone formation
Fuel availability and delivery
Associated transmission facilities
Water appropriations
Wastewater
Solid and hazardous wastes
Noise

4.0 POTENTIAL MITIGATION MEASURES

No-build alternative
200 MW wind project
77 MW biomass plant
Noble Flat Hill Wind Project and Associated 230 kV HVTL

5.0 FEASIBILITY AND AVAILABILITY OF ALTERNATIVES

No-build alternative
200 MW wind project
77 MW biomass plant
Noble Flat Hill Wind Project and Associated 230 kV HVTL

IMPACTS OF WIND PARK AND HVTL ROUTE ALTERNATIVES

6.0 ASSESSMENT OF IMPACTS AND MITIGATION MEASURES

Description of Environmental Setting

Impacts on Human Settlement

Socioeconomic
Displacement
Noise
Aesthetics
Human Health and Safety

Impacts on Land-based Economics

Recreation
Prime Farmland
Transportation
Mining and Forestry
Economic Development
Archeological and Historic Resources

Impacts on Natural Environment

Air Quality
Water Quality, Soils and Geology
Groundwater and Wetlands
Fish and Wildlife Resources
Vegetation

Rare and Unique Natural Resources

7.0 OTHER CONSIDERATIONS

Significant Unavoidable Adverse Impacts
Irreversible/Irretrievable Commitment of Resources

8.0 PERMITS AND APPROVALS REQUIRED

Federal
State
Local

ISSUES OUTSIDE THE SCOPE OF THE EA

The Environmental Impact Statement will not consider the following matters:

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

SCHEDULE

The Draft EIS shall be completed and available by July 2009. A public hearing will be held in Clay County before an Administrative Law Judge after the Draft EIS has been issued and notice served. The exact date and location of the public hearing has not been set.

Signed this 27th day of April, 2009

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY



William Glahn, Director

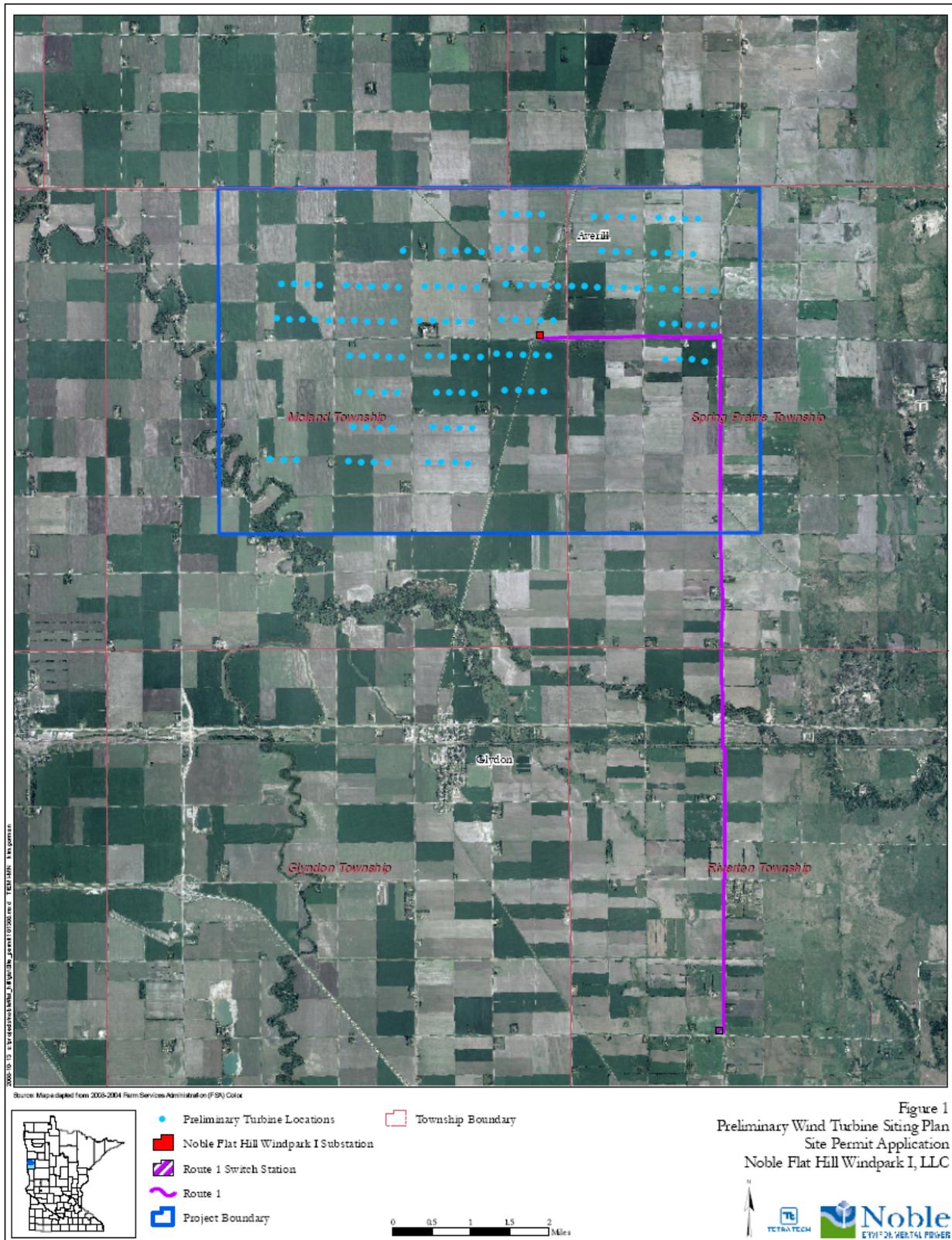


Figure 1
 Preliminary Wind Turbine Siting Plan
 Site Permit Application
 Noble Flat Hill Windpark I, LLC

