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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
ENERGY FACILITY PERMITTING STAFF**

DOCKET NO. IP-6712/WS-08-1494

Meeting Date: April 23, 2009.....Agenda # ____

Company: **Community Wind North, LLC**

Docket No. **IP-6712/WS-08-1494**

**In the Matter of the Application of Community Wind North, LLC, for a
Large Wind Energy Conversion System (LWECS) Site Permit for the
30 MW Community Wind North Project in Lincoln County**

Issue(s):

Should Community Wind North, LLC, be granted a site permit to construct and operate the proposed 30 Megawatt Community Wind North Project Megawatt Large Wind Energy Conversion System and associated facilities in Lincoln County?

OES EFP Staff: Larry B. Hartman.....651-296-5089

Relevant Documents

Community Wind North Site Permit Application.....January 20, 2009

This document can be made available in alternative formats; i.e. large print or audio tape by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

The enclosed materials are Comments and Recommendations of the Department of Commerce Energy Facility Permitting Staff. They are intended for use by the Public Utilities Commission and are based on information already in the record unless otherwise noted.

Attached Documents:

1. Site Map
2. Proposed Findings of Fact and Conclusions
3. Exhibit List
4. Proposed Site Permit

(Note: see eDockets (08-1494) or the PUC Facilities Permitting website for additional documents <http://energyfacilities.puc.state.mn.us/Docket.html?Id=19891>)

Statement of the Issue

Should the Minnesota Public Utilities Commission issue Community Wind North, LLC, a site permit under Minnesota Statutes Chapter 216F to construct up to a 30.0 megawatt (MW) Large Wind Energy Conversion System (LWECS) and associated facilities in Lincoln County?

Introduction and Background

Community Wind North, LLC, (CWN) has applied for a site permit from the PUC pursuant to Minnesota Statutes Chapter 216F to construct up to a 30.0 MW LWECS and associated facilities in Lincoln County. CWN, a limited-liability corporation based in Minnesota, will own the Project including all equipment up to the interconnection with the Yankee Substation, located in section 5 of Verdi Township in Lincoln County.

The Project is a Community Based Energy (CBED) project under the Minn. Stat. 216B.1612. Project ownership will be structured so that no individual owns more than 15 percent of the Project. Neither CWN nor its principals own or have a financial interest in any other LWECS in Minnesota. CWN will sell the entire output of the Project to Xcel Energy.

Project Location

The Community Wind North Project is located in Lincoln County in southwestern Minnesota, approximately three to six miles west and southwest of Lake Benton. The Project site is located in Verdi Township and includes all or portions of the following Sections: 5, 7, 8, 9, 16, 17, 19, 20, and 21. See Attachment 1 in Commissioner's packet. The Project boundary encompasses approximately 2,660 acres. CWN has leases or options on the land and wind rights necessary within the site to build the Project. Land rights will encompass the proposed wind farm and all associated facilities, including but not limited to wind and buffer easements, wind turbines, access roads, meteorological towers, electrical collection system and electric lines located on or along public road rights-of-way.

The Project is located in an agricultural area, used primarily for row crops such as corn and soybeans. CWN anticipates that approximately 12 acres out of the total project area of 2,660 acres will be removed from agricultural production for the lifetime of the Project.

Community Wind North Project

CWN proposes to install between 12 to 15 wind turbines, ranging in size from 2.0 to 2.5 MW, and having a combined nominal nameplate capacity of no more than 30.0 MW. The turbines will have a hub height of approximately 262 feet (80M). The rotor diameter of the turbines will be approximately 288 to 305 feet, with a swept area of approximately 1.5 acres. The maximum overall height of the wind turbines, with a turbine blade fully extended is approximately 412 feet above grade.

The rotor consists of three blades mounted to a rotor hub. The hub is attached to the nacelle, which houses the gearbox, generator, brake, cooling system, and other electrical and mechanical systems. Rotor speeds would vary between 15.6 and 18.5 revolutions per minute, resulting in blade tip speeds between 160 and 190 miles per hour.

The electrical collector system will consist of underground 34.5 kilovolt (kV) collection lines and overhead or underground feeder lines routed to the Yankee Substation, where it will be stepped up to 115 kV. Energy from the Project will be delivered to the grid at the White and Brookings Substations. .

Other project components include: all-weather class 5 access roads of gravel or similar materials, pad-mounted step-up transformers, concrete and steel tower foundations, a supervisory control and data acquisition system, and a permanent meteorological tower.

CWN anticipates an in-service date for the Project of no later than December, 2009.

Regulatory Process and Procedures

A Certificate of Need from the PUC is not required because the project does not exceed the Certificate of Need project size threshold.

A site permit from the PUC is required to construct a LWECs, which is any combination of wind turbines and associated facilities with the capacity to generate five megawatts or more of electricity. The Minnesota Wind Siting Act is found at Minnesota Statutes Chapter 216F. The rules to implement the permitting requirement for LWECs are in Minnesota Rules Chapter 7836.

Site Permit Application, Preliminary Determination and Draft Site Permit

CWN filed a site permit application with the Commission on January 20, 2009. The PUC accepted the application as complete and authorized EFP staff to name a public advisor for the Project at its February 12, 2009, meeting and issued its order on February 17, 2009. The PUC made a preliminary determination to issue a draft site permit for review and comment and issued a draft site permit in an Order dated February 17, 2009.

Public Participation Process

The wind siting process provides the public a number of opportunities to obtain information about and comment on the project. Landowners and governments within the Project boundary were provided copies of the Application, and the draft site permit for review and comment. The public was afforded a period of time to submit written comments, and a public information meeting was held.

The OES EFP staff noticed and hosted a public information meeting in Lake Benton, Minnesota, on March 16, 2009, pursuant to Minnesota Rule 7836.0900. Approximately 15 persons attended the meeting. Representatives of the OES EFP staff and CWN made presentations or addressed questions at the meeting.

Summary of Public Comments

The questions at the March 16, 2009, public meeting in Lake Benton included discussions of decommissioning, access roads and turbine locations. No one asked for a contested case hearing. The public comment period remained open until April 8, 2009. Four written comments were received.

On March 12, 2009 the Southwest Regional Development Commission (SRDC) sent a report that was accepted by the SRDC on March 12, 2009. The report requested a listing of permits that may be required by the Project, and requested that the Proposer work with road authorities to address any temporary relocation of regulatory (road) signs that may be required during the construction of the Project.

On April 8, 2009, the Minnesota Department of Natural Resources (DNR) submitted comments on the proposed project. The DNR requested that the Permittee report “Any mortality events that exceed five or more individuals, or mortality to any state listed bird or bat species be reported to the DNR within 24 hours of discovery.” The DNR also requested that the results of any preconstruction biological or avian monitoring studies be provided to DNR staff for their review.

On March 16, 2009, J. David Fryechte, a landowners within the site suggested that turbine number 8, be moved a little further north to eliminate fence crossings and a natural waterway crossing, which would provide for a shorter access road and provide a better wind resource.

On April 8, 2009, Kevin Walli, a representative of the applicant indicated they are encountering turbine supply issues and rather than using 15 Suzlon S88 wind turbines that they may use 12 Clipper 2.5 MW wind generators.

Standards for Permit Issuance & Site Permit

Minnesota Statutes Chapter 216F and Minnesota Rules Chapter 7836 apply to the siting of Large Wind Energy Conversion Systems. The rules require applicants to provide a substantial amount of information to allow the PUC to determine the potential environmental and human impacts of the proposed project and whether the project is compatible with environmental preservation, sustainable development, and the efficient use of resources.

DOC EFP Staff Analysis and Comments

The OES EFP staff has investigated the questions and concerns raised in public comments about the Community Wind Project during the course of this proceeding. The issues raised relevant to siting have been addressed in the proposed site permit, or will be addressed in pre-construction, post-construction, and/or ongoing compliance filings.

Based on the record, DOC EFP staff concludes that the Community Wind North Wind Project meets the procedural requirements and the criteria and standards for issuance of a site permit found in Minnesota Statutes and Minnesota Rules.

The OES EFP staff has prepared for the Commission’s consideration proposed Findings of Fact and Conclusions, an Exhibit List and a proposed Site Permit.

Staff Responses to Comments and Issues Raised

OES EFP staff analysis lists the categories of issues raised and how the proposed site permit or other jurisdictions will address these issues.

Setbacks: The proposed setbacks are consistent with other LWECS permits issued by the PUC, and consistent with the setbacks proposed in the General Permit Standards, adopted by the PUC at its December 20, 2007 meeting. This issue is addressed in Findings 30, 36 and 37 and in the Permit at III.C.2 and III.C.3.

Local Permits: The comments from the SWRDC indicated that they would like a list of all permits that may be required for the project and requested that CWN work with all road authorities to address road signage removal and temporary relocation. OES EFP staff notes these comments, and has advised CWN of the need to work with local road authorities. Permit condition III.K.7 requires that the Permittee be responsible for acquiring all other federal, state or local permits or authorizations that may be required for construction or operation of an LWECS. That condition also requires that the Permittee submit copies of permits and authorizations to the PUC.

Preconstruction Surveys: CWN will be required to conduct a biological preservation survey and, if applicable, a prairie protection and management plan, prior to construction of the project. These studies will be submitted to the DNR. This issue is addressed in Findings 57 through 59, and 62 and in the Permit at III.C.6 and III.D.1.

Proposed Findings of Fact

The proposed Findings address the procedural aspects of the process followed, describe the Project, respond to the written comments, and address the environmental and other considerations. See Attachment 1. The Findings of Fact are similar to findings made in several other LWECS projects. The following outline identifies the categories of the Findings.

<u>Category</u>	<u>Findings</u>
Background and Procedure	1 – 8
The Permittee	9 – 10
Project Description	11 – 16
Wind Resource Considerations	17 – 21
Land Rights and Easement Agreements	22 – 23
Public Comments	24 – 28
Site Criteria	29 – 73
Site Permit Conditions	74 – 75

Proposed Site Permit

The OES EFP Staff has prepared a site permit for the Commission's consideration. Staff made minor administrative changes to the draft site permit. See Attachment 4.

Exhibit List

An exhibit list of the written comments and other documents that are part of the record in this permit proceeding is included as Attachment 3. The exhibit list provides direct links to each document in the edockets web site. The EFP staff can make any of these documents available to the PUC upon request, and copies will be available at the PUC meeting.

Commission Decision Options

- A.** Adopt the attached Proposed Findings of Fact, Conclusions and Order and issue the attached site permit to Community Wind North, LLC, for up to a 30.0 MW Large Wind Energy Conversion System in Lincoln County. The site permit issued by the PUC authorizes Community Wind North, LLC, to construct and operate the proposed large wind energy conversion system and associated facilities in accordance with the conditions contained in the site permit, in compliance with Minnesota Statute 216F.04 and with Minnesota Rules Chapter 7836.
- B.** Amend and adopt the Findings of Fact and Conclusions and the site permit as deemed appropriate.
- C.** Deny the site permit.
- D.** Make some other decision deemed more appropriate.

DOC EFP Staff Recommendation: The staff recommends Option A.