office of energy security
Minnesota Department of Commerce

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September 1, 2009

TO: William Glahn, Director
Office of Energy Security
THROUGH: Marya White, Manager MW
FROM: William Cole Storm, Staff
OES EFP (Tel: 651-296-9535)
RE: Scoping Decision
Xcel Energy Hiawatha HVTL Route Permit
PUC Docket Number: E002/TL-09-38

ACTION REQUIRED: Signature of the Director on the attached Order, "Environmental Impact Statement Scoping Decision." Once signed, the Department of Commerce (DOC) Office of Energy Security (OES) Energy Facility Permitting (EFP) staff will mail the notice of the order to interested parties.

BACKGROUND: On April 24, 2009, Xcel Energy submitted a high voltage transmission line (HVTL) Route Permit application to the Public Utilities Commission (Commission) for the proposed Hiawatha Transmission (Hiawatha) Project.

Xcel Energy proposes to construct two new distribution substations and two 115 kilovolt ("kV") transmission lines in south Minneapolis, in an area known as the Midtown District. Xcel Energy has included four separate alternative routes and five design options for consideration in its application. Xcel Energy also identifies two locations for the Hiawatha Substation and two locations for the Midtown Substation.

Minnesota Statute Section 216B.243, subd. 2 states that no large energy facility shall be sited or constructed in Minnesota without the issuance of a Certificate of Need (CON) by the Commission. A large energy facility is defined to include transmission lines between 100 kV and 200 kV if they are more than 10 miles long (Minnesota Statutes Section 216B.2421, subd. 2(2) and (3)). The 115 kV transmission lines proposed for the Hiawatha project are less than 10 miles in length. Therefore, a Certificate of Need is not required for the proposed project.

The Commission accepted the Hiawatha HVTL Route Permit Application as complete on May 26, 2009. In the Order the Commission:

- Accepted the application, initiating the Full Review Process.
- Authorized the OES to name a Public Advisor; Deborah Pile was named.
- Authorized the OES to establish an Advisory Task Force, with the OES proposed structure and charge.
-

- Referred the docket to the Office of Administrative Hearings for the contested case hearing.

On Thursday, June 18, 2009, the Office of Energy Security (OES) Energy Facility Permitting staff (EFP) held a public information/scoping meeting at the Midtown Global Market. The meeting started at 6:00 pm. The purpose of the meeting was to provide information to the public about the proposed project, to answer questions, and to allow the public an opportunity to suggest alternatives and impacts that should be considered during preparation of the environmental review document. Written comments were due no later than Friday, July 10, 2009.

Approximately 100 people attended the public information and scoping meeting; 24 individuals took the opportunity to speak on the record. A court reporter was present to document oral statements. Ninety-one written comments were received.

The major areas of concern expressed during the public comment period included: compatibility with existing and future land use plans; health and safety issues; environmental justice; cost of mitigation (undergrounding) and who pays, and questions about the stated need and means of satisfying that need.

The Advisory Task Force (ATF) met three times: Wednesday, June 24, 2009, Wednesday, July 15, 2009, and Wednesday, August 5, 2009. The meetings were held in the Midtown Globe Market from 6:00 pm to 9:30 pm. The ATF, through a facilitated process, 1) discussed potential alternative routes and substation locations, 2) discussed potential impacts and possible mitigations of the proposed and alternative routes/sites, 3) discussed potential alternatives to the transmission solution, and 4) discussed and voted on a resolution concerning the proposed project.

The ATF released a report on August 29, 2009.

As with the public comments, the ATF's major areas of concern included the compatibility of the proposed HVTL project with the Midtown Greenway Land Use and Development Plan, potential health and safety impacts, environmental justice issues, responsibility for the cost of undergrounding the transmission line as a mitigating measure, and alternative system configurations or means of satisfying the stated need.

The ATF identified seven alternative substation locations and one alternative HVTL route for consideration in the EIS. (See Hiawatha 115 kV Transmission Line Advisory Task Force Report, August 29, 2009).

The ATF proposed alternative HVTL (Route E) route extends north from 28th Street East along Highway 55 to Interstate 94 (I-94) then follows the I-94 corridor west to Interstate 35W (I-35), and turns south to follow I-35W to roughly 28th Street East.

The ATF identified five substation alternatives for the eastern most proposed substation; they are identified as G-1, G-2, G-3, G-4, and G-5.

> G-1 is located on vacant property south and west of the intersection of Minnehaha Avenue and East 26th Street.
>
> G-2 is located on a paved lot west of 21st Avenue South, south of a building on East 28th Street.
>
> G-3 is located on a triangle shape of land, east of Hiawatha Avenue and north of Lake Street.
>
> G-4 is located on a triangle shape of land east of Hiawatha Avenue from just north of where East 31st Street would insect with Hiawatha Avenue to just north of where East 32nd Street would intersect with Hiawatha Avenue.
>
> G-5 is located on a triangle shape of land east of Hiawatha Avenue north of East 26th Street.

The ATF identified two substation alternatives for the western most proposed substation; they are identified as Mt-28N and Mt-28S.

> Mt-28N is located on a green space north of East 28th Street between 4th Avenue South and Interstate 35W.
>
> Mt-28S is located on a paved lot south of East 28th Street, between the Wells Fargo building and Interstate 35W.

These items and issues, along with the typical HVTL routing impacts, have been incorporated into the proposed Order on the Environmental Impact Statement Scoping Decision.

Relevant documents and other information on this docket can be viewed at the PUC Energy Facilities website:

http://energyfacilities.puc.state.mn.us/Docket.html?Id=19981

CC: Deb Pile, Supervisor

STATE OF MINNESOTA

OFFICE OF ENERGY SECURITY

In the Matter of Xcel Energy's Application for a HVTL Route Permit for the proposed Hiawatha HVTL Project.

EIS SCOPING DECISION
PUC Docket No. E002/TL-09-38

The above-entitled matter came before the Director of the Office of Energy Security (OES) for a decision on the scope of the Environmental Impact Statement (EIS) to be prepared on the proposed Hiawatha HVTL Project.

Having reviewed the matter, consulted with OES Energy Facility Permitting staff, and in accordance with Minnesota Rule 7849.5300, I hereby make the following Scoping Decision.

I. SUMMARY

On April 24, 2009, Xcel Energy submitted a high voltage transmission line (HVTL) Route Permit application to the Public Utilities Commission (Commission) for the proposed Hiawatha Transmission (Hiawatha) Project.

Xcel Energy proposes to construct two new distribution substations and two 115 kilovolt ("kV") transmission lines in south Minneapolis, in an area known as the Midtown District. Xcel Energy has included four separate alternative routes and five design options for consideration in its application. Xcel Energy also identifies two locations for the Hiawatha Substation and two locations for the Midtown Substation.

Minnesota Statute Section 216B.243, subd. 2 states that no large energy facility shall be sited or constructed in Minnesota without the issuance of a Certificate of Need (CON) by the Commission. A large energy facility is defined to include transmission lines between 100 kV and 200 kV if they are more than 10 miles long (Minnesota Statutes Section 216B.2421, subd. 2(2) and (3)). The 115 kV transmission lines proposed for the Hiawatha project are less than 10 miles in length.

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- Accepted the application, initiating the Full Review Process.
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II. MATTERS TO BE ADDRESSED IN THE EIS

The applicants' route permit application describes their route analysis and contains the information required by Minnesota Rule 7894.5220, subp. 2, as determined by the Commission. The EIS will summarize the process the applicants' used to identify, evaluate, and select the routes. The EIS will also verify and supplement information provided in the route permit application and will incorporate the information by reference as appropriate.

The EIS on the proposed Hiawatha HVTL project will address and provide information on the following matters:

ABSTRACT
LIST OF PREPARERS
SUMMARY

1.0 INTRODUCTION
- Project Description
- Purpose of the Transmission Line
  - Connected Actions
- Project Location
- Route Description
  - Applicant's Route A, B, C, D
  - ATF's Alternative Route E
- Substation Description
  - Applicant's Hiawatha West, Hiawatha East, Midtown North, Midtown South
  - ATF's Alternative Substation G-1, G-2, G-3, G-4, G-5 and Mt-28N and Mt28S.
- Route Width
- Rights-of-Way Requirements
- Project Cost
- Sources of Information

2.0 REGULATORY FRAMEWORK
- HVTL Route Permit Process
- Questions of Need (size, type, timing, alternative system configurations/voltage) and Implications of Minn. Stat. 216B.243, Subdivision 2; Minn. Stat. 216E.02, Subdivision 2; and Minn. Stat. 216E.03, Subdivision 5.
- Environmental Review under the Full Review Process

3.0 ENGINEERING AND OPERATION DESIGN
- Transmission Line Conductors
- Transmission Line Structures
- Substations

4.0 CONSTRUCTION
- Transmission Line and Structures
- Substations
- Property/Right-of-Way Acquisition
- Cleanup and Restoration
- Damage Compensation

Maintenance
Underground Options (HVTL & Substations)

5.0 AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES

The EIS will include a discussion of the human and environmental resources potentially impacted by the project and its alternatives. Potential impacts, both positive and negative, of the proposed project and each alternative considered will be described. Based on the impacts identified, the EIS will describe mitigative measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EIS will describe any unavoidable impacts resulting from implementation of the proposed project.

Environmental Setting
Socioeconomic Setting
Human Settlement
- Displacement
- FHA Policy & Financing Considerations/Implications

Noise
- HVTL & Substation
- Construction Activities

Aesthetics
- Visual and View-shed (Sabo Bridge, skyline)
- Lighting Requirements

Proximity to Structures
- Residences
- Businesses
- Schools/Daycares
- Hospitals
- Cemeteries
- Displacement
- Existing Utilities

Public Health and Safety
- Electric and Magnetic Fields
- Implantable Medical Devices
- Stray Voltage
  - Cathodic action with underground utilities
- Tower Collapse
- Security of Facilities, placarding, emergency provisions

Recreation
- Parks (city, county, state, and federal)
- Trails (walking, bike)

Transportation and Public Services
- Emergency Services
- Airports
- Highways, Roads and Bike Paths
- Traffic (during construction)

Interference

- Radio and Television (digital and satellite)
- Internet (Wi-Fi)
- Cellular Phone
- Current and Future Infrastructure
- Emergency vehicle pre-emption devices

Archaeological and Historic Resources
- Midtown Greenway Trench
- Pioneer and Soldiers Cemetery
- Midtown Exchange (Sears Roebuck)

Zoning and Compatibility/Federal, State and Local Government Planning
- Greenway Expansion (rail and trail)
- Commercial/Residential Development
- County & City Comprehensive Plans
- Midtown Greenway Land Use and Development Plan
- Minneapolis Plan for Sustainable Growth
- Midtown Minneapolis Land Use and Development Plan
- Industrial Land Use and Employment Policy Plan
- Seward Longfellow Area Land Use and Predevelopment Study
- Uptown Small Area Plan
- Lyn-Lake Small Area Plan
- Phillips West Master Land Use Plan

Land-Based Economies
- Agriculture
  - Community Gardens
- Forestry (Urban)

Property Values
- Residential
- Industrial
- Agriculture

Air Quality (As it pertains specifically to this transmission line only.)
- Henshaw Effect
- Construction (heavy equipment, dust)

Natural Resources
- Surface Water
  - Lakes
  - Surface/stormwater Flows
- Groundwater
  - Dewatering Requirements
- Wetlands
- Floodplains
- State Wildlife Management Areas/Scientific Natural Areas
- National Wildlife Refuge/Waterfowl Production Areas

Flora

Fauna

Rare and Unique Natural Resources/Critical Habitat

Environmental Justice
- (Communities of color, women, seniors, children)

6.0 ALTERNATIVE ROUTES/SUBSTATION LOCATIONS TO BE EVALUATED IN EIS

The EIS will identify and evaluate alternative routes and route segments to the proposed project.

Alternatives to be considered in the EIS are the seven alternative substation locations and one alternative HVTL route suggested by the Advisory Task Force, (See Hiawatha 115 kV Transmission Line Advisory Task Force Report, August 29, 2009) identified as:

HVTL Route Alternative: E

Substation Location Alternatives: G-1, G-2, G-3, G-4, G-5 and Mt-28N and Mt28S

7.0 REJECTED ALTERNATIVE ROUTES

The EIS will include a discussion of route alternatives that were evaluated by the applicant and rejected.

8.0 ALIGNMENT ALTERNATIVES

Alignment alternatives are alternatives or options for placement of the ROW that fall within the applicants' requested route widths and generally entail site specific concerns such as building on one side of the road or the other, avoiding tree groves, and avoiding recreational areas or environmentally sensitive areas.

No alternative alignments or specific ROW options, outside the applicant's application, have been identified for evaluation in the EIS. Through the impacts and mitigation discussions identified above certain alignment options may be highlighted as mitigative.

9.0 REQUIRED PERMITS AND APPROVALS

The EIS will include a list of permits that will be required for the project.

III ISSUES OUTSIDE THE SCOPE OF THE EIS

The following issues will not be considered or evaluated in the EIS:

- Any route or substation alternatives not specifically identified in this scoping decision
- The issue of need, including size, type, and timing; questions of alternative system configurations, or questions of voltage (Minn. Stat. 216E.02, subd. 2).
- The no-build option regarding the high voltage transmission line.
- The impacts of specific energy sources, such as carbon outputs from coal-generated facilities.
- Policy issues surrounding whether utilities, ratepayers or local-government should be liable for the cost to underground conductors.
- The manner in which land owners are paid for transmission rights-of-way easements.

IV SCHEDULE

Following is the anticipated schedule:

November 30, 2009 – Draft EIS available.
January 6, 2010 – Draft EIS public meetings.
February 22, 2010 – Final EIS available.

The above outline is not intended to serve as a "Table of Contents" for the EIS document, and as such, the organization (i.e., structure of the document) of the information and the data may not be similar to that appearing in the EIS.

Signed this 3rd day of September 2009

STATE OF MINNESOTA
OFFICE OF ENERGY SECURITY

William Glahn, Director
Office of Energy Security