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June 17, 2009

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

**RE: Comments and Recommendation of the Office of Energy Security Energy
Facility Permitting Staff
Docket No. IP6723/WS-09-360**

Dear Dr. Haar:

Attached are the Comments and Recommendation of the Office of Energy Security Energy Facility Permitting Staff in the following matter:

In the Matter of the Application of Morgan Wind Acquisition Group, LLC, for an up to 31.5 MW Large Wind Energy Conversion System in Redwood and Brown Counties

The OES EFP staff is also providing you with:

- A. Proposed Site Map

Staff is available to answer any questions the Commission may have.

Sincerely,

Suzanne Lamb Steinhauer
OES EFP Staff

Attachment

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA OFFICE OF ENERGY SECURITY
ENERGY FACILITY PERMITTING STAFF**

DOCKET NO. IP6723/WS-09-360

Meeting Date: June 25, 2009

Agenda Item # _____

Company: Morgan Wind Acquisition Group, LLC

Docket No. IP6723/WS-09-360

**In the Matter of the Application of Morgan Wind Acquisition Group, LLC,
for an up to 31.5 MW Large Wind Energy Conversion System in Redwood
and Brown Counties**

Issue(s): Should the Commission accept the Morgan Wind Acquisition Group, LLC, application for a Large Wind Energy Conversion System (LWECS) site permit as complete?

OES Staff: Suzanne Lamb Steinhauer.....651-296-2888

Relevant Documents

Route Permit Application.....May 22, 2009

The enclosed materials are work papers of the Department of Commerce Office of Energy Security 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.

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).

(Relevant documents and additional information can be found on eDockets (# 09-360) or the PUC Facilities Permitting website <http://energyfacilities.puc.state.mn.us/Docket.html?Id=20057>)

Statement of the Issues

Should the Public Utilities Commission (the PUC or Commission) accept, conditionally accept, or reject the application of Morgan Wind Acquisition Group, LLC, as complete? If the Application is accepted, should the Commission appoint a public advisor?

Introduction and Background

Morgan Wind Acquisition Group, LLC (Applicant), has submitted a site permit application for a proposed 31.5 megawatt (MW) wind farm in Redwood and Brown counties. Midwest Wind Finance, LLC, a limited liability company based in Minneapolis, is the majority owner of Morgan Wind Acquisition Group. Neither Morgan Wind Acquisition Group, LLC, nor Midwest Wind Finance, LLC, own or operate any other LWECS in Minnesota.

The Applicant proposes to locate the Morgan Wind Project (Project) east and south of the city of Morgan and has identified a Project area of approximately 10,880 acres located in Eden Township of Brown County and Morgan Township in Redwood County (see attached map). Depending upon final design, the Applicants anticipate that the Project would occupy approximately 10 to 15 acres.

The proposed Project would consist of:

- Up to 21 turbines, along with associated turbine access roads and electric collector lines;
- A permanent meteorological tower;
- A project substation; and
- An interconnect to the transmission grid;

Both Brown and Redwood counties have passed resolutions supporting the Project as a community-based energy development (C-BED) project.

Regulatory Process and Procedures

A site permit from the Commission 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. This requirement became law in 1995. 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. Morgan Wind Acquisition Group, LLC, filed an application with the Commission for a site permit on May 22, 2009.

Certificate of Need

A Certificate of Need (CN) from the Commission for a large electric power generating plant is not required because the Project does not exceed 50 MW in size.

Site Permit Application Contents

The required contents of a site permit application are specified in Minnesota Rule 7836.0500. These information requirements include but are not limited to applicant background information, certificate of need compliance, compliance with state policy, proposed site maps, wind characteristics, other turbine locations, discussion of wind rights, project design, associated facilities, environmental impacts, project construction, project operation, costs, schedules, energy projections and decommissioning and restoration.

Application Acceptance

Application acceptance is guided by Minnesota Rule 7836.0600. The Commission may elect to accept, conditionally accept, or reject the application. If the Commission conditionally accepts or rejects an application, the Commission must advise the Applicant of the deficiencies in the application and the manner in which the deficiencies can be addressed.

Within 15 days of LWECS site permit application acceptance, the Applicant is required to provide notice of application acceptance. In addition to publishing this notice in a newspaper of general circulation in each county, the notice is distributed to the county board and each city council and township board in each county where the LWECS is proposed to be located. This notice is also published in the *EQB Monitor*, eDockets, and on the PUC's energy facility permitting web page. In practice this notice is developed by the Applicant, with assistance from OES staff to ensure that the notice meets the requirements and intent of Minnesota Rule 7836.0600.

As a part of the notice requirements of Minn. Rule 7836.0600, the Applicant must provide a copy of the accepted application to each landowner within the site and to anyone on request. The Applicant is also required to distribute the accepted application to the Minnesota Historical Society, the regional development commission(s) within which the LWECS is proposed, the auditor of each county and the clerk of each city and township in which the LWECS is proposed to be located. The auditors and clerks are to retain the application and make it available for public inspection on request. In practice, the Applicant also provides copy of the application to anyone requesting a copy. The Applicant is responsible for maintaining the application distribution list. In practice, EFP staff also distributes copies of the application along with a cover memo requesting comments on the application or the Project, to technical representatives from state agencies (Pollution Control Agency, Department of Natural Resources, Minnesota Department of Transportation, Department of Employment and Economic Development, Board of Water and Soil Resources) that may have permitting or review authority over the Project.

Public Advisor

Minnesota Rule 7836.0700 states: "Upon acceptance of an application for a site permit, the PUC shall designate a staff person to act as the public advisor on the project." The Commission can authorize OES to name a staff member from the EFP staff as the public advisor or assign a Commission staff member.

Preliminary Determination on Draft Site Permit

Minnesota Rule 7836.0800 states that: "Within 45 days after acceptance of the application by the commission the commission shall make a preliminary determination whether a permit may be issued or should be denied. If the preliminary determination is to issue a permit, the commission

shall prepare a draft site permit for the project. The draft site permit must identify the permittee, the proposed LWECS, and proposed permit conditions.”

Issuing a draft site permit does not confer an authority to construct an LWECS. The commission may change, amend or modify the draft site permit in any respect before final issuance or may deny the site permit at a later date. EFP staff anticipates requesting commission consideration of issuance of a draft site permit for this project in early August.

Public Participation Process

Public participation in the LWECS site permitting process is guided by Minnesota Rule 7836.0900. The commission provides public notice of the availability of the draft site permit. The notice is required to include:

- Applicant’s contact information;
- a brief description of the proposed project, including a proposed site map;
- locations where the application and draft site permit are available for review and information on how to obtain a copy of the application and site permit;
- the role of the public advisor, and how the public advisor may be contacted to obtain more information about the process or the Project;
- time and place of the public information meeting held by OES staff;
- the dates on which the comment period commences and terminates;
- a statement that during the comment period any person may submit comments to the Commission on the draft site permit; and
- a statement that a person may request a contested case hearing on the matter.

Notice of draft site permit availability is sent to all persons or agencies who received a copy of the accepted application, published in local newspaper, the *EQB Monitor*, and posted on eDockets, and on the Commission’s energy facility permitting web page.

In cases where the commission elects to issue a draft site permit when the LWECS site permit application is accepted, the notice requirements of application acceptance (Minn. Rule 7836.0600, described above in ***Application Acceptance***) can be and are typically combined with the notice requirements of 7836.0900.

The public information meeting serves several functions. First, it provides OES EFP staff with the opportunity to provide an overview of the commission’s role in the review and approval of LWECS and associated facilities, and respond to questions or comments about the regulatory review process. Second, it also provides the Applicant with an opportunity to present an overview of its proposed LWECS project. Prior to the public meeting, interested persons and governmental agencies would have received the LWECS application and draft site permit. Third, the public meeting provides the public with an opportunity to ask questions of the Applicant and EFP staff and offer comments on the application and draft site permit, which serve as the environmental documents for the project.

The rule requires a minimum of 30 days (commencing with the notice of the draft site permit availability in the *EQB Monitor*) for any interested person to submit comments on either the site permit application or the draft site permit. The rule also contemplates that the Commission may wish to extend the public comment period to afford the public adequate time to review the

application and other pertinent information in order to formulate complete comments on the draft site permit and the Project.

OES EFP Staff Analysis and Comments

The Application has been reviewed by EFP staff pursuant to the requirements of Minnesota Rules Chapter 7836 (Wind Siting Rules). The application provides the information required by Minnesota Rule 7836.0500 in a format that all members of the public can access. Acceptance of the Application will allow staff to initiate the procedural requirements of Minnesota Rules, Chapter 7836.

The Applicant has agreed to honor requests for additional information as necessary to facilitate the review process.

Commission Decision Options

A. Application Acceptance

1. Accept the Morgan Wind Acquisition Group, LLC, Site Permit Application for a Large Wind Energy Conversion System, with the condition that Morgan Wind Acquisition Group, LLC, will provide additional information as requested by the Commission and the Office of Energy Security for the Morgan Wind Project.
2. Reject the Application as incomplete and issue an order indicating the specific deficiencies to be remedied before the Application can be accepted.
3. Find the Application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

B. Public Advisor

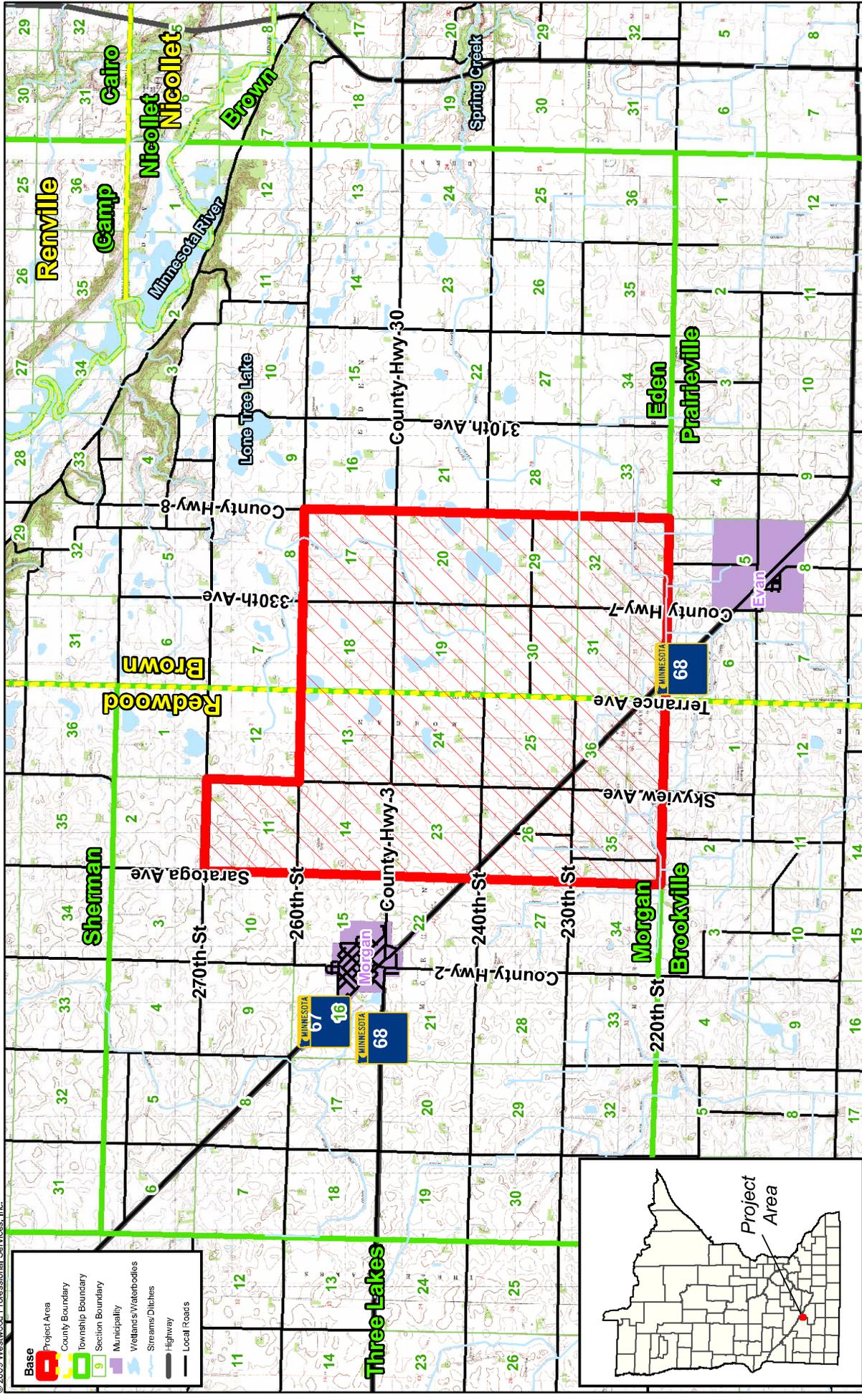
1. Authorize the Minnesota Office of Energy Security Energy Facilities Permitting staff to name a public advisor for this project.
2. Appoint a Commission staff person as public advisor.
3. Make another decision deemed more appropriate.

C. Certificate of Need

1. Find that a Certificate of Need is not required.
2. Make no findings regarding the Certificate of Need.
3. Make some other decision deemed more appropriate.

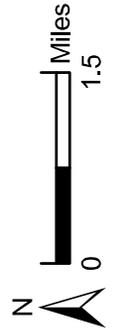
DOC EFP Staff Recommendation: Staff recommends option A1, B1 and C1.

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Data Source(s): USDA USGS DRG Mosaic (2000), MndDNR PLS (1980), MndDOT Basemap (2004), USFWS NW1 (1991), USGS NHD Water Features, ESRI Political Boundaries (2006), Westwood (2009).

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Morgan Wind Project

Brown and Redwood Counties, Minnesota

Project Location

EXHIBIT A-2