
ENVIRONMENTAL IMPACT STATEMENT

DRAFT SCOPING DOCUMENT

NASHWAUK PUBLIC UTILITY COMMISSION

MINNESOTA POWER

ESSAR STEEL TRANSMISSION PROJECT

PUC DOCKET #E280/TL-09-512

July 29, 2009

Prepared by the Energy Facility Permitting Staff of the



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1.0 INTRODUCTION

On June 1, 2009, Nashwauk Public Utilities Commission (NPUC) and Minnesota Power (MP) submitted a high voltage transmission line (HVTL) Route Permit application to the Commission for the proposed Essar Steel Transmission Project.

Minnesota Statutes Section 216E.03, subd. 2, provides that no person may construct a high voltage transmission line without a route permit from the Commission. An HVTL is defined as a transmission line of 100 kV or more and greater than 1,500 feet in length in Minnesota Statutes Section 216E.01, subd. 4. The proposed transmission lines are HVTLs and therefore a route permit is required prior to construction. The application was submitted pursuant to the provisions of the Full Permitting Process outlined in Minnesota Rules 7849.5200 to 7849.5340.

Minnesota Statute 216B.243, subdivision 2, states that no Large Energy Facility shall be sited or constructed in Minnesota without issuance of a certificate of need by the Commission. The Essar Steel Transmission project meets the definition of a Large Energy Facility under Minn. Stat. 216B.2421, subd. 2. However, the applicant has stated that the proposed project meets the exemption criteria for construction of a high voltage transmission line that serves the demand of a single customer at a single location (Minn. Stat. § 216B.243, subd. 8, item 2). The single customer for this proposed project would be Essar Steel Minnesota (ESM). All four proposed 230 kV transmission lines would terminate at the two proposed 230 kV substations located at the ESM site. Therefore, if the Commission concurs with this position, a Certificate of Need would not be required for the proposed project.

2.0 PROJECT DESCRIPTION

NPUC and MP propose to construct four 230 kV transmission lines and two 230 kV substations. The purpose of the project is to supply reliable electric power to a single source entity - Essar Steel Minnesota (ESM). ESM has obtained state approvals to reactivate the former Butler Taconite mine by developing new facilities, including a taconite pellet plant and steel production plant. The Essar taconite pellet facility is expected to commence initial operation by early 2011, with initial steel plant operation planned for early 2014, at which time the projected demand would be approximately 300 megawatts. Although not committed to, ESM has site approvals for a second steel slab melt line, which would increase the ESM facilities' total electric power requirements to approximately 500-550 megawatts if constructed and at full operation.

The four routes would require approximately 37 miles of new transmission lines (**Attachments 1 and 2**).

Study Area 1 – Shannon end of 94 Line to Essar Steel Plant Substation

Study Area 1 is bordered by MP's 230 kV Boswell to Shannon 94 Line (94 Line) to the north and the Steel property to the south. The east boundary is two miles east of Minnesota Trunk Highway (TH) 65 and the west boundary is two miles west of TH 65. The proposed transmission line would cross over rugged northern Minnesota forestland. TH 65 and a number of county and secondary roads cross the study area; no other major linear infrastructure (transmission lines, pipelines or railroads) are present. The transmission line routes within this study area would be approximately eight miles long.

Study Area 2 – Boswell end of 94 Line to Essar Mine Substation

Study Area 2 is bordered by the 94 Line on the north and west. The southern border is MP's 115 kV Boswell to Nashwauk 28 Line (28 Line) and the eastern border is the ESM property. The proposed transmission line would cross over rugged northern Minnesota forestland. There are a number of county and secondary roads within the study area. The 28 Line is the only other infrastructure right-of-way present. The transmission line routes within this study area would be approximately 10 miles long.

Study Area 3 – Blackberry Substation to Essar Steel Plant Substation

Study Area 3 is bordered by the City of Nashwauk on the northeast, 28 Line on the north and CSAH 10 to the west. The Blackberry Substation is located at the southern border and MP's 115 kV 62 and 63 Lines are located on the eastern border. The proposed transmission line would cross over rugged northern Minnesota forestland. U.S. Highway 169 travels east/west within the study area. There are a number of county and secondary roads, transmission lines, and gas pipelines within this study area. The transmission line routes within this study area would be approximately 15-18 miles long.

Study Area 4 – Essar Mine Substation to Essar Steel Plant Substation

Study Area 4 is located entirely within ESM property and would connect the two new substations. The ESM plant utility right-of-way, including a new railroad and several secondary roads are located within the study area. The transmission line routes within this study area would be approximately three miles long.

Essar Mine Substation

The Essar Mine Substation would occupy approximately 1.4 acres of land. This substation would be on the western side of the ESM property. The substation would be connected to the 94 Line, via Route 2 or 2A, and would also be connected to the Essar Steel Plant Substation via Route 4 or 4A.

Essar Steel Plant Substation

The Essar Steel Plant Substation would occupy 4.5 acres of land. This substation would be located on the northern portion of the ESM property. The substation would be connected to the Shannon end of the 94 Line, the Blackberry Substation, and the Essar Mine Substation.

3.0 EIS SCOPING PROCESS

The purpose of the scoping process is to provide the public with an opportunity to participate in the development of the scope of the EIS by holding a public meeting and soliciting public comment.

On Wednesday, July 29, 2009, the Office of Energy Security (OES) Energy Facility Permitting staff (EFP) will hold a public information meeting at the Taconite Community Center. The meeting will start at 6:00 pm. The purpose of the meeting is 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 may also be submitted; written comments must be submitted no later than Friday, August 14, 2009.

Written comments should be mailed to Bill Storm (bill.storm@state.mn.us), Minnesota Department of Commerce, Office of Energy Security, 85 7th Place, Suite 500, St. Paul, Minnesota 55101-2198.

A scoping decision will be made by the Director of the OES. That decision will be made shortly after the close of the comment period. Persons who want to be advised of the OES's scoping decision can register their names with the OES EFP staff at the public meeting, on the Public Utilities Commission's website or contact Bill Storm at (651) 296-9535. The final scoping decision will also be posted on the Public Utilities Commission's website.

4.0 DRAFT SCOPING OUTLINE

The Environmental Impact Statement on the Essar Steel Transmission Project will address and provide information on the following matters:

A. GENERAL DESCRIPTION OF THE PROPOSAL

1. Purpose of the Purposed Transmission Line.
2. Regulatory Framework
3. Project Location and Setting
4. Project Description/Engineering and Operation Design
 - Transmission Line and Structures
 - Transmission Capacity
 - Construction Procedures
 - ROW Requirements
5. Description of Alternative Routes

B. IMPACTS AND MITIGATIVE MEASURES

1. Human Settlements
2. Noise
3. Aesthetics
4. Recreation
5. Transportation
6. Land Use
7. Prime Farmland
8. Soils and Geology
9. Flora
10. Fauna
11. Archaeological and Historic Features
12. Air Quality
13. Surface Water
14. Wetlands
15. Human Health and Safety
 - Electric and Magnetic Fields (EMF)

Stray Voltage

16. Potential for radio, television and cell phone interference from transmission lines

5.0 ALTERNATIVES TO BE ADDRESSED IN THE EIS

At this time the OES EFP staff is not recommending that any additional routes, other than those presented in NPUC/MP's HVTL Route Permit Application, be evaluated in the EIS.

6.0 SCHEDULE FOR COMPLETION OF EIS

The tentative date for completion of the Environmental Impact Statement on the HVTL is January 31, 2010.

Upon completion of the draft EIS, the OES EFP staff will notify those persons who have asked to be notified of the completion. In addition, the DOC EFP staff will publish notice of the availability of the draft EIS in the EQB Monitor (the bi-weekly newsletter of the EQB). The draft EIS will be made available for review and will be posted on the Public Utilities Commission's webpage. The DOC EFP staff will hold a public meeting in the project area to provide an opportunity for the public to ask questions and to comment on the draft EIS. The public will also have a period of time (at least 10 days) after the hearing to submit written comments.

Comments on the draft EIS shall become part of the record in the proceeding for this docket.

Applications for high voltage transmission line route permits under the full permitting process require a contested-case hearing upon completion of the draft EIS pursuant to Minn. R. 7849.5330. The hearing must be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of Minnesota Statutes, chapter 14. Notice of the hearing must be given in accordance with Minnesota Statutes, section 216E.03, subdivision 6. A portion of the hearing will be held in the area where the proposed project would be located.

7.0 IDENTIFICATION OF PERMITS

The Environmental Impact Statement will include a list of permits that will be required for the project proposers to construct this project. The following permits have been identified as potential:

Permit	Jurisdiction	Route Alternative
Water Appropriation Permit	MnDNR	Routes A & D depending on construction type
NPDES/SDS Construction Stormwater Permit	MPCA	Routes A, B, C, and D
Road Crossing/Obstruction Permits	Mn/DOT, County, Township, City	Routes A, B, C, and D
Lands Permits	County, Township, City	Routes A, B, C, and D
Over-width Loads Permits	County, Township, City	Routes A, B, C, and D
Driveway/Access Permits	County, Township, City	Routes A, B, C, and D
Erosion Control Permit	City of Minneapolis	Routes A, B, C, and D
Permit to Discharge to Storm Drain	City of Minneapolis	Routes A, B, C, and D
After Hours Work Permit	City of Minneapolis	Routes A, B, C, and D
Erosion Control Permit	MCWD	Routes A, B, C, and D

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