office of energy security

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In the Matter of the Application of Pleasant Valley Wind, LLC for a Certificate of Need for the 300 MW Wind Project in Mower, Dodge, and Olmstead Counties

ENVIRONMENTAL REPORT SCOPING DECISION
PUC Docket No. IP-6828/CN-09-937

The above matter has come before the Director of the Office of Energy Security (OES) for a decision on the content of the Environmental Report to be prepared in consideration of the Pleasant Valley Wind, LLC Application for a Certificate of Need for the proposed 300 Megawatt (MW) Pleasant Valley Wind Project (Project) in Dodge, Mower, and Olmstead counties.

A final decision on turbine selection and design has not been made, but the Project will consist of turbines with a rated output of 1.5 or 2.3 MW in such number and combination as to yield 300 MW. Facilities associated with the Project include gravel access roads, an electrical collection system, three project substations, three transmission lines, six temporary and two permanent meteorological towers, and an operations and maintenance building.

The Project is located in southern Dodge and northern Mower counties in Hayfield and Vernon townships of Dodge County and Waltham, Sargeant, Pleasant Valley, Red Rock, and Dexter townships of Mower County. A small portion of the Project is located in Rock Dell Township of Olmstead County. The Project area is located six miles northeast of the city of Austin and approximately 15 miles west of Rochester. Two substations will step up the voltage from the 34.5 kV feeder lines to the proposed 138 kV transmission lines and a third substation will step up the voltage from the 138 kV transmission lines to the 345 kV transmission line that will be adjacent to the existing Great River Energy's Pleasant Valley substation. A 6.4 mile 138 kV transmission line will extend from the north substation and a 7.0 mile 138 kV transmission line will extend from the south substation, which will both connect to the third substation. A 345 kV transmission line of less than 1500 feet in length will be constructed from the third substation to the Pleasant Valley substation.

The Project requires a Certificate of Need (CN) and a site permit from the Minnesota Public Utilities Commission (Commission). The CN (CN-09-937) and site permit (WS-09-1197) are under consideration by the Commission in separate dockets.

On October 27, 2009, Pleasant Valley Wind, LLC (Applicant) filed a CN application with the Commission for the Pleasant Valley Wind Project. On December 23, 2009, the Commission issued an order accepting the application as complete and authorizing an informal review process. The proposed Project is a large energy facility (Minn. Stat. § 216B.2421). As such, it requires the Minnesota Department of Commerce to prepare an Environmental Report for the Project (Minn. Rules 7849.1200).

On February 22, 2010, an afternoon and evening meeting was held in Dexter, Minnesota, to receive comments on the scope of the Environmental Report and issues to be considered in developing the draft site permit. Approximately 125 people attended each meeting.

A public comment period followed the meeting, which closed on March 15, 2010. Twenty-six written comments were received during the comment period. Concerns raised at the public meetings and in written comments included potential impacts to property values, aesthetics, livestock, pets, horses, wildlife, native vegetation, TV reception, radio reception, internet connections, GPS interference, property damage, Austin Municipal Airport, Mayo One emergency medical helicopter service, and aerial crop applications. Impacts from noise, flicker, and red strobe lights required by the Federal Aviation Administration are of particular concern to area residents. Several comments raised concerns regarding the need for wind energy and suggested other fuel types, such as solar, Bloom Box, nuclear, biomass, hydropower, and methane digesters. A number of comments expressed concerns regarding the terms of the wind easements and leases between landowners and the Applicant.

The proposed Project is intended to produce renewable energy in furtherance of Minnesota's renewable energy objectives. In keeping with the Commission's order, dated October 8, 2009, which limits the scope of alternative generating facilities to renewable options, alternatives examined the Environmental Report will be limited to renewable energy generating facilities. These alternatives include: (1) a generic 300 MW wind generation project sited elsewhere in Minnesota, (2) a 124.5 MW biomass plant, (3) a "no-build" option, and (4) alternative renewable technologies. An Environmental Report provides a high level environmental analysis of the proposed Project and system alternatives, and reviews environmental impacts associated with named and alternative projects. It is only one part of a larger OES investigation of the CN application. The OES in its overall review will address in detail all the issues and alternatives required by rule.

The Environmental Report will address the comments received, which include impacts of Large Wind Energy Conversion Systems on property values, noise, aesthetics, wildlife, domesticated animals, native vegetation, communication signals (including GPS interference), and aviation.

Having reviewed the matter, consulted with the OES Energy Facility Permitting staff, and in accordance with Minnesota Rules 7849.1400 and 7849.1500, I hereby make the following scoping decision:

MATTERS TO BE ADDRESSED

The Environmental Report for the Pleasant Valley Wind Project will address and provide information on the following matters:

1.0 Description of the Pleasant Valley Wind Project

Project description and location
Sources of information

2.0 Regulatory Framework

3.0 Description of Alternatives

3.1 Generic 300 MW wind project
3.2 A 124.5 MW biomass plant
3.3 No-build option
3.4 Alternative renewable technologies

4.0 Feasibility and Availability of Alternatives

4.1 Pleasant Valley Wind Project
4.2 Generic 300 MW wind project
4.3 A 124.5 MW biomass plant
4.4 No-build option
4.5 Alternative renewable technologies

5.0 Human and Environmental Impacts and Mitigation

5.1 Emissions – pollutants
5.2 Emissions – hazardous air pollutants
5.3 Aesthetic impact and visibility impairment
  5.3.1 Shadow flicker
  5.3.2 Viewshed
  5.3.3 Turbine lighting
5.4 Ozone formation
5.5 Fuel availability
5.6 Associated transmission facilities
5.7 Water appropriations
5.8 Wastewater
5.9 Solid and hazardous wastes
5.10 Noise
5.11 Property values
5.12 Communication signals
5.13 Wildlife and domestic animals
5.14 Native Vegetation
5.15 Aviation

6.0 Required Permits

ISSUES OUTSIDE OF THE ENVIRONMENTAL REPORT

The Environmental Report will not consider the following matters:

1. Impacts or mitigative measures associated with specific sites, including specific tower or road locations for the proposed Project and alternatives.

2. The negotiation and content of easement agreements by which land owners are paid for property rights, including wind rights.

3. Any alternatives not specifically described in this scoping decision

SCHEDULE

The Environmental Report will be completed in May 2010. A public hearing will be held in or near the Project area before an Administrative Law Judge after the Environmental Report has been issued and notice served.

Signed this 25th day of March, 2010

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY

William Glahn, Director