



STATE OF MINNESOTA
Office of Energy Security



**NOTICE OF ENVIRONMENTAL REPORT
SCOPING DECISION**

Issued: March 25, 2010

**In the Matter of Pleasant Valley Wind, LLC
Application for a Certificate of Need
for the 300 MW Pleasant Valley Wind Project**

Docket No. IP-6828/CN-09-937

PLEASE TAKE NOTICE that the Director of the Office of Energy Security (OES) has issued the Environmental Report Scoping Decision for the Pleasant Valley Wind Large Wind Energy Conversion System (LWECS) proposed for Mower, Dodge, and Olmstead counties in Minnesota. The Environmental Report is being prepared for the Certificate of Need proceeding and will address potential human and environmental impacts of the proposed LWECS and project alternatives. Copies of the Environmental Report Scoping Decision and other relevant documents are accessible at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=25724>

Additional Certificate of Need documents can be obtained from the Department of Commerce's eDocket website at: <https://www.edockets.state.mn.us/EFiling/search.jsp> by searching for **year:** 09 and **number:** 937.

Paper copies may be requested from the Office of Energy Security staff listed at the end of this notice.

PROJECT DESCRIPTION

Pleasant Valley Wind, LLC, a wholly owned subsidiary of Renewable Energy Systems Americas Inc., proposes a 300 megawatt (MW) LWECS using between 130 and 200 utility scale wind turbine generators, each 1.5 to 2.3 MW in capacity, and associated facilities including access roads, two permanent meteorological towers, three substations, electrical collection system, three transmissions lines, and an operations and maintenance building. The project is located six miles northeast of the city of Austin and approximately 15 miles west of Rochester. The project area consists of approximately 70,000 acres 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. Approximately 52,000 acres within the project area

are under Pleasant Valley Wind's control via wind easements. The project is proposed to connect to the electrical grid at the Great River Energy's Pleasant Valley substation.

CERTIFICATE OF NEED REVIEW PROCESS

The project is a "large energy facility" as defined in Minnesota Statutes section 216B.2421, subdivision 2(1), and a Certificate of Need from the Public Utilities Commission (Commission) is required for such a project under Minnesota Statutes section 216B.243. On October 27, 2009, Pleasant Valley Wind, LLC filed a Certificate of Need application for the Pleasant Valley Wind Project. On December 23, 2009, the Commission issued an order accepting the application as substantially complete.

A public hearing on the Certificate of Need will be held shortly after the OES completes preparation of the Environmental Report. Under Minnesota law, the Certificate of Need proceeding is the only time at which the "no-build" alternative and the size, type, and timing of a new generating facility can be considered. These items will not be addressed in the Site Permit process.

SCHEDULE

The Environmental Report is scheduled to be completed in May 2010.

PROJECT CONTACTS AND INFORMATION

For more information about the process, the project or to place your name on the project mailing list, contact Ingrid Bjorklund (651-297-7039 or ingrid.bjorklund@state.mn.us) Office of Energy Security, 85 7th Place East, Suite 500, Saint Paul, Minnesota 55101-2198. Other contact information: Toll-Free Tel: 1-800-657-3794, Fax: 651-297-7891 or TTY: Minnesota Relay Service, 800-627-3529, and ask for the Department of Commerce.



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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