
DRAFT SCOPING DOCUMENT

GLENCOE – WACONIA HVTL UPGRADE PROJECT

PUC DOCKET No. E002/CN-09-1390

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Prepared by the Staff of the



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1.0 INTRODUCTION

This scoping document is intended to advise the public of the scoping process and the process for the preparation of the Environmental Review document. The scoping decision will identify for the public the issues and alternatives that the Office of Energy Security (OES) has determined are appropriate for inclusion in the environmental review document.

Northern States Power Company (Xcel Energy) and the city of Glencoe (Applicants) propose to construct new 69 and 115 kilovolt (kV) transmission lines, and to upgrade an existing 69 kV transmission line (approximately 28 miles total), near the cities of Glencoe, Plato, Norwood Young America and Waconia in the southwest Twin Cities metro area (see attached map). In addition, the project includes a new substation and modifications to existing substations along the transmission line route.

Two separate approvals from the Minnesota Public Utilities Commission (Commission) are required for the construction/operation of the Glencoe – Waconia 115 kV transmission line project (Project) – a certificate of need (CON) and a route permit. The Applicants submitted a CON application to the Commission on November 30, 2010. The application was accepted as complete by the Commission on January 27, 2011. Xcel Energy submitted a route permit application to the Commission on December 10, 2010. The route permit application was accepted as complete by the Commission on January 6, 2011.

CERTIFICATE OF NEED

Before any large HVTL can be constructed in Minnesota, the Commission must determine that they are necessary and in the best interest of the state. The certificate of need process includes environmental review and public hearings, and typically takes 12 months. This process is the only proceeding in which a no-build alternative and the size, type, timing, system configuration and voltage of the proposed project will be considered.

A copy of the certificate of need application, along with other relevant documents, can be reviewed at the Energy Facility Permitting web page at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=30556>

The OES Energy Facility Permitting staff is responsible for administering the environmental review process. The Commission is responsible for determining if the transmission lines proposed are needed.

Potential routes that the transmission lines would follow, if approved, will be put forth and evaluated in the HVTL route permit proceeding (See Below). The transmission line routes will be determined through the HVTL route permit process, which is expected to run concurrently with the certificate of need process.

Environmental Review

The environmental review process under the certificate of need procedures includes public information/scoping meetings and the preparation of an environmental review document, the Environmental Report (ER). The environmental report is a written document that describes the human and environmental impacts of the proposed project, alternatives to the project and methods to mitigate anticipated adverse impacts. The ER must be prepared before the Commission can make a decision on the certificate of need application.

HVTL ROUTE PERMITTING

Minnesota Statutes Section 216E.03, subd. 2, provides that no person may construct a HVTL 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.

Xcel Energy submitted the HVTL route permit application for the proposed transmission line upgrades to the 69 kV Glencoe to Waconia system pursuant to the provisions of the Alternative Permitting Process outlined in Minnesota Rules 7849.2900. The alternative permitting process includes environmental review and public hearings, and typically takes six months.

A copy of the HVTL route permit application, along with other relevant documents, can be reviewed at the Energy Facility Permitting web page at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=30371>

The OES EFP is responsible for evaluating the HVTL route permit application and administering the environmental review process. The Commission is responsible for selecting the transmission lines routes and issuing the HVTL route permit.

Environmental Review

Environmental review under the alternative permitting process includes public information/scoping meetings and the preparation of an environmental review document, the Environmental Assessment (EA) (Minn. R. 7850.3700). The environmental assessment is a written document that describes the human and environmental impacts of the transmission line project (and selected alternative routes) and methods to mitigate such impacts.

The Director of the Office of Energy Security will determine the scope of the EA. The EA will be completed and made available prior to the public hearing.

Minnesota Rule 7849.1900, Subpart 1, provides that in the event an applicant for a certificate of need for a HVTL applies to the Commission for a HVTL route permit prior to the time the OES completes the environmental report, the OES may elect to prepare an environmental assessment in lieu of the required environmental report. If the documents are combined, OES includes in the EA the analysis of alternatives required by part 7849.1500, but is not required to prepare an environmental report under part 7849.1200.

The OES EFP staff has concluded that combining the ER and EA into a single environmental review document is warranted in this case. The HVTL route permit application was filed prior the completion of the ER required for the CON and prior to initiation of the scoping process for the ER. Preparing an EA in lieu of the ER will enable staff to solicit comments pertinent to the scoping of both the environmental report (CON process) and the environmental assessment (HVTL Routing process) at a single public informational meeting. OES will then develop and release a single *Scoping Decision* and one environmental document (an *Environmental Assessment*) for both applications.

If issued a certificate of need and route permit by the Commission, the Applicant may exercise the power of eminent domain to acquire the land necessary for the project pursuant to Minnesota Statute 216E.12 and Minnesota Statute 117.

2.0 PROJECT DESCRIPTION

The Project is located in McLeod and Carver counties, near the cities of Glencoe, Plato, Norwood Young America, and Cologne. A Route Permit is being requested to construct approximately 0.9 mile of new 115 kilovolt (kV) transmission line, 1.9 miles of new 69 kV transmission line that is capable of operating as 115/69 kV double circuit line and upgrade approximately 20.2 miles of 69 kV transmission line to 115 kV (double circuit 115/69 kV capacity) near the cities of Glencoe, Plato, Norwood Young America and Waconia located southwest of the Twin Cities metro area. The project is approximately 23 miles in total.

The Applicants propose to construct the following facilities for which a HVTL Route Permit is required:

- Construct a new 115 kV Diamond Substation in Glencoe and approximately 5 miles of new 115 kV transmission line between the existing Armstrong Substation and the new Diamond Substation (built and owned by the city of Glencoe).
- Upgrade approximately 4 miles of 69 kV transmission line to 115/69 kV double circuit from the proposed Diamond Substation to the existing Plato Substation.
- Expand the existing Plato Substation to upgrade the 69 kV distribution load to 115 kV, and to install a capacitor bank on the 69 kV transmission line.
- Upgrade approximately 10 miles of 69 kV transmission line to 115 kV capacity between the Plato Substation, the Young America Substation and the West Waconia Substation.
- Construct approximately 1 mile of new 115 kV transmission line along Highway 5 on the west side of the city of Norwood Young America. This new segment is needed to avoid having to build the 115 kV line into the developed areas of Norwood Young America.
- Upgrade approximately 1 mile of existing 69 kV transmission to 115 kV from the existing West Waconia Substation along Highway 5.

- Construct approximately 2 miles of new 69 kV transmission line from Highway 5 to the existing Augusta 69 kV transmission line. This section would be built to double circuit standard to accommodate a future 115 kV transmission line along with the proposed 69 kV line.
- Upgrade approximately 7 miles of existing 69 kV transmission line to 115 kV capacity from the Waconia Tap to just short of the Augusta Substation.

The need for the project was first identified in the *Glencoe Area Transmission Study*, conducted in 2002. That study identified the need for a 115 kV transmission line in the McLeod – Glencoe – West Waconia area. The first phase, the McLeod – Glencoe segment was placed in service in 2006. The current HVTL Route Permit Application addresses the second phase of the plan, which is the Glencoe – West Waconia segment. The Glencoe – West Waconia segment is designed to maintain reliable service to the city of Glencoe during loss of the McLeod – Glencoe line. The applicant states that without the Glencoe – West Waconia line, under certain conditions customer equipment such as process controls, motor drive controls and automated machines, could be damaged due to low voltages. Depending on the duration of a low voltage condition, equipment such as electronic power supplies could also malfunction or fail when output voltage drops below certain levels. Without the proposed transmission upgrades, low voltage conditions will worsen as the area experiences continued growth and development.

3.0 ENVIRONMENTAL REVIEW DOCUMENT

As discussed in Section 1.0, the EFP will be combining its environmental review responsibilities under the Certificate of Need process with the environmental review procedures under the HVTL Route Permit procedures. The result will be a single environmental review document, an Environmental Assessment.

Certificate of Need Procedures

The environmental review document under the certificate of need procedures (Minnesota Rules 7849.1500, subpart 1) must include the following:

- A. A general description of the proposed project and associated facilities;
- B. A general description of the alternatives to the proposed project; these shall include:
 - The no-build alternative,
 - Demand side management;
 - Purchased power;
 - Facilities of a different size or using a different energy source;
 - Upgrading of existing facilities;
 - Transmission rather than generation; and
 - Use of renewable energy sources.
- C. An analysis of the human and environmental impacts of a project of the type proposed and of the alternatives identified;
- D. Analysis of the potential impacts that are project specific;
- E. An analysis of mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative;

- F. An analysis of the feasibility and availability of each alternative considered;
- G. A list of permits required for the project; and
- H. A discussion of other matters identified in the *Scoping Decision*.

HVTL Route Permit Procedures

The environmental review document under the HVTL Route Permit procedures (Minnesota Rules, 7850.3700, subpart 4) must include the following:

- A. A general description of the proposed project;
- B. A list of any alternative sites or routes that are addressed;
- C. A discussion of the potential impacts of the proposed project and each alternative site or route on the human and natural environment;
- D. A discussion of mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative;
- E. An analysis of the feasibility of each alternative site or route considered;
- F. A list of permits required for the project; and
- G. A discussion of other matters identified in the scoping process.

4.0 EA 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 EA by holding a public meeting and soliciting public comment.

The public information/scoping meetings and the comment period listed below are your opportunity to participate in the determination of the content or “scope” of the EA.

Tuesday, March 1, 2011
Afternoon Session - 2:00 p.m.
Evening Session - 6:00 p.m.
Clay Community Building
327 Elm Street West
Norwood Young America, Minnesota
952-467-1800

The meetings will inform the public about the project and the regulatory proceedings; provide a forum to discuss the environmental, social and economic issues of importance in the areas potentially affected; and gather public input into the scope of the EA to be prepared for the project. The meetings provide the public an opportunity to ask questions about the project and suggest alternatives and specific impacts that should be addressed in the EA.

Representatives of OES, the Commission and the Applicant will be at the meetings to describe the proposed project and answer questions.

Written public comments can be submitted to the OES EFP staff until **March 23, 2011**. Once the scope is determined, OES staff will prepare the EA and introduce it into the record at a public hearing to be scheduled, noticed and held at a later date.

5.0 DRAFT SCOPE FOR COMPLETION OF EA

The environmental assessment will address the following matters:

1.0 INTRODUCTION

- 1.1 Purpose and Need
- 1.2 Regulatory requirements

2.0 PROJECT DESCRIPTION

- 2.1 HVTL
 - 2.1.1 General
 - 2.1.2 Design
 - 2.1.3 Right-of-Way Requirements and Acquisition
 - 2.1.4 Construction
 - 2.1.5 Operation and Maintenance
 - 2.1.6 Permits

3.0 ALTERNATIVES TO THE PROPOSED HVTL

- 3.1 No-build Alternative
- 3.2 Demand Side Management
- 3.3 Purchase Power
 - 3.3.1 Long term Purchase Power
 - 3.3.2 Short term Purchase Power
- 3.4 Alternative Fuels
 - 3.4.1 Fossil Fuel Technologies
 - 3.4.2 Renewable Resource Technologies
- 3.5 Up-grading Existing Facilities
- 3.6 New Generation

4.0 ENVIRONMENTAL AFFECTS

- 4.1 Air Quality
- 4.2 Biological Resources
- 4.3 Culture Resources
- 4.4 Geology and Soils
- 4.5 Health and Safety
- 4.6 Land Use

- 4.7 Noise
- 4.8 Socioeconomics
- 4.9 Transportation
- 4.10 Visual Impacts and Aesthetics
- 4.11 Water Resources (surface, groundwater, wetlands)
- 4.12 Waste Management and Disposal

6.0 SCHEDULE FOR COMPLETION OF EA

The Environmental Assessment on the Glencoe-Waconia HVTL Route Permit application will be completed by July, 2011.

Upon completion of the EA, the OES EFP will notify those persons who have asked to be notified of the completion. In addition, the OES EFP will publish notice of the availability of the EA in the EQB Monitor. The EA will be made available for review and will be posted on the EFP webpage.