

DRAFT

ENVIRONMENTAL ASSESSMENT

SCOPING DOCUMENT

Scott County-Westgate 69 kV-115 kV Upgrade Project

PUC Docket No. E002/TL-11-948

PUC Docket No. E002/CN-11-332

July 18, 2012



Energy Facility Permitting
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
ph 651.296.4026 | fx 651.297.7891
mn.gov/commerce/energyfacilities

INTRODUCTION

This draft scoping document is intended to advise the public of the scoping process and the process for the preparation of the environmental review document for the Scott County-Westgate 69 kV-115 kV High Voltage Transmission Line (HVTL) Project (Project). The scoping decision will identify for the public the issues and alternatives that the Department of Commerce has determined are appropriate for inclusion in the environmental review document.

Northern States Power Company (Xcel Energy or Applicant) proposes to upgrade an existing transmission line from 69 kV to 115 kV for approximately 20 miles in Scott, Carver and Hennepin counties in the southwest Twin Cities metro area (see attached map). In addition, the project includes modifications to existing substations along the transmission line route.

Two separate approvals from the Minnesota Public Utilities Commission (Commission) are required for the construction of the Project – a Certificate of Need (CN) and a Route Permit. The Applicant submitted a CN application to the Commission on March 9, 2012. The application was accepted as complete by the Commission on June 8, 2012. Xcel Energy submitted a route permit application (RPA) to the Commission on April 12, 2012. The RPA was accepted as complete by the Commission on May 24, 2012.

Certificate of Need

Minnesota Statute 216B.243, subd. 2, provides "no large energy facility shall be sited or constructed in Minnesota without the issuance of a certificate of need by the Commission," meaning that before any large HVTL can be constructed, the Commission must determine that it is 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 are 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://mn.gov/commerce/energyfacilities/Docket.html?Id=32547>

The official CN record can be reviewed by entering year "11" and number "332" at:

<https://www.edockets.state.mn.us/EFiling/search.jsp>

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

Environmental Review. The environmental review process under the Certificate of Need procedures includes public information/scoping meetings and the preparation of an Environmental Report (ER). The ER 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 Permit

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 Statute 216E.01, subd. 4. The proposed transmission line is an HVTL 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 Scott County to Westgate system pursuant to the provisions of the Alternative Permitting Process outlined in Minnesota Rule 7849.2900. The alternative permitting process includes environmental review and public hearings, and typically takes six months.

A copy of the Route Permit Application, along with other relevant documents, can be reviewed at the Energy Facility Permitting web page at:

<http://mn.gov/commerce/energyfacilities/Docket.html?Id=32547>

The official RPA record can be reviewed by entering year "11" and number "948" at:

<https://www.edockets.state.mn.us/EFiling/search.jsp>

Department of Commerce Energy Facility Permitting staff is responsible for administering the environmental review process. The Commission is responsible for determining the final route of the transmission line if permitted.

Environmental Review. Environmental review under the alternative permitting process includes public information/scoping meetings and the preparation of an Environmental Assessment (EA). The EA is a written document that describes the human and environmental impacts of the transmission line project, any selected alternative routes and methods to mitigate such impacts. The EA must be completed and made available prior to the public hearing.

Eminent Domain

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.

THE PROJECT

The Project is located in Carver, Hennepin, and Scott counties, and within the cities of Chaska, Chanhassen, Shorewood, Excelsior, Greenwood, Deephaven, Minnetonka and Eden Prairie and Jackson Township. The western end of the Project Area is located at the Scott County Substation in Jackson Township, Scott County. From there, the Project Area extends to the north through Chanhassen Township, Carver County, to the cities of Chaska and Chanhassen; into and across the cities of Shorewood, Excelsior, Greenwood, Deephaven, Minnetonka and Eden Prairie; terminating at the Westgate Substation located in the city of Eden Prairie, Hennepin County. (See the attached General Vicinity Map.)

Project Description

The Project consists of two distinct parts. Part 1 involves converting the existing double-circuit 115/69 kV transmission line to 115/115 kV operation from Scott County Substation, through Chanhassen Substation, to Structure #57 north of Bluff Creek Substation. This section of double-circuit line was permitted locally for 115/115 kV operation. Conversion to 115/115 kV operation will not require the rebuilding or replacement of any existing structures. The Proposed Route for the 115/69 kV conversion follows the existing transmission right-of-way for its entire 5.3 mile length.

Part 2 involves rebuilding the existing single-circuit 69 kV to a single-circuit 115 kV line between Structure #57 to the Excelsior Substation, which will be converted for 115 kV use; rebuilding the line between Excelsior Substation and Deephaven Substation, which will also be converted for 115 kV use; and rebuilding the line between the Deephaven Substation and the Westgate Substation. As a result, the Proposed Route for the rebuilt 69 kV to 115 kV line follows existing transmission line right-of-way for its entire length of nearly 15 miles.

Project Need

The need for this Project is identified in the *Southwest Twin Cities Phase 2 Study Update Review* dated July 8, 2011. That study evaluated the need to address overload and low voltage conditions in the Project Area when certain transmission lines are out of service. The transmission studies indicate there are existing overloads and low voltages that need to be addressed immediately and, without the proposed Project, there would be additional overloads of transmission line facilities and low voltages in the Project Area in the future. According to the Applicant, without the proposed Scott County-Westgate 115 kV Transmission Line Rebuild Project transmission upgrades, overloading and low voltage conditions will worsen as the area experiences continued growth and development.

ENVIRONMENTAL ASSESSMENT

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 an HVTL route permit prior to completion of the Environmental Report, EFP may elect to prepare an Environmental Assessment in lieu of the required Environmental Report. In that case, EFP must include in the EA the analysis of alternatives required by part 7849.1500, but is not required to prepare an ER under 7849.1200.

EFP staff has concluded that preparing 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 CN. Preparing an EA in lieu of the ER will enable staff to solicit comments pertinent to the scoping of both an environmental report (CN process) and an environmental assessment (HVTL Routing process) at a single public informational meeting. EFP will then develop and release a single Scoping Decision and one environmental document (an Environmental Assessment) for both applications.

Certificate of Need

The environmental review document under the certificate of need procedures (Minnesota Rule 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

The environmental review document under the HVTL Route Permit procedures (Minnesota Rule, 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.

THE 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 opportunities for the public to participate in the determination of the content or “scope” of the EA.

Wednesday, July 18, 2012

Afternoon Session 2:00 p.m.

Evening Session 6:00 p.m.

**Minnetonka High School
Forum Room
18301 Hwy 7, Minnetonka**

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 EFP, 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 EFP until **August 1, 2012**. Once the scope is determined, EFP 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.

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 General
- 2.2 Design
- 2.3 Right-of-Way Requirements and Acquisition
- 2.4 Construction
- 2.5 Operation and Maintenance
- 2.6 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 ALTERNATIVE ROUTES TO THE PROPOSED HVTL

- 4.1 Highway 7 Alternative described in Application
- 4.2 Highway 7 Alternative with Relocated Deephaven Substation
- 4.3 Other Alternatives Designated by Department of Commerce

5.0 ENVIRONMENTAL IMPACTS OF PROPOSAL AND ALTERNATIVES

- 5.1 Air Quality
- 5.2 Biological Resources
- 5.3 Culture Resources
- 5.4 Geology and Soils
- 5.5 Health and Safety
- 5.6 Land Use
- 5.7 Noise
- 5.8 Socioeconomics
- 5.9 Transportation
- 5.10 Visual Impacts and Aesthetics
- 5.11 Water Resources (surface, groundwater, wetlands)
- 5.12 Waste Management and Disposal

SCHEDULE FOR COMPLETION OF EA

Depending on the number of alternatives and review required, the Environmental Assessment on the Scott County-Westgate HVTL Route Permit and Certificate of Need applications will be completed between October and November 2012.

Upon completion of the EA, EFP will notify those persons who have asked to be notified of the completion. In addition, 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.

