

DRAFT

ENVIRONMENTAL ASSESSMENT

SCOPING DOCUMENT

Elko New Market-Cleary Lake Area
69 kV-115 kV Upgrade Project

PUC Docket No. ET2/TL-12-1245; CN-12-1235

October 1, 2013



Energy Facility Permitting
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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 Elko New Market-Cleary Lake Area 69 kV-115 kV High Voltage Transmission Line (HVTL) Project (Project). The final scoping decision will identify the issues and alternatives that the Department of Commerce has determined are appropriate for inclusion in the environmental review document.

Great River Energy (GRE or Applicant) proposes to upgrade an existing transmission line from 69 kV to 115 kV for approximately 11.3 miles in Scott County and construct approximately 5.4 miles of new double circuit transmission line in Scott and Rice counties in the south Twin Cities metro area (see attached map).

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 combined CN and route permit application¹ to the Commission on June 20, 2013. The applications were accepted as complete by the Commission on September 5 and September 9, 2013, respectively.

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.

Relevant documents can be reviewed at the Energy Facility Permitting (EFP) web page at:

<http://mn.gov/commerce/energyfacilities/Docket.html?Id=32989>

The official CN record can be reviewed by entering year "12" and number "1235" at:

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

¹ Combined CN and Route Application, <http://mn.gov/commerce/energyfacilities/resource.html?Id=33236>, Great River Energy, June 20, 2013

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. GRE submitted the application for the proposed transmission line upgrades 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.

Relevant documents can be reviewed at the Energy Facility Permitting web page at:

<http://mn.gov/commerce/energyfacilities/Docket.html?Id=32989>

The official RPA record can be reviewed by entering year "12" and number "1245" 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

Great River Energy, a Minnesota cooperative corporation, is proposing a 115 kV transmission line project in the townships of Cedar Lake, Credit River, Spring Lake, and New Market and the city of Prior Lake in Scott County, and Wheatland Township in Rice County. GRE has studied the power service to the region and has determined that new 115 kV electrical facilities are needed to meet existing electric load and future electric load requirements.

Project Description

The Project consists of two distinct parts (See the attached proposed project maps). The northern part includes plans to:

- Rebuild approximately 3.5 miles of the existing Great River Energy single circuit 69 kV “MV-PN” line to 115 kV standards from Prior Lake Junction south to Credit River Junction;
- Rebuild approximately 0.9 mile of the existing Great River Energy single circuit 69 kV “MV-CR” line to single circuit 115 kV standards with 69 kV underbuild from Credit River Junction west to MVEC’s Cleary Lake Substation;
- Rebuild approximately 1.3 miles of the existing Great River Energy single circuit 69 kV MV-CR line to 115 kV standards northwest from MVEC’s Cleary Lake Substation to Xcel Energy’s Credit River Substation; and
- Rebuild approximately 5.6 miles of the existing Great River Energy single circuit 69 kV MV-PN (north of Elko Substation to New Market Substation). line to 115 kV standards (from intersection of County Road 62 and Natchez Avenue, south along Natchez to 250th Street, then west to Panama Avenue).

The southern part involves constructing approximately 5.4 miles of new double-circuit 115 kV transmission line from the MV-PN line to Xcel Energy’s Veseli 69 kV breaker station.

Project Need

The need to make improvements to the existing transmission system has been discussed in the Minnesota Biennial Transmission Projects Report since 2009. According to the reports, the 69 kV transmission system to the west of the Project area, bounded by the Scott County, Carver County, Owatonna, and Faribault substations (“Scott-Faribault System”) is at risk of experiencing low voltage and transmission system overload issues at system peak conditions.

Transmission planning engineers determined that connecting that system to the 69 kV transmission system in the Project area (“Cleary-Elko System”) was the most efficient way to alleviate the identified transmission load-serving deficiencies on the Scott-Faribault System. The Cleary-Elko System, under contingency operation, currently experiences overload and low voltage issues and would need to be rebuilt. Connecting the two systems would require construction of a new double circuit line between the existing New Market Substation and the proposed 69 kV Veseli Breaker Station.

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.

Tuesday, October 1, 2013

Afternoon Session (1-3 pm)

Elko New Market Public Library
110 J Roberts Way
Elko New Market

Evening Session (6-8 pm)

Prior Lake High School
7575 150th Street West
Savage

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 **October 15, 2013**. 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 Alternatives Not Brought Forward by the Applicants
- 4.2 Alternatives Designated by Department of Commerce
- 4.3 Any Alternatives Requested by Public Utilities Commission

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

6.0 OTHER PERMITS OR REQUIRED AUTHORIZATIONS

SCHEDULE FOR COMPLETION OF EA

Depending on the number of alternatives and review required, the Environmental Assessment on the Elko New Market-Cleary Lake Area HVTL Route Permit and Certificate of Need applications will be completed by February 2014.

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

Figure 1. Proposed Project North - Cleary Lake Area

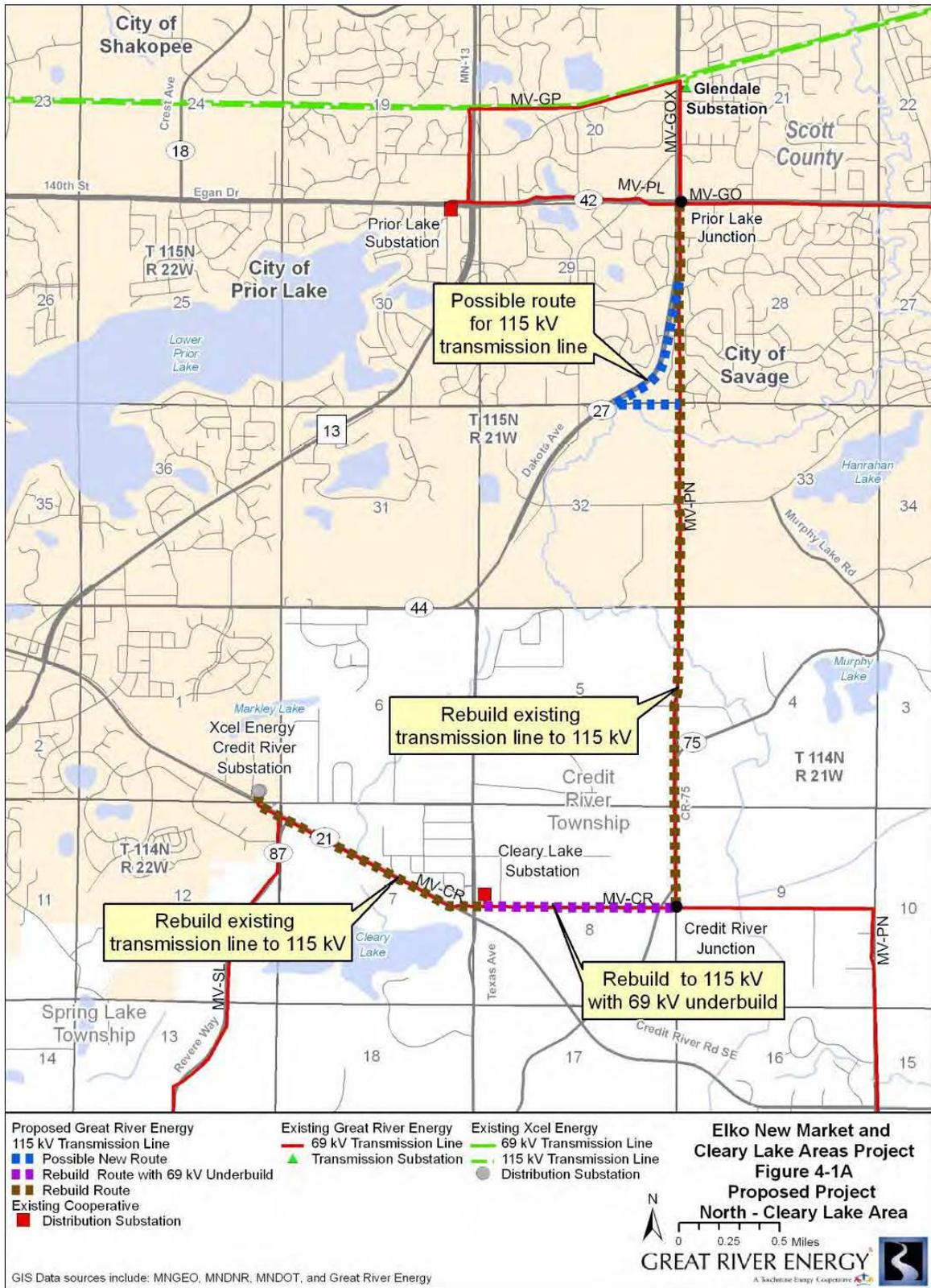


Figure 2. Proposed Project South - New Market Area

