

This document is an environmental impact statement (EIS) that has been prepared for the Minnesota to Iowa 345 kV transmission line project proposed by ITC Midwest LLC (ITCM). This EIS evaluates the potential human and environmental impacts of ITCM's proposed project and possible mitigation measures, including route alternatives. Additionally, this EIS evaluates potential alternatives to the project itself.

The EIS is intended to facilitate informed decision-making by state agencies, particularly with respect to the goals of the Minnesota Environmental Policy Act – “to create and maintain conditions under which human beings and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of the state’s people” (Minnesota Statutes, 116D.02).

## 1.1 Project

ITCM's proposed project entails the construction of approximately 73 miles of new 345 kilovolt (kV) transmission line in southern Minnesota, in the counties of Jackson, Martin and Faribault (Map 1-1). The proposed transmission line would proceed from the existing Lakefield Junction substation near Lakefield, Minnesota, eastward to a new Huntley substation near Winnebago, Minnesota, and then southward to the Iowa border. The project includes expansion of the Lakefield Junction substation, construction of the new Huntley substation, and the relocation of several segments of existing 161 kV and 69 kV transmission lines.

## 1.2 Project Need

ITCM indicates in its Certificate of Need (CN) application that its proposed project is needed to enhance regional electrical reliability, to increase transmission capacity to support additional generation, and to reduce congestion on the electrical grid.

## 1.3 State of Minnesota Review Process

In order to construct the proposed transmission line project, ITCM must obtain two approvals from the Minnesota Public Utilities Commission (Commission) – a CN and a route permit. The Commission's docket numbers for these approvals are ET6675/CN-12-1053 and ET6675/TL-12-1337. ITCM submitted a CN application for the project to the Commission on March 22, 2013; a route permit application was submitted to the

Commission on March 28, 2013. In addition to these approvals from the Commission, the project would require approvals (e.g., permits, licenses) from other state agencies, federal agencies and local units of government. **A Commission route permit supersedes and preempts all zoning, building and land use regulations promulgated by local units of government (Minnesota Statute 261E.10).**

With ITCM's CN and route permit applications, the Commission has before it two distinct considerations: (1) whether the proposed project is needed, or whether some other project would be more appropriate for the State of Minnesota, for example, a project of a different type or size, or a project that is not needed until further into the future; and (2) if the proposed project is needed, where it is best located. To aid the Commission in these considerations, the Commission gets assistance from several state agencies, including the Department of Commerce (Department) and the Office of Administrative Hearings (OAH).

The Department's Energy Regulation and Planning (ERP) staff provides testimony on the need for proposed energy projects. ERP staff represents the public interest and ensures that ratepayers' and the State of Minnesota's long-term interests are represented.

Department Energy Environmental Review and Analysis (EERA) staff is responsible for conducting environmental review for CN and route permit applications submitted to the Commission. The intent of this review is to ensure that citizens, local governments, agencies and the Commission are aware of the potential human and environmental impacts of a proposed project and that the Commission can consider these impacts when determining whether a project is needed and where it should be located.

The OAH, at the request of the Commission, provides an administrative law judge (ALJ) to conduct hearings for proposed project. The ALJ facilitates hearings to gather input (advocacy) on whether projects are needed and where they should be located. The ALJ submits a report to the Commission which includes findings of fact, conclusions of law and recommendations.

### 1.3.1 Environmental Review

EERA staff has prepared this EIS for the Commission, which has before it ITCM's CN and route permit applications, and for other agencies and entities that have permitting authority related to the project. Additionally, this EIS has been prepared to assist citizens in providing guidance to the Commission and other decision-makers regarding the project. This EIS evaluates the potential human and environmental impacts of ITCM's proposed project and possible mitigation measures, including route alternatives. Additionally, the EIS evaluates potential alternatives to the project itself. The EIS does not advocate or state a preference for a specific route or route alternative, or for an alternative to the project itself. The EIS analyzes and compares potential impacts and mitigation measures, including routes and route alternatives, such that citizens, local governments, agencies and the Commission can work from a common set of facts.

This EIS **was** issued in draft form – a draft EIS – so that it **could** be improved through public comment. **This** final EIS **was** developed based on comments received during the comment period on **the** draft EIS.

EERA staff initiated work on this EIS by soliciting comments on: (1) the issues and impacts that should be evaluated in the EIS; (2) the mitigation measures to study, including route, alignment and site alternatives; and (3) alternatives to the project itself that should be studied. This process of soliciting comments on the contents of the EIS is known as "scoping." EERA solicited comments through public meetings in July 2013 and a public comment period that ended August 2, 2013. In addition, EERA staff convened an advisory task force which met three times in June and July 2013, and issued a report to the Department in August 2013.

Based on the scoping comments received, the Department issued the scoping decision for this EIS on October 14, 2013 (Appendix A). The scoping decision includes those alignment, route and site alternatives that are evaluated in this EIS – including alternatives beyond those proposed by ITCM. All of the alternatives are analyzed in this EIS with same level of detail and analysis, and evaluated against the routing factors of Minnesota Rules, chapter 7850.4100.

Preparation of this document included desktop and field review of the project area to verify, correct, update, and augment the information in ITCM's

applications (e.g., house locations, airfield locations and natural resources data). New and additional data has been included from ITCM and state agencies. Information has also been included from a variety of technical articles and on-line resources. These articles and resources are noted in the text and included in the listing of references (Section 8.0)

**This EIS was issued in draft form on March 21, 2014. Comments on the draft EIS were accepted through May 9, 2014. All comments received on the draft EIS and responses to these comments are included in this final EIS (Appendix M).** The draft and final EIS will be entered in the records for these proceedings, so that they can be used by the ALJ and the Commission in making decisions about ITCM's proposed project.

### 1.3.2 Public Hearings

**As part of the State of Minnesota's review process**, an ALJ conducts a contested case hearing for the project. Public hearings **were** held in the project area **the week of May 12, 2014**. Interested persons **were afforded** an opportunity at the hearings to ask questions, provide comments, submit evidence and advocate for the route(s) that they believe are most appropriate for the project. An evidentiary hearing **was** held **the week of May 19, 2014**, in St. Paul, Minnesota.

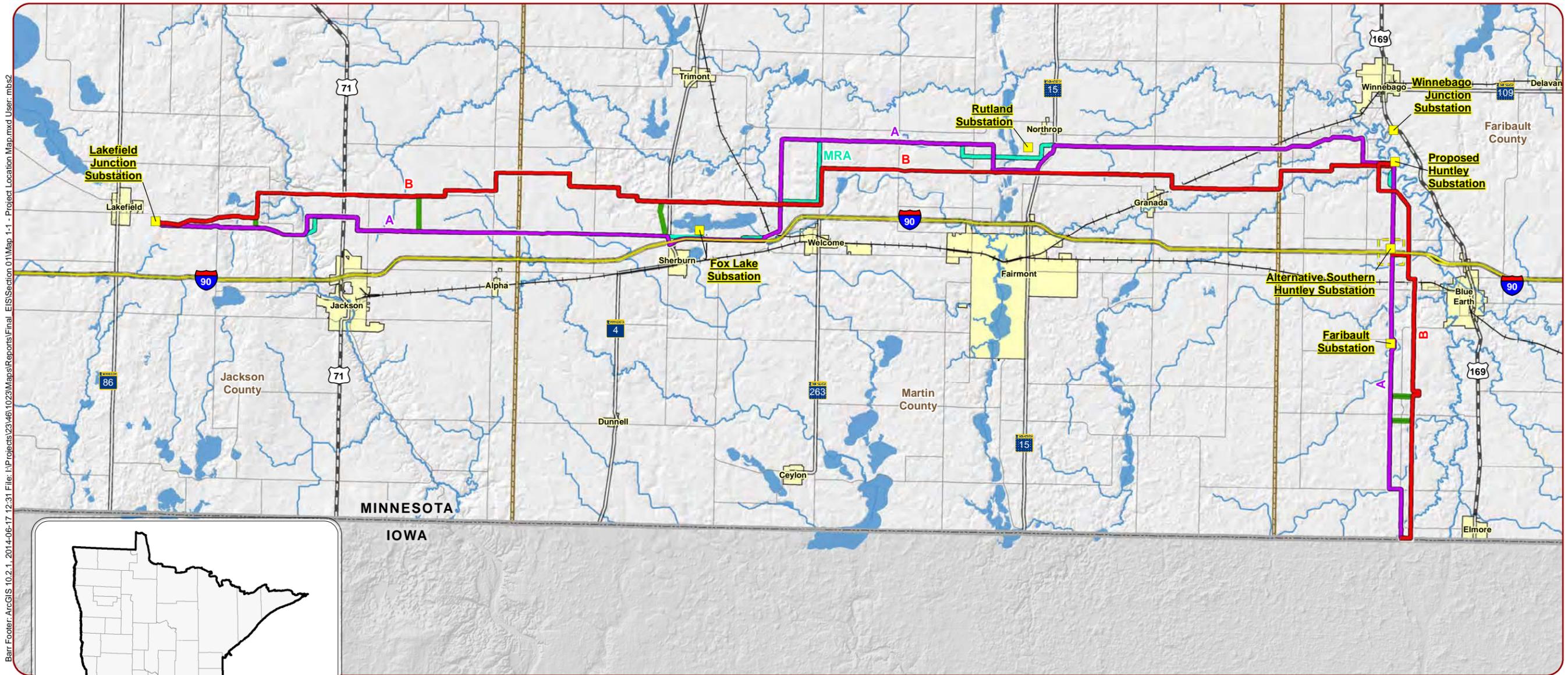
The ALJ will submit a report to the Commission which includes findings of fact, conclusions of law and recommendations on ITCM's applications. The Commission will use the ALJ report in deciding whether to grant a CN and route permit for the project.

## 1.4 Organization of Environmental Impact Statement

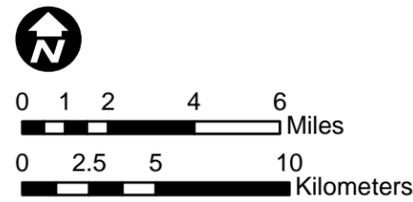
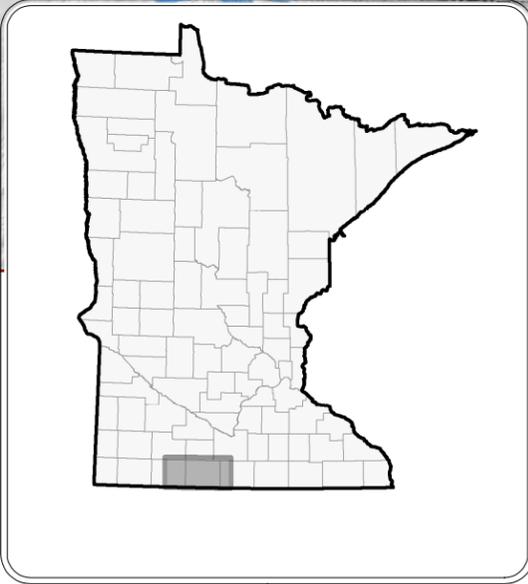
This EIS addresses the matters identified in the Department's scoping decision for this project (Appendix A) and is organized as follows:

<b>Section 1.0</b>	<b>Introduction</b>	Provides an overview of the proposed project and the State of Minnesota's review process, and discusses the organization of the document.
<b>Section 2.0</b>	<b>Regulatory Framework</b>	Describes the regulatory framework associated with the project, including the State of Minnesota's certificate of need and route permitting processes and the permits and approvals that would be required for the project.
<b>Section 3.0</b>	<b>Overview of Project and Alternative Routes and Sites</b>	Describes the project as proposed by ITCM, including routes and structures, as well as the route alternatives and route variations studied in this EIS. Section 3.0 also describes the engineering, design and construction of the project.
<b>Section 4.0</b>	<b>Alternatives to the Proposed Project</b>	Discusses the feasibility, availability and potential impacts of system alternatives – i.e., alternatives other than a 345 kV transmission line that may meet the stated need for the project.
<b>Section 5.0</b>	<b>Affected Environment, Potential Impacts and Mitigation Measures</b>	Discusses the resources in the project area and the potential human and environmental impacts of the project, and identifies measures that could be implemented to avoid or mitigate potential adverse impacts. Section 5.0 discusses those impacts and mitigation measures that are common to all of the routes, route alternatives and route variations studied in the EIS.
<b>Section 6.0</b>	<b>Impacts and Mitigation Measures for Specific Regions/Segments</b>	Analyzes the potential human and environmental impacts and mitigation measures for specific regions/segments of the project.
<b>Section 7.0</b>	<b>Relative Merits of Routing Options</b>	Discusses the merits of the routes, route alternatives and route variations studied the EIS relative to the routing factors of Minnesota Rules, part 7850.4100.
<b>Section 8.0</b>	<b>References</b>	Provides references for resources used in development of the EIS.

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Barr Footer: ArcGIS 10.2.1, 2014-06-17 12:31 File: I:\Projects\2346\1023\Maps\Reports\Final\_EIS\Section 01\Map 1-1 - Project Location Map.mxd User: mbs2



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|------------------------|--|--------------------|
| <b>Routes</b>          | Connector Segment  | Municipal Boundary |
| Route A                | Project Substation   | County Boundary    |
| Modified Route A (MRA) | Area of Potential Location for Alternative Southern Huntley Substation | State Boundary     |
| Route B                |  |                    |

Note:  
Anticipated alignments are shown offset for display purposes only. Please refer to more detailed figures for precise alignment placement.

ITC Midwest will be issued a route permit with a specific route width. The proposed route widths are shown in Appendix L.

Map 1-1  
**Project Location Map**  
Minnesota-Iowa 345 kV  
Transmission Project  
ITC Midwest LLC

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