MINNESOTA DEPARTMENT OF COMMERCE

In the Matter of the HVTL Route Permit Application by Minnesota Power for the Great Northern Transmission Line Project and Associated Facilities in Roseau, Lake of the Woods, Beltrami, Koochiching and Itasca Counties, Minnesota

ENVIRONMENTAL IMPACT STATEMENT SCOPING DECISION

PUC DOCKET NO. E015/TL-14-21

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The above matter has come before the deputy commissioner of the Department of Commerce (Department) for a decision on the scope of the environmental impact statement (EIS) to be prepared for the Great Northern Transmission Line (GNTL) project proposed by Minnesota Power (MP) in Roseau, Lake of the Woods, Beltrami, Koochiching and Itasca counties, Minnesota.

Project Description

Minnesota Power (Applicant or MP), in partnership with Manitoba Hydro, proposes to construct a high voltage transmission line (HVTL) from the International border that would terminate at the Blackberry Substation in Itasca County.

The GNTL project includes the construction of a new 500 kV transmission line in Minnesota from the United States/Canadian border to the Minnesota Power Blackberry Substation near Grand Rapids, Minnesota. The 500 kV Line will be approximately 235-270 miles in length, subject to final route approval by the Commission, and will be constructed on a 200 foot wide right-of-way (ROW). The line will provide 883 megawatts (MW) of transfer capability.

Minnesota Power is requesting a route width that is 1,000 to 3,000 feet wide, with structures typically ranging in heights from approximately 100 feet to 150 feet above ground. The Applicant currently estimates between 4 to 5 structures per mile of transmission line. A variety of structure types (self-supporting suspension, guyed delta suspension, and guyed-V suspension) may be used along the route.

Minnesota Power anticipates that construction on the project will begin in the fall of 2016, with an in-service date of mid-year 2020.

Project Purpose

As stated by the Applicant, the primary objective of the GNTL project is to provide increased access to Manitoba hydropower. Additionally, MP states that the project facilitates an innovative wind storage provision in the power purchase agreement (PPA) that leverages the flexible and responsive nature of hydropower to optimize the value of MP's significant wind energy investments and compliments MP's EnergyForward resource strategy.

The GNTL project would provide delivery and access to power generated by Manitoba Hydro's hydroelectric stations in Manitoba, Canada. Minnesota Power, states in its certificate of need (CN) application, that the project is required to facilitate delivery of the combined 383 megawatts (MW) (250 MW PPA and the 133 MW Renewable Optimization Agreement) of hydropower and wind storage energy products to serve Minnesota Power, as well as additional hydropower to other utilities in the United States, thereby meeting future state and regional energy needs. Minnesota Power further states that while large hydropower transfers like this do not satisfy the current renewable energy mandates in Minnesota, such a hydropower transfer could support compliance with renewable energy requirements for utilities in Wisconsin and other states.

Regulatory Background

In Minnesota, no person may construct a high voltage transmission line (HVTL) without a route permit from the Minnesota Public Utilities Commission (Commission) (Minnesota Statute 216E.03). A high voltage transmission line is defined as a conductor of electric energy designed for and capable of operation at a voltage of 100 kV or more and greater than 1,500 feet in length (Minnesota Statute 216E.01). The proposed project will consist of approximately 220 miles of new 500 kV transmission line and therefore requires a route permit from the Commission.

Route permit applications are subject to environmental review conducted by Department of Commerce, Energy Environmental Review and Analysis (DOC-EERA) staff. Projects proceeding under the full permitting process require the preparation of an environmental impact statement (EIS) (Minnesota Statute 216E.03, Subd. 5). Public information and scoping meetings are held to solicit comments on the scope of the EIS. The Department of Commerce (Department) determines the scope of the EIS.[1] The Department may include alternative sites or routes suggested by the public in the scope of the EIS if such alternatives will aid in the Commission's decision on the route permit application (Minnesota Rule 7850.2500). The Department must include those site or routes "the Commission deems necessary that [were] proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate site or routes."[2]

State (Department) and Federal (DOE) Joint Environmental Review

The Department of Energy (DOE) is the lead federal agency for the GNTL project. Pursuant to Executive Order (EO) 10485 of 1953, as amended by EO 12038, and 10 Code of Federal Regulations (CFR) Section 205.320, a Presidential Permit is required for the GNTL project because it will cross the international boundary between Minnesota and Manitoba, Canada.

Since the GNTL project constitutes a Major Federal Action, the DOE must consider the environmental effects of the project, and reasonable alternatives to the project, pursuant to the National Environmental Policy Act (NEPA). An Environmental Impact Statement (EIS) must be prepared to comply with NEPA and DOE's NEPA implementing regulations, 10 CFR Part 1021.

DOE and the Department intend to jointly develop one EIS that meets both agencies' environmental review requirements to minimize duplication of effort.

[1] Minnesota Rule 7850.2500, Subp. 2.
[2] Minnesota Statute 216E.03, Subd. 5.

Scoping Process

Commission staff and DOC-EERA staff, along with the DOE, held eight joint public information and environmental impact statement scoping meetings between July 16 and 24, 2014, across the study area.

The meetings provided the public with the opportunity to learn more about the proposed project, to provide comments on potential environmental issues associated with the project and to put forth alternative routes for consideration. A total of 46 people gave oral comments at the meetings, and their comments were transcribed by a court stenographer.[3]

A comment period, ending on August 15, 2014, provided the public an opportunity to submit comments to DOC-EERA/DOE staff on issues and route alternatives for consideration in the scope of the EIS. DOC-EERA and DOE received scoping comments in the form of 122 written letters, emails or website submittals from private citizens, government agencies, and nongovernmental organizations. Written public comment letters can be found in eDockets (docket No. 14-21 – Public Comments), the DOC web-site (http://mn.gov/commerce/energyfacilities/Docket.html?Id=33847) and are also contained in whole and abridged in the *Scoping Summary Report*.[4]

The *Scoping Summary Report* describes the public scoping process for the EIS that the DOE (DOE/EIS-0499) and DOC-EERA are preparing for the GNTL project. The purpose of the *Scoping Summary Report* is to describe the scoping process; the report contains information on the manner of public notification, venues, dates and times in which the scoping meetings were held, comments received, information on the Workgroup efforts, and requested alternative route segments/alignment modifications. The *Scoping Summary Report* was released on November 13, 2014.

There were 33 alternative route segment (including five border crossing alternatives) and nine alignment modification requests received through the scoping process.

Commission Review

On December 5, 2014, EERA staff provided the Commission with a summary of the EIS scoping process.[5] The summary discussed the route and alignment alternatives that were proposed during the scoping process and those alternatives that the DOC-EERA intended to carry forward for inclusion in the scope of the EIS. On January 6, 2015, the Commission considered what action, if any, it should take with respect to the route alternatives to be considered in the EIS.

The Commission took no action.

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[3] Oral Comments from Public Information and EIS Scoping Meetings, July 16-24, 2014, eDockets Number 20148-102461-01 to 20148-102461-07, [hereinafter Oral Comments].

[4] Scoping Summary Report, November, 2014. eDockets Numbers: 201411-104621-01 to 10, 104622-01 to 09, 104623-01 to 10, 104624-01 to 08, 104625-01 to 07, and 104625-01 to 03.

[5] Department of Commerce, Comments and Recommendations on EIS Scoping Process, December5, 2014, eDockets Number 201412-105219-01.

HAVING REVIEWED THE MATTER, consulted with DOC-EERA staff, and in accordance with Minnesota Rule 7850.2500, I hereby make the following scoping decision:

MATTERS TO BE ADDRESSED

The issues outlined below will be analyzed in the EIS for the proposed Great Northern Transmission Line project. The EIS will describe the project and the human and environmental resources of the project area. It will provide information on the potential impacts of the project as they relate to the topics outlined in this scoping decision, including possible mitigation measures. It will identify impacts that cannot be avoided and irretrievable commitments of resources, as well as permits from other government entities that may be required for the project. The EIS will discuss the relative merits of the route alternatives studied in the EIS using the routing factors found in Minnesota Rule 7850.4100.

I. GENERAL DESCRIPTION OF THE PROJECT

A. Project Description
B. Project Purpose
C. Route Description
   1. Route Width
   2. Right-of-Way
D. Substation/Compensation Station Description
E. Project Costs
   - Construction, Operation and Maintenance

II. REGULATORY FRAMEWORK

A. Certificate of Need
B. High Voltage Transmission Line Route Permit
   - Buy the Farm Provisions
C. Environmental Review Process

III. ENGINEERING AND DESIGN

A. Transmission Line Structures
B. Transmission Line Conductors
C. Substations/Compensation Station

IV. CONSTRUCTION

A. Right-of-Way Acquisition
B. Construction
   1. Transmission Line
   2. Substation/Compensation Station
C. Restoration
D. Damage Compensation
E. Operation and Maintenance
   - Danger trees determination
   - Vegetation management
F. Decommissioning

V. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES

The EIS will include a discussion of the human and environmental resources potentially impacted by the proposed project and the route and alignment alternatives described herein (Section VI). Potential impacts, both positive and negative, of the project and each alternative will be described. Based on the impacts identified, the EIS will describe mitigation measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EIS will describe any unavoidable impacts resulting from implementation of the proposed project.

A. Environmental Setting
B. Socioeconomics
   -Environmental Justice
C. Human Settlements
   1. Noise
      - Blackberry Substation
   2. Aesthetics
      - Big Bog State Recreation Area
      - Itasca County Bass Lake Park
   3. Displacement
      - Eminent Domain
      - Balsam Bible Chapel expansion
   4. Property Values
   5. Public Services
      a) Roads and Highways
         - MnDOT's Utility Accommodation Policy
      b) Airports
      c) Utilities
         - ROW Sharing/paralleling
      d) Emergency Services
   6. Electronic Interference
      a) Radio
      b) Television
      c) Wireless Phone/Internet Services
D. Public Health and Safety
   1. Electric and Magnetic Fields
   2. Implantable Medical Devices
      - Cardiac Pacemakers
   3. Stray Voltage
   4. Induced Voltage
E. Land Based Economies
   1. Agriculture
      a) Compaction
      b) Tile Damage
      c) Aerial Spraying
      d) GPS Systems / Real Time Kinetic Systems
      e) Structure Foundations Obstruction

f) Livestock (including wood bison)
g) Crop production (including organic)

2. Forestry
   - Harvestable Product within ROW
3. Mining
   - Current and Future
4. Recreation and Tourism
   - Snowmobile and ATV Trails

F. Archaeological and Historic Resources
   - Conservation Corps Camp 53

G. Natural Environment
1. Air Quality
   - Green House Gas
2. Water Resources
   a) Surface Waters and Floodplains
   b) Groundwater
      - Wellhead Protection Areas
   c) Wetlands
      - Type Conversion
3. Soils
   - Peatland Soils
4. Flora
   - Invasive Species
   - Habitat Fragmentation
5. Fauna

H. Threatened / Endangered / Rare and Unique Natural Resources
I. Zoning and Land Use Compatibility
   - Use of Existing Rights-of-Way
J. Cumulative Effects
K. Adverse Impacts that Cannot be Avoided
L. Irreversible and Irretrievable Commitments of Resources

The above outline is not intended to serve as a "Table of Contents" for the EIS document, and as such, the organization of the information and data may not be similar to that appearing in the EIS.

VI. ROUTES AND SITES TO BE EVALUATED IN THE ENVIRONMENTAL IMPACT STATEMENT

The EIS will evaluate the routes and associated facilities proposed in Minnesota Power's HVTL route permit application – aka the Blue Route (including C-1 and C-2) and the Orange Route (including J-1 and J-2).

In addition, the following alternative route segments and alignment modifications will be evaluated in the EIS (see description below and attached maps). Alternatives are presented here in a north-to-south fashion – from the border crossing in Roseau County to the terminus at the Blackberry Substation in Itasca County.

Pine Creek Border Crossing Alternative Route Segment (Figure 1). This alternative crosses the border just west of Piney Creek, with the alternative route paralleling 320th Avenue as it runs south along the quarter-sections of Sections 27 and 34 in T164N, Range 41W and continuing through Section 3 of T163N, Range 41W where it joins Minnesota Power's proposed route.

Hwy 310 Border Crossing Alternative Route Segment (Figure 2). This alternative crosses the border east of the Sprague Creek Peatland SNA and follows State Highway 310 until it joins Minnesota Power's proposed route.

500kV Border Crossing Alternative Route Segment (Figure 3). The 500 kV Border Crossing follows the existing 500 kV transmission line from the international border until it joins Minnesota Power's proposed route.

230kV Border Crossing Alternative Route Segment (Figure 4). This alternative follows the existing 230 kV transmission line from the international border until it joins Minnesota Power's proposed route.

Roseau Lake WMA Alternative Route Segment 1 (Figure 5). This alternative follows MN-89 south, crosses MN-11, stair-steps its way south to CR-126, then continues north and east to join Minnesota Power's proposed route.

Roseau Lake WMA Alternative Route Segment 2 (Figure 6). This proposal follows MN-89 south, and then continues east on the south side of the Roseau Lake WMA to 360th Street, and east to the intersection with Minnesota Power's proposed route.

Cedar Bend WMA Alternative Route Segment (Figure 7). This alternative follows the existing 230 kV transmission line from where it intersects Minnesota Power's proposed route, and then turns southeast to continue along the existing 230kV transmission line.

Beltrami WMA Alternative Route Segment 1 North (Figure 8). This alternative crosses the existing 500 kV transmission line south of CSAH 2 and angles to the southeast but north of USFWS parcels. The alternative then follows the north side of the existing 500 kV transmission line (Minnesota Power's proposed route) until the existing 500 kV line turns to the southeast where it connects with Beltrami WMA Alternative Route Segment 1 South, described below.

Beltrami WMA Alternative Route Segment 1 South (Figure 9). This alternative extends from Beltrami WMA Alternative Route Segment 1 North where the existing 500 kV line turns to the southeast. From this point, the alternative crosses to the south side of the existing 230 kV transmission line and continues southeast to join Minnesota Power's proposed Blue Route and thereby passes to the east of USFWS parcels.

Beltrami WMA Alternative Route Segment 2 (Figure 10). This alternative diverges from Minnesota Power's proposed route that parallels the existing 500kV transmission line, goes south around USFWS parcels, then goes north to join Minnesota Power's proposed route.

Beltrami WMA Alternative Route Segment 3 (Figure 11). This alternative diverges from Minnesota Power's proposed route that parallels the existing 500 kV transmission line, goes south and east around USFWS parcels, and then joins with Minnesota Power's proposed route.

Beltrami WMA Alternative Route Segment 4 (Figure 12). This alternative diverges east from Minnesota Power's proposed route that parallels the existing 500 kV transmission line north the USFWS parcels, and connects with the Beltrami WMA Alternative Route Segment 1 on the south side of the existing 230 kV transmission line.

Beltrami WMA Alternative Route Segment 5 (Figure 13). This alternative connects Beltrami WMA Alternative Route Segments 1 and 4, which parallel the existing 230 kV transmission line, south to join Minnesota Power's proposed Blue/Orange route. This alternative retains the viability of Minnesota Power's proposed Orange Route if Beltrami WMA Alternative Route Segments 1 or 4 are selected.

Beltrami WMA Alternative Route Segment 7 (Figure 14). This alternative diverges from the proposed route to create an "L" shape around a USFWS parcel to avoid it.

Beltrami WMA Alternative Route Segment 8 (Figure 15). This alternative diverges from the proposed route to create an "L" shape around three USFWS parcels to avoid them.

Silver Creek WMA Alignment Modification (Figure 16). The modification shifts the anticipated alignment approximately 150 feet south from Minnesota Power's proposed route, creating a new ROW corridor that is separate from the existing 230 kV transmission line ROW corridor.

North Black River Alternative Route Segment (Figure 17). This alternative diverges from Minnesota Power's proposed route and continues along the existing 230 kV transmission line north and east before it joins Minnesota Power's proposed route further east.

Airstrip Alignment Modification (Figure 18). This modification is located approximately 725 feet west of Minnesota Power's proposed C2 Route Alternative. This modification increases the distance between the private airstrip and the anticipated centerline of Minnesota Power's proposed Route Alternative C2.

Mizpah Alignment Modification (Figure 19). This modification shifts the anticipated alignment further to the north from Minnesota Power's proposed route to limit ROW impacts to public lands.

Northome Alternative Route Segment (Figure 20). This alternative moves the route approximately 3,000 feet south from Minnesota Power's proposed alignment and away from the proponent's private property and from USFWS FmHA parcels.

Cutfoot Alternative Route Segment (Figure 21). This alternative moves the route to the southwest from Minnesota Power's proposed route and shifts impacts from private land onto state, county, and corporate lands.

Gravel Pit Alignment Modification (Figure 22). This modification moves the alignment approximately 750 feet to the east of Minnesota Power's proposed alignment. The move places the entire ROW onto public and corporate lands and away from the proponent's gravel pit operation.

Effie Alternative Route Segment (Figure 23a and 23b). This alternative diverges from Minnesota Power's proposed blue route, parallels the existing 230 kV and 500 kV transmission lines located east of Minnesota Power's proposed routes, and joins Minnesota Power's proposed Orange Route.

Bass Lake Alignment Modification (Figure 24). This modification moves Minnesota Power's proposed alignment approximately 750 feet southwest.

Wilson Lake Alignment Modification (Figure 25). This modification moves Minnesota Power's proposed alignment approximately 500 feet to the east.

East Bear Lake Alternative Route Segment (Figure 26). This alternative diverges from Minnesota Power's proposed route, follows the existing 230kV and 500kV transmission line for approximately 4 miles, and then joins Minnesota Power's proposed route.

Grass Lake Alignment Modification (Figure 27). The modification moves Minnesota Power's proposed alignment approximately 900 feet east onto public and corporate lands, while splitting the distance between private residences on Grass and Bray Lakes.

Dead Man's Pond Alignment Modification (Figure 28). This modification moves Minnesota Power's proposed alignment approximately 1,000 feet west across Dead Man's Pond and undeveloped land.

Dead Man's Pond Alternative Route Segment (Figure 29). This alternative moves Minnesota Power's proposed route west of Dead Man's Pond onto public and corporate land and away from the proponent's private property.

Balsam Alternative Route Segment 1 (Figure 30). This alternative diverges from Minnesota Power's proposed Yellow Route to follow the abandoned Minnesota Power 230 kV transmission line, then joins Minnesota Power's proposed Blue/Yellow Route.

Trout Lake Alignment Modification (Figure 31). This modification moves Minnesota Power's proposed alignment further east onto corporate land.

VII. IDENTIFICATION OF PERMITS

The EIS will include a list and description of permits from other government entities that may be required for the proposed project.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL IMPACT STATEMENT

The EIS for the GNTL project will not consider the following:

A. Any route alternative not specifically identified for study in this scoping decision.
B. Policy issues concerning whether utilities or local governments should be liable for the cost to relocate utility poles when roadways are widened.
C. The manner in which land owners are paid for transmission line right-of-way easements.
D. Issues/impacts associated with the development and construction of those components of the project that are occurring within the Canadian jurisdiction and subject to the environmental review procedures of the provincial government.
E. Of the 33 alternative route segments proposed during the scoping process 11 will not be included for further study in the EIS, they are:

- International Boundary Alternative Route Segment (Scoping Summary Report, Appendix F, Figure 1)
- Williams Alternative Route Segment 1 (Scoping Summary Report, Appendix F, Figure 14)
- Williams Alternative Route Segment 2 (Scoping Summary Report, Appendix F, Figure 15)
- Beltrami WMA Alternative Route Segment 6 (Scoping Summary Report, Appendix F, Figure 16)
- Williams Alternative Route Segment 3 (Scoping Summary Report, Appendix F, Figure 17)
- Highway 65 Alternative Route Segment (Scoping Summary Report, Appendix F, Figure 30)
- Balsam Alternative Route Segment 2 (Scoping Summary Report, Appendix F, Figure 35)
- Balsam Alternative Route Segment 3 (Scoping Summary Report, Appendix F, Figure 36)
- East Bear Lake Extended Alternative Route Segment (Scoping Summary Report, Appendix F, Figures 39a/39b)
- Effie Extended Alternative Route Segment (Scoping Summary Report, Appendix F, Figures 39a/38b)
- Peatlands Alternative Route Segment (Scoping Summary Report, Appendix F, Figures 40a/40b)

SCHEDULE

The draft EIS is anticipated to be completed and available in June 2015. Public meetings and a comment period on the draft EIS will follow. Timely and substantive comments on the draft EIS will be responded to in a final EIS. Public hearings will be held in the project area after issuance of the draft EIS and are anticipated to occur in July 2015.

Signed this 9th day of January, 2015

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

William Grant, Deputy Commissioner

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