Federal National Environmental Policy Act (NEPA) implementing regulations require an analysis of the No Action alternative as baseline for analyzing and comparing potential environmental impacts from U.S. Department of Energy's (DOE) proposed Federal action.[57]

In general, if the proposed Project was not permitted, the environmental impacts associated with the proposed Project would not occur. According to the Applicant, however, denial of the federal Presidential Permit or the state Route Permit for the proposed Project would result in a number of negative consequences.

First, not constructing the proposed Project would inhibit the Applicant's ability to connect Manitoba Hydro energy to Minnesota Power consumers and force the Applicant to obtain other energy and capacity purchases to meet the region's long term energy needs. Manitoba Hydro's approved development plan includes construction of the 695 megawatt (MW) Keeyask Generating Station – construction of which began in July 2014. If the proposed Project did not receive a Presidential Permit, the Applicant would not be able to take delivery under the Minnesota Public Utilities Commission (MN PUC) approved 250 MW power purchase agreement (PPA) and the pending 133 MW Renewable Optimization Agreement. This in turn could prevent the Applicant from filling its customers' future energy needs.

Second, even if the Applicant could obtain energy through alternative means, not constructing the proposed Project would leave the existing 500 kV transmission tie line from Manitoba to Forbes as the second largest contingency in the entire Midcontinent Independent System Operator (MISO) footprint (Section 2.2.2). Development of a second 500 kV transmission tie line would reduce loading on the existing transmission line and improve the performance of the transmission system during this contingency. Therefore, not building the proposed Project would result in less-than-optimal transmission reliability.

Finally, taking no action on the proposed Project would negatively affect future North Dakota wind generation options because there would not be enough transmission capacity, and wind farms would continue to be required to shut down their turbines when the wind energy produced exceeds the transmission capacity. According to the MISO Manitoba Hydro Wind Synergy Study, a new 500 kV interconnection with Manitoba would provide "significant benefits" to the entire MISO footprint, including substantial reductions in wind curtailments and better utilization of both wind and hydro resources, meaning increased efficiency of the energy supply system as a whole. Over a 20-year timeframe, these benefits were valued at approximately $1.6 billion in 2012 dollars for the northern MISO region.[58]

Under the Minnesota Power Plant Siting Act (PPSA), the determination of need, including size, type, timing, and other considerations are statutorily prohibited[59] and "need" is not to be evaluated in the Environmental Impact Statement (EIS).[60] Instead, the result of not meeting the underlying need is assessed as part of the state certificate of need process, which is summarized in Section 1.3.2.

57 40 Code of Federal Regulations (CFR) 1502.14(d)

58 Ex. 19 in CN docket, Hoberg Direct, (Midcontinent Independent System Operator (MISO) Hydro Wind Synergy Study)

59 Minnesota Statutes, section 216E.02, subdivision 2

60 Minnesota Statutes, section 216E.03, subdivision 5

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