

July 30, 2014

Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Application Completeness Review
Aurora Distributed Solar Site Permit
Docket No. IP6914/TL-13-591

Dear Dr. Haar:

Attached are the review and comments of the Minnesota Department of Commerce Energy Environmental Review and Analysis (EERA) staff in the following matter:

Application of Aurora Distributed Solar, LLC for a Site Permit for an up to 100 MW distributed solar energy project to be constructed at up to 24 different locations throughout Xcel Energy's Minnesota Service Territory

Aurora Distributed Solar, LLC has submitted an application pursuant to Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850 for a Site Permit to construct up to 24 distributed solar energy generating plants with a total nameplate capacity of 100 MW.

This filing was made on July 9, 2014, by:

Nathan Franzen
Director of Solar
Geronimo Energy
7650 Edinborough Way, Suite 725
Edina, Minnesota 55435

EERA staff is available to answer any questions the Commission may have.

Sincerely,



Suzanne Steinhauer, Environmental Review Manager

EERA Staff

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS**

DOCKET No. IP6928/GS-14-515

Date..... July 30, 2014
EERA Staff: Suzanne Steinhauer(651) 539-1843

Application of Aurora Distributed Solar, LLC for a Site Permit for an up to 100 MW distributed solar energy project to be constructed at up to 24 different locations throughout Xcel Energy’s Minnesota Service Territory

Issues Addressed: Application Completeness and appointment of an Advisory Task Force.

Attachments:

Attachment 1: Department letter informing Aurora of Size Determination

Attachment 2: Proposed Survey of Local and Regional Governmental Units

Additional documents and information can be found on
<http://mn.gov/commerce/energyfacilities/Docket.html?Id=33924> or on eDockets
<http://www.edockets.state.mn.us/EFilin/search.jsp> (14-515).

This document can be made available in alternative formats; i.e. large print or audio tape by calling (651) 539-1530.

Introduction and Background

On July 9, 2014, Aurora Distributed Solar, LLC (Aurora) submitted a site permit application under the alternative permitting process to the Commission for the proposed 100 MW Aurora Distributed Solar Project.

Aurora proposes to construct 100 MW of photovoltaic (PV) solar generation at up to 24 locations in 16 counties. The proposed power plant locations range in nameplate capacity from 1.5 to 10 megawatts (MW). Preliminary estimates of developed area range from approximately 13 to 108 acres.

The project is located in Benton, Blue Earth, Carver, Chippewa, Chisago, Dodge, Goodhue, Kandiyohi, Le Sueur, McLeod, Pipestone, Rice, Stearns, Waseca, Washington, and Wright counties.

Project Description and Purpose

Aurora Distributed Solar, LLC proposes to construct the Aurora Distributed Solar Project to provide distributed solar energy to meet Xcel Energy’s needs for additional capacity in the 2017 to 2019 timeframe. As a result of a competitive resource acquisition process to select resources to meet Xcel Energy’s identified need, the Commission directed Xcel Energy to negotiate a draft power purchase agreement with the Project.

Aurora has identified 24 facility locations where the necessary photovoltaic generation equipment and associated facilities would potentially be installed:

Facility Name	County	Facility Land Control (acres)	Preliminary Development Area (acres)	Preliminary MW (Alternating Current)*
Albany	Stearns	230.6	107.4	10.0
Annandale	Wright	70.6	70.6	6.0
Atwater	Kandiyohi	40.1	36.3	4.0
Brooten	Stearns	13.0	13.0	1.5
Chisago County	Chisago	62.4	60.6	7.5
Dodge Center	Dodge	68.5	60.0	6.5
Eastwood	Blue Earth	49.7	49.7	5.5
Fiesta City	Chippewa	25.6	25.6	2.5
Hastings	Washington	40.6	40.6	5.0
Lake Emily	Le Sueur	46.9	42.4	5.0
Lake Pulaski	Wright	75.8	63.2	8.5
Lawrence Creek	Chisago	74.3	39.4	4.0
Lester Prairie	McLeod	29.9	26.0	3.5
Mayhew Lake	Benton	36.0	21.8	4.0
Montrose	Wright	37.7	34.8	4.0
Paynesville	Stearns	261.9	108.4	10.0
Pine Island	Goodhue	45.9	39.6	4.0
Pipestone	Pipestone	15.8	14.7	2.0
Scandia	Chisago	24.4	23.3	2.5
Waseca	Waseca	89.2	85.2	10.0
West Faribault	Rice	85.5	59.4	5.5
West Waconia**	Carver	75.7	78.1	8.5
Wyoming	Chisago	67.3	62.0	7.0
Zumbrota	Goodhue	35.6	31.9	3.5
Total Under Consideration		1603	1194	130.5

* Final MW- nameplate capacity of each solar energy generating system may vary based on technology selected and final design

** Preliminary Development Area boundary is larger than the Facility Land Control Boundary in this particular instance to accommodate possible interconnections in the public right-of-way on the north side of Highway 5/25.

As shown in the table above, the total nameplate capacity (in MW-Alternating Current) of all the proposed facilities is 130.5 MW. Aurora states that it does not anticipate constructing at all 24 locations, but will determine the final number and combination of facilities constructed during final design. Final design will be informed by site-specific conditions determined through engineering studies, environmental survey results, and interconnections details.

Regulatory Process and Procedures

Minnesota Statute 216E.03, subd. 1 provides that no person may construct a large electric generating plant without a Site Permit from the Commission. A large electric power generating plant is defined as electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts or more (Minnesota Statute 216E.01, subd. 5).

In the 2014 legislative session, the legislature amended Minnesota Statute 216E to provide a process to determine whether a combination of solar energy generating systems meets the definition of a large electric power generating plant. On June 27, 2014, Aurora submitted information to the Department requesting a size determination for the proposed project. On July 29, 2014¹, the Department informed Aurora that, based on the information supplied, the proposed project was a 100 MW large electric power generating plant and was subject to the Commission's siting authority under Minnesota Statute 216E. As a large electric power generating plant, a Site Permit is required prior to construction. The Application was submitted pursuant to the provisions of the Alternative Permitting Process outlined in Minn. Rules 7850.2800-3900.

In the 2014 legislative session, the legislature also amended the types of projects that qualify for review under the alternative permitting process under Minnesota Statute 216E.04 to include large electric power generating plants powered by solar energy. As a large electric power generating plant powered by solar energy, the Aurora Distributed Solar Project qualifies for review under the alternative permitting process. Under Minnesota Statute 216E.04, subd. 1, the Applicant has the option of selecting review under the alternative process outlined in Minnesota Statute 216E.04 rather than the procedures for a full process under 216.03. Aurora has chosen to follow the alternative permitting process.

While the proposed project meets the definition of a large energy facility requiring a Certificate of Need under Minn. Stat. Section 216B.2421, subd. 2, under Minn. Stat. Section 216B.2422, subd. 5(b), the proposed project is exempt from Certificate of Need requirement because it was selected by the Commission through a competitive resource approval process to meet Xcel Energy's electricity generation needs.

Site Permit Application and Acceptance

Site permit applications must provide specific information about the proposed project including, but not limited to, applicant information, site description, environmental impacts, alternatives and mitigation measures (Minn. Rule 7850.3100). The Commission may accept an application

¹ See Attachment 1

as complete, reject an application and require additional information to be submitted, or accept an application as complete upon filing of supplemental information (Minn. Rule 7850.3200).

The review process begins with the determination by the Commission that the application is complete. Application acceptance allows initiation of the public participation and environmental review processes. The Commission has six months to reach a final decision on the site permit application from the date the application is determined to be complete. The Commission may extend this limit for up to three months for just cause or upon agreement of the applicant (Minn. Rule 7850.3900).

Environmental Review

Applications for site permits under the alternative permitting process are subject to environmental review, which is conducted by EERA staff under Minn. Rule 7850.3700. EERA staff will provide notice and conduct a public scoping meeting to solicit public comments on the scope of the environmental assessment (EA). Following the close of the comment period, EERA staff will file comments on alternative site proposals with the Commission. Based on the information received during the scoping process the Deputy Commissioner of the Department of Commerce will determine the scope of the EA.

An EA is a written document that describes the human and environmental impacts of a proposed project (and selected alternative sites) and methods to mitigate such impacts. The EA will be completed and made available prior to the public hearing.

Public Hearing

Applications for site permits under the alternative permitting process require a public hearing upon completion of the EA. The hearing would be conducted in the project area and in accordance with the procedures provided in Minn. Rule 7850.3800.

Public Advisor

Upon acceptance of an application for a site permit, the Commission must designate a person to act as the public advisor on the project (Minn. Rule 7850.3400). The public advisor is available to answer questions for the public about the permitting process. In this role, the public advisor may not act as an advocate on behalf of any person.

Advisory Task Force

The Commission may appoint an advisory task force (Minnesota Statute 216E.08, subd. 1). Minn. Rule 7850.3600 directs the Commission to determine whether to appoint a task force as early in the process as possible. Should the Commission appoint a task force, the Commission must specify in writing the charge to the task force. The charge to the task force includes, at minimum, identification of additional sites or specific impacts to be evaluated in the EA. A task force would terminate upon completion of its charge, designation of alternate sites to be included in the EA, or upon a specific date set by the Commission. An advisory task force appointed to evaluate sites considered for designation must, at minimum, include at least one representative from the applicable Regional Development Commission, county, municipalities and one town board member (Minn. Statute 216E.08, subd. 1).

The Commission is not required to assign an advisory task force for every project. In the event that the Commission does not name a task force, a citizen may request appointment of a task force (Minn. Rule 7850.3600). If such a request were made, the Commission would then need to determine at a subsequent meeting whether a task force should be appointed.

The decision whether to appoint an advisory task force does not need to be made at the time of accepting the application; however, it should be made as soon as practicable to ensure its charge can be completed prior to the EA scoping decision by the Department.

EERA Staff Analysis and Comments

EERA staff conferred with Aurora about the project as the site permit application was developed and provided comments on a draft of the application. Subsequently, EERA staff has conducted a completeness review of the Aurora Distributed Solar Project application filed with the Commission on July 9, 2014, relative to the application content requirements specified in Minn. Rule 7850.3100. Aurora has included a Completeness Checklist table on pages viii through ix of the application, which illustrates the required information and where the information can be found within the document.

EERA staff believes that its comments on the draft application have largely been addressed and that the application meets the content requirements of Minn. Rule 7850.3100 and is substantially complete.

EERA staff does note, however, that the format of the application aggregates information from all 24 potential facility locations, potentially making it difficult for members of the public or local governments to comment on issues or concerns about a particular location. EERA anticipates presenting information on each location in the EA developed for the project. However, EERA strongly recommends that Aurora provide supplemental material briefly summarizing information on each potential facility prior to commencement of the scoping period. EERA staff believes that having summary information for each facility location available to the public at the scoping stage will allow for more meaningful public participation in the EA scoping and aid in the development of a robust record to support the Commission's site permit decision. EERA staff has informed Aurora of its concern in this area, and has reviewed draft material Aurora has developed to address this issue. EERA staff is confident that Aurora will file the requested material, but as staff has not reviewed a complete filing at this time, recommends the Commission accept the application as complete only upon submittal of such supplemental material.

Advisory Task Force

In analyzing the merits of establishing an Advisory Task Force for the project, EERA staff considered four project characteristics: size, complexity, known or anticipated controversy and sensitive resources. The proposed design information and preliminary environmental data contained in the site permit application were used to complete the following evaluation.

Project Size: Although of moderate size in terms of total nameplate capacity (100 MW), the Aurora project is large in terms of total land requirements. Aurora has identified a total preliminary development area of approximately 1,200 acres for the 100 MW project.

Preliminary development areas at individual facilities vary from 13 to 108 acres, with an average development area of approximately 9 acres per MW.

Complexity: Although the proposed project is novel, at least in Minnesota, EERA staff does not believe the proposed project is complex in comparison to many of the linear projects or large electric generating plants permitted by the Commission in other proceedings. Site preparation and construction for photovoltaic facilities is relatively straight-forward. Construction of the project would not entail large-scale excavation or deep foundations. Each facility location is to be constructed separately, with its own relatively short interconnection to a nearby distribution substation.

Known/Anticipated Controversy: To date, EERA staff has not been contacted about concerns with the project as a whole. EERA staff is aware of concerns about individual facility locations related to aesthetic impacts, land use, planning and zoning. The two comments filed in the docket to date are concerned with siting and impacts of individual facility locations. Aurora does not have the authority to exercise eminent domain authority to acquire the land necessary for the project and will acquire the necessary land through negotiated purchase or lease of the land with landowners. EERA staff anticipates that any controversy is likely to be associated with local, site-specific issues.

Sensitive Resources: Approximately 88 percent of the land in preliminary development areas is currently in agricultural use. A records search of the facility locations has identified documented occurrences of some endangered, threatened, or special concern species near or within the area of site control at some facility locations. Aurora has not identified federally listed species within the areas of land control of any of the facilities; occurrences of state listed species are documented at four facilities. Several of the facilities have biologically significant areas (e.g. Regionally Significant Ecological Areas, Native Plant Communities, or Sites of Biodiversity Significance) located adjacent to preliminary development area. There is a Waterfowl Production Areas adjacent to the preliminary development areas of one facility and two facilities are located within a State Game Refuge. As with other issues, EERA staff anticipates that potential impacts to sensitive resources would be related to individual facility locations.

Because of the dispersed nature of the project development EERA staff believes that an advisory task force would not provide an effective process for gathering information to be used in determining the alternatives and impacts to be evaluated in the EA prepared for this proceeding.

EERA staff anticipates that the issues and alternatives that emerge through the scoping process will be related to individual facility locations. Because the facilities are not interconnected, as would be the case in a transmission line that must connect certain substations, the value of having either one large advisory task force, or even smaller regional task forces is not as clear as in the case of other large energy facilities.

As discussed above, the statutory definition of an advisory task force requires participation of a cross-section of local and regional governmental entities. EERA staff believes that convening a task force that can address 24 unique facility locations in 16 counties and eight regional development commissions would not provide the best venue for local representatives to offer

their insight as to concerns and potential site alternatives related to the facilities in their respective areas.

EERA staff believes that the alternative permitting process generally provides adequate opportunity for citizens and state and local governmental units to identify issues and site alternatives to be addressed in the EA.

In an effort to gather information on individual facility locations from the governmental entities typically participating in an advisory task force, EERA staff proposes to survey local units of government (townships, cities, counties, and regional development commissions) where facility locations are proposed and work with them directly to identify issues and alternatives. A draft of the proposed questionnaire is attached as Attachment 2.

As it has in prior projects, EERA staff will assist citizens and governmental units in understanding the scoping process and the process for identifying issues to be addressed and site and alignment alternatives to be considered.

Commerce EERA Recommendations

Commerce EERA staff recommends that the Commission accept the site permit application for the Aurora Distributed Solar Project as substantially complete, pending the submittal of supplemental materials from Aurora. EERA staff recommends that the Commission take no action on an advisory task force at this time.

Aurora Distributed Solar Site Permit Application - Tentative Schedule and Process

Estimated Timeframe	Site Permit Application Process Step	Who
July 9, 2014	Application Submitted	Aurora
July 30, 2014	Application Completeness Comments	EERA
August 6, 2014	Reply Comments	Aurora
August 21, 2014	PUC considers Application Acceptance (meeting)	PUC
August 22, 2014	Public Information Meeting and EA Scoping Notice, EA Scoping Comment Period Begins	PUC staff/ EERA
August 25, 2014	Scoping Questionnaire distributed to local governments	EERA
September 8-19, 2014	Scoping Meetings (5-6 meeting locations)	EERA
September 30, 2014	EA Scoping Comment Period Closes	EERA
October 7, 2014	Memo to PUC on alternative sites	EERA
October 23, 2014	PUC considers alternative sites for EA scope (meeting)	PUC
October 27, 2014	Scope Decision Issued	Department
January 26, 2015	EA Issued	EERA
January 26, 2015	Public Hearing Notice	PUC
February 9 - 13, 2015	Public Hearings	OAH
February 24, 2015	Public Hearing Comment Period Closes File Findings of Fact	OAH Aurora
March 10, 2015	Post-hearing Tech Analysis	EERA

	File Response to Hearing Comments	Aurora
April 9, 2015	ALJ Report	OAH
April 23, 2015	Exceptions to ALJ Report	EERA, Aurora
May 21, 2015	Decision on Site Permit Issuance	PUC



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AN EQUAL OPPORTUNITY EMPLOYER

July 29, 2014

Ms. Betsy Engelking
Vice President
Geronimo Energy
7650 Edinborough Way, Suite 725
Edina, MN 55435

Mr. David Post
Vice President, Business Development
Enel Green Power North America, Inc.
3636 Nobel Drive, #475
San Diego, CA 92122

Dear Ms. Engelking and Mr. Post:

Thank you for the Solar Energy Generating Systems Size Determination Request Form filed June 27, 2014, with the Minnesota Department of Commerce (Department) submitted pursuant to Minnesota Statute 216E.021. The filing concerns the Aurora Distributed Solar Project proposed by Aurora Distributed Solar, LLC (Aurora). The project is proposed to be located at up to 24 locations in Benton, Blue Earth, Carver, Chippewa, Chisago, Dodge, Goodhue, Kandiyohi, Le Sueur, McLeod, Pipestone, Rice, Stearns, Waseca, Washington, and Wright counties.

Based on the information contained in the filing, the Department has determined that the Aurora Distributed Solar Project is an up to 100 megawatt (MW) large electric power generating plant and falls under the Minnesota Public Utilities Commission siting authority under Minnesota Statutes, Chapter 216E.

The Department has based this determination upon the following information provided in Aurora's filing:

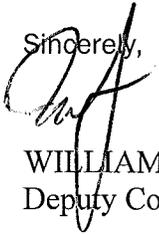
- Construction of the Aurora Distributed Solar Project at the up to 24 facility locations is anticipated to occur within the same 12-month period.
- The Aurora Distributed Solar Project exhibits characteristics of being a single development.
 - It has an ownership structure whereby Aurora currently holds the real property rights of each of the facilities and, although each facility has its own limited liability company, all facility LLCs are wholly-owned subsidiaries of Aurora Distributed Solar, LLC.
 - Aurora is currently negotiating a power purchase agreement with Xcel Energy under which Aurora will sell the full energy output of the 100 MW Project to Xcel Energy.

Ms. Betsy Engelking
Mr. David Post
July 29, 2014
Page Two

- Aurora anticipates that it will earn revenue from the project from the sale of energy pursuant to the power purchase agreement between Aurora and Xcel Energy. It appears likely that, though the revenue may come through the facility LLCs, it will flow to Aurora.
- Aurora anticipates securing a single tax investor or a single tax investor group to invest in all of the facilities comprising the Project.

Please feel free to contact Deborah Pile, Director, Energy Environmental Review and Analysis, if you have any questions about this determination. She can be reached at 651-539-1837 or deborah.pile@state.mn.us.

Sincerely,



WILLIAM B. GRANT
Deputy Commissioner

**Energy Environmental Review and Analysis**

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St. Paul, Minnesota 55101-2198
ph 651.539.1843 | fx 651.539.1547
wwwcommerce.state.mn.us

August 25, 2014

{Name}
{Government Entity}
{Street Address}
{City}, MN {Zip}

Dear {Title} {Last Name},

The Minnesota Department of Commerce (Department) is soliciting comments from local governments and regional development commissions on the Aurora Distributed Solar Project, proposed by Aurora Distributed Solar, LLC (Aurora). I ask that you please read through the letter and attached form and respond to me by **Friday, September 26, 2014**.

Aurora proposes to construct 100 MW of photovoltaic (PV) solar generation at up to 24 locations in 16 counties (see attached map). The proposed power plant locations range in nameplate capacity from 1.5 to 10 megawatts (MW). Preliminary estimates of developed area range from approximately 13 to 108 acres.

The comments will assist the Department's Energy Environmental Review and Analysis (EERA) staff in developing the scope on the Environmental Assessment (EA) that will be prepared for the proposed project. An EA is a written document that describes the human and environmental impacts of a proposed project (and selected alternative sites) and methods to mitigate such impacts.

In particular the Department requests comments on:

- (1) Specific impacts and issues of local concern that should be analyzed in the EA, and
- (2) Identifying any potential alternative locations that should be analyzed in the EA.

Please fill out the attached form or, if more convenient, provide the requested information in another format (e.g. letter, e-mail, resolution) and **e-mail, fax, or mail to be received by 4:30 p.m. on Friday, September 26, 2014**, to:

Suzanne Steinhauer
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101
Suzanne.steinhauer@state.mn.us
phone: 651-539-1843, fax: 651-539-1547

You can learn more about the Aurora Distributed Solar project at:

<http://mn.gov/commerce/energyfacilities/Docket.html?Id=33924>.

Thank you for your consideration of this important matter. Please contact me with any questions.

Sincerely,

Suzanne Steinhauer,
Environmental Review Manager

Enclosure



Local Government Scoping Questionnaire
Aurora Distributed Solar Project
PUC Docket Numbers: E6928/GS-14-515

Name:

Representing:

Phone:

Email:

Proposed Project Location(s) at issue:

Please identify any issues or concerns you may have about the Aurora Project as a whole, or with a proposed facility location in particular (examples might include conflict with existing land use, conflict with local planning and zoning, conflict with anticipated land use or transportation changes):

Are there alternative locations for the proposed project or modification to the footprint of a proposed location that you believe should be evaluated in the Environmental Assessment prepared for this project? In identifying the facility locations proposed in their application, Aurora used the following considerations: Willing landowner¹, parcel suitability - approximately 7 – 10 acres of relatively flat terrain per megawatt, distance to a distribution substation.

¹ Aurora does not have the authority to exercise eminent domain, so must reach a purchase or lease agreement with a willing seller to use the land.



Please describe what potential impact(s) moving the facility from the site identified by Aurora to the proposed alternative location or modifying the footprint of the proposed location might address. It is not expected that you know the answer now, but please provide some rationale for exploration of alternative location (for example, moving the x facility to y location would allow for new commercial development near the proposed new highway interchange).

Please contact Suzanne Steinhauer at 651-539-1843 with any questions.

Please send your response **no later than 4:30 pm Friday, September 26, 2014** to:

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