Appendices

Appendix A. Environmental Assessment Scoping Decision

In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need and Route Permit for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena, and Becker Counties, Minnesota

ENVIRONMENTAL ASSESSMENT SCOPING DECISION

DOCKET NO. ET2, E015/CN-14-787
DOCKET NO. ET2, E015/TL-14-797

The above matter has come before the deputy commissioner of the Department of Commerce (Department) for a decision on the scope of the environmental assessment (EA) to be prepared for the Menahga Area 115 kV transmission line project proposed by Great River Energy and Minnesota Power in Hubbard, Wadena, and Becker counties.

Project Description
Great River Energy and Minnesota Power (applicants) propose to construct approximately 22.5 miles of new 115 kV transmission line from the existing Hubbard substation westward to a new Straight River substation, and then southward to a new Blueberry substation near the city of Menahga and to a new Red Eye substation. The project is proposed to include a short section of double-circuit 115 kV line and modifications to existing substations.

Applicants are requesting a 500 foot route width for the project with a larger route width in select areas. Applicants indicate that the new 115 kV line will require a right-of-way (easement) of 100 feet. Transmission line structures for the new 115 kV line will be 60 to 90 feet in height, with a span between structures in the range of 275 to 400 feet. Applicants indicate that construction on the project is anticipated to commence in late spring 2016 and be completed by early 2017.

Project Purpose
Applicants indicate in their application that the proposed project is needed to relieve potential overloads on the existing 34.5 kV transmission system near the city of Menahga, Minn., and to serve a proposed, new oil pumping station in the area.

Regulatory Background
The applicants' proposed project requires two separate approvals from the Minnesota Public Utilities Commission (Commission) – a certificate of need (CN) and a route permit. The applicants submitted a joint certificate of need and route permit application to the Commission on January 15, 2015. The Commission accepted the application as complete March 18, 2015.

Department of Commerce, Energy Environmental Review and Analysis (EERA) staff is responsible for conducting environmental review for CN and route permit applications submitted to the Commission.[1] As two concurrent environmental reviews are required – one for the CN

[1] Minnesota Rule 7849.1200; Minnesota Rule 7850.3700.

application and one for the route permit application – the Department has elected to combine the environmental review for these applications.[2] An environmental assessment (EA) will be prepared to meet the requirements of both review processes.

Scoping Process

Scoping is the first step in the development of the EA for the project. The scoping process has two primary purposes: (1) to gather public input as to the impacts, mitigation measures, and alternatives to study in the EA, and (2) to focus the EA on those impacts, mitigation measures, and alternatives that will aid in the Commission's decisions on the CN and route permit applications.

EERA staff gathered input on the scope of the EA through a public meeting and an associated comment period. This scoping decision identifies the impacts and mitigation measures that will be analyzed in the EA, including route and site alternatives for the project. Additionally, this scoping decision identifies alternatives to the project itself that will be analyzed in the EA.

Public Scoping Meetings

Commission staff and EERA staff held a joint public information and environmental assessment scoping meeting on March 24, 2015, in the city of Menahga, Minn. Approximately 35 persons attended the meeting. Comments were received from several persons at these meetings. Comments included impacts and mitigation measures to study in the EA, including specific route alternatives.[3] Specific impacts suggested for study included impacts to property values, dairy farms, rare plants, and windbreaks.[4]

Public Comments

A comment period, ending on April 10, 2015, provided the public an opportunity to submit comments on issues and alternatives for consideration in the scope of the EA. Comments were received from 10 persons and one state agency.[5] These comments included impacts and mitigation measures to study in the EA, including specific route and site alternatives.

Commenters noted potential impacts to property values, gravel pits, rare plants, windbreaks, and television/cell phone reception.[6] Commenters also noted potential impacts to beef and dairy cattle.[7] One commenter noted potential impacts to a local cemetery with suggestions for appropriate pole placement.[8]

[2] Minnesota Rule 7849.1900.
[3] Oral Comments on Scope of Environmental Assessment, eDockets Number 20154-109244-01 [hereinafter Oral Comments].
[4] Id.
[5] Written Comments on Scope of Environmental Assessment, eDockets Number 20154-109244-02 [hereinafter Written Comments].
[6] Id.
[7] Id.
[8] Id.

Of the 15 written comments received,[9] 10 of them proposed or supported a route or site alternative to mitigate potential impacts of the project. These alternatives are discussed further below.

Agency Comments

The Minnesota Department of Transportation (MnDOT) noted its accommodation policy for the placement of utilities along and across highway rights-of-way.[10] MnDOT indicated that the applicants' proposed route along Highway 87 west of the city of Menahga may occupy a portion of the highway ROW.[11] Further, MNDOT noted that tree coverage along Highway 87 is extensive, and that MnDOT's roadside vegetation management unit will need to review potential impacts to native plant communities, threatened and endangered plant species, specimen trees, and other woody vegetation along the MnDOT Highway 87 ROW.[12]

Alternatives to the Project

One comment was received during the scoping process that proposed an alternative to the applicants' project.[13] This alternative proposed a relocated and reconfigured Straight River substation, rather than the Hubbard substation, as the northern substation endpoint for the project.[14]

Commission Review

After close of the public comment period, EERA staff conferred with the applicants on the alternatives proposed for study in the EA. On May 6, 2015, EERA staff provided the Commission with a summary of the EA scoping process.[15] The summary discussed the route and site alternatives that were proposed during the scoping process and those alternatives that the Department intended to recommend for inclusion in the scope of the EA. On May 21, 2015, the Commission considered what action, if any, it should take with respect to the route alternatives to be considered in the EA. The Commission took no action.

HAVING REVIEWED THE MATTER, consulted with Department staff, and in accordance with Minnesota Rule 7850.3700, I hereby make the following scoping decision:

MATTERS TO BE ADDRESSED

The issues outlined below will be analyzed in the EA for the proposed Menahga Area 115 kV transmission line project. The EA 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

[9] Some commenters submitted more than one comment during the scoping process.
[10] Written Comments.
[11] Id.
[12] Id.
[13] Id.
[14] Id.
[15] Department of Commerce, Comments and Recommendations on EA Scoping Process, May 6, 2015, eDockets Number 20155-110162-01 [hereinafter Department Comments and Recommendations].

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 EA will discuss the relative merits of the route and site alternatives studied in the EA using the routing factors found in Minnesota Rule 7850.4100.

The EA will include a description and analysis of the human and environmental impacts of the proposed project and alternatives to the project that would have otherwise been required by Minnesota Rule 7849.1500 in an environmental report for a certificate of need. This includes evaluating matters of size, type, and timing that would not normally be included in an EA for a route permit application.

I. GENERAL DESCRIPTION OF THE PROJECT

A. Project Description
B. Project Purpose
C. Route Description
   1. Route Width
   2. Right-of-Way
D. Substation Description
E. Project Costs

II. REGULATORY FRAMEWORK

A. Certificate of Need
B. High Voltage Transmission Line Route Permit
C. Environmental Review Process

III. ENGINEERING AND DESIGN

A. Transmission Line Structures
B. Transmission Line Conductors
C. Substations

IV. CONSTRUCTION

A. Right-of-Way Acquisition
B. Construction
   1. Transmission Line
   2. Substation
C. Restoration
D. Operation and Maintenance

V. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES

The EA will include a discussion of the following human and environmental resources potentially impacted by the proposed project and the route and site 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 EA will describe mitigation measures that could reasonably be implemented to reduce or eliminate the

identified impacts. The EA will describe any unavoidable impacts resulting from implementation of the proposed project.

Data and analyses in the EA will be commensurate with the importance of potential impacts and the relevance of the information to a reasoned choice among alternatives and to the consideration of the need for mitigation measures.[16] EERA staff will consider the relationship between the cost of data and analyses and the relevance and importance of the information in determining the level of detail of information to be prepared for the EA. Less important material may be summarized, consolidated or simply referenced.

If relevant information cannot be obtained within timelines prescribed by statute and rule, or if the costs of obtaining such information is excessive, or the means to obtain it is not known, EERA staff will include in the EA a statement that such information is incomplete or unavailable and the relevance of the information in evaluating potential impacts or alternatives.[17]

A. Environmental Setting
B. Socioeconomics
C. Human Settlements
    1. Noise
    2. Aesthetics
    3. Displacement
    4. Property Values
    5. Public Services
        a) Roads and Highways
        b) Utilities
        c) 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
    3. Stray Voltage
    4. Induced Voltage
    5. Air Quality
E. Land Based Economies
    1. Agriculture
    2. Forestry
    3. Mining
    4. Recreation and Tourism
F. Archaeological and Historic Resources
G. Natural Environment

[16] Minnesota Rule 4410.2300.
[17] Minnesota Rule 4410.2500.

1. Water Resources
   a) Surface Waters
   b) Groundwater
   c) Wetlands
2. Soils
3. Flora
4. Fauna

H. Threatened / Endangered / Rare and Unique Natural Resources
I. Zoning and Land Use Compatibility
J. Electric System Reliability
K. Operation and Maintenance Costs that are Design Dependent
L. Adverse Impacts that Cannot be Avoided
M. Irreversible and Irretrievable Commitments of Resources

VI. ROUTES AND SITES TO BE EVALUATED IN THE ENVIRONMENTAL ASSESSMENT

The EA will evaluate the route and substation sites proposed by the applicants in their joint certificate of need and route permit application. In addition, the following route and substation site alternatives will be evaluated in the EA (see attached map).

Blueberry Route Alternative

This route alternative, in lieu of proceeding along Highway 87 west of the city of Menahga, would instead follow the county line (Wadena Line Rd.) south approximately 0.7 miles and then turn eastward crossing Section 30 of Blueberry Township and enter the Blueberry substation from the west.

Western Blueberry Substation Site Alternative

This site alternative for the Blueberry substation would be located on the western edge of Section 30 of Blueberry Township, at the point where the Blueberry route alternative turns eastward. If the Blueberry substation were constructed at this alternative western site, the existing 34.5 kV line would need to be extended westward to reach the substation. This alternative substation site would only be used in conjunction with the Blueberry route alternative.

Pipeline South Route Alternative

This route alternative would proceed from the Blueberry substation, east along the 34.5 kV line right-of-way, and then southeast along the western edge of the Minnesota Pipeline Company (MPL) right-of-way to the Red Eye substation.

East of 109th Ave. Route Alternative

This route alternative would proceed from the Blueberry substation, south along 111th Ave. and then cross country, east of and parallel to 109th Ave. to County State Aid Highway 13 (CSAH 13). From CSAH 13, this alternative would follow the applicants' proposed route to the Red Eye substation.

119th Ave. Route Alternative

This route alternative would proceed from the Blueberry substation, south along 111th Ave., east along 350th St., and then south along 119th Ave. and cross country to CSAH 13. From CSAH 13, this alternative would follow the applicants' proposed route to the Red Eye substation.

U.S. 71 Route Alternative

This route alternative would proceed from the Blueberry substation, east along the 34.5 kV line right-of-way, and then south along U.S. Route 71 to CSAH 13. From CSAH 13, this alternative would follow the applicants' proposed route to the Red Eye substation.

VII. ALTERNATIVES TO THE PROPOSED TRANSMISSION LINE PROJECT

The EA, in accordance with Minnesota Rule 7849.1500, will describe and analyze the feasibility and availability of the following system alternatives, and the human and environmental impacts and potential mitigation measures associated with each:

A. No-build Alternative
B. Demand Side Management
C. Purchased Power
D. Transmission Line of a Different Size
E. Upgrading of Existing Facilities
F. Generation Rather Than Transmission
G. Use of Renewable Energy Sources

VIII. IDENTIFICATION OF PERMITS

The EA 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 ASSESSMENT

The EA for the Menahga Area 115 kV transmission line project will not consider the following:

A. Any route or site alternative not specifically identified for study in this scoping decision.
B. Any system alternative (an alternative to the proposed transmission line project) not specifically identified for study in this scoping decision.
C. Policy issues concerning whether utilities or local governments should be liable for the cost to relocate utility poles when roadways are widened.
D. The manner in which land owners are paid for transmission line right-of-way easements.
E. Of the alternatives proposed during the scoping process to mitigate potential impacts of the project, the following alternatives will not be included for further study in the EA:

Southern Straight River Substation Site and Route Alternative

This alternative would move the Straight River substation to a more southern location and use this substation, instead of the Hubbard substation, to: (1) feed the new 115 kV line, which would proceed southward out of the substation along the applicants' proposed route, and (2) feed the existing Pipeline substation via a new 34.5 kV line northward along the applicants' proposed route.[18]

This alternative introduces substantial new impacts related to transmission efficiencies and expansion and to project costs.[19] Thus, the alternative would not aid in the Commission's decision on the applicants' route permit application.

Pipeline North Route Alternative

This alternative would proceed from the Straight River substation, along the applicants' proposed route, then along the western edge of the MPL right-of-way for approximately 4.5 miles, and then along 111th Ave. to the Blueberry substation.[20] This alternative would significantly impact two irrigated agricultural fields just south of Hubbard Line Road.[21] Accordingly, this route alternative would not aid in the Commission's decision on the applicants' route permit application.

139th Ave. Route Alternative

This route alternative would proceed from the Blueberry substation, east along the 34.5 kV line right-of-way, and then south along 139th Ave. to CSAH 13. From CSAH 13, this alternative would follow the applicants' proposed route to the Red Eye substation.

This alternative introduces substantial new impacts to forested wetlands and to an industrial area in the city of Menahga.[22] Because of these impacts and because there are other routing alternatives that would avoid the potential impacts noted by the proposers of this alternative without introducing substantial new impacts, the alternative would not aid in the Commission's decision on the applicants' route permit application.

CSAH 23 Route Alternative

This alternative would proceed along County State Aid Highway 23 (CSAH 23) and would include (1) a new 115 kV line along CSAH 23, (2) a new 115 kV line from the Menahga switch station to the proposed Blueberry substation, and (3) a new 34.5 kV line from the Blueberry substation to the Pipeline substation.[23]

This alternative does not meet one of the needs for the project – relief of potential overloads on the existing 34.5 kV system in the project area.[24] Additionally, this alternative introduces substantial new impacts related to electrical reliability, human

[18] Department Comments and Recommendations.
[19] Id.
[20] Id.
[21] Id.
[22] Id.
[23] Id.
[24] Id.

settlements, land-based economies, and the natural environment.[25] Because of these impacts and because there are other routing alternatives that would avoid the potential impacts noted by the proposer of this alternative without introducing substantial new impacts, the alternative would not aid in the Commission's decision on the applicants' route permit application.

SCHEDULE

The EA is anticipated to be completed and available in September 2015. A public hearing will be held in the project area after issuance of the EA and is anticipated to occur in October 2015.

Signed this 26th day of May, 2015

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

William Grant, Deputy Commissioner

[25] Id.