



In the Matter of the Combined Application of North Star Solar PV LLC for a Site Permit and Route Permit for the North Star Solar Electric Power Generating Plant and Associated 115 kV High-Voltage Transmission Line in Chisago County (PUC Docket no. IP6943/GS-15-33)

ENVIRONMENTAL ASSESSMENT SCOPING DECISION

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 North Star Solar Generation and Transmission Project (Project) proposed by North Star Solar PV, LLC (North Star) in North Branch and Lent and Sunrise townships in Chisago County.

Project Description

The Project was proposed in response to Xcel Energy's Solar Request for Proposals (RFP) to help fulfill the Minnesota Solar Energy Standard which requires the company to serve 1.5 percent of its retail load with solar energy by the end of 2020. As a result of the RFP, Xcel Energy negotiated Power Purchase Agreements (PPA) with three of the competing proposals for a total of 187 MW. The three solar projects are (1) Marshall Solar, a 62.25 MW project located near Marshall; (2) MN Solar I, a 24.75 MW project located near Tracy; and (3) the North Star 100 MW Project near North Branch. Xcel Energy's "Solar Portfolio" (see eDocket no. E002/M-14-162) was approved by the Commission at the February 12, 2015, Agenda Meeting.

North Star has secured rights for 1,112 acres of agricultural land north of the Chisago Substation. The final Project design is expected to occupy approximately 800 acres within that boundary (see attached map). The Project's primary components include PV modules mounted on a linear axis tracking system and solar inverters. The racking system foundations will utilize driven posts that for the most part would not require concrete. Other Project components include electrical cables, conduit, electrical cabinets, switchgears, step-up transformers, SCADA systems and metering equipment. The solar facility would be fenced and seeded in a low growth seed mix to reduce stormwater runoff and erosion.

North Star expects to interconnect 100 MW of solar generation (accredited capacity of approximately 68 percent) at the 115 kV bus of Xcel Energy's Chisago Substation in Lent Township (inside the southernmost portion of the Project boundary). This would require building approximately one-half mile of 115 kV line from the Project substation, across property owned by Xcel Energy, to the Chisago Substation.

Regulatory Background

The size of the proposed Project meets the definition of a large energy facility requiring a Certificate of Need under Minnesota Statute 216B.2421, subd. 2. However, under Minn. Statute 216B.243, subd. 9, the proposed Project is exempt from the Certificate of Need requirement because it is a solar electric generating facility that is intended to be used to meet the obligations of Minn. Statute 216B.1691.

Minnesota Statute 216E.03, subd. 1 prohibits construction of 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). Minnesota Statute 216E.03, subd. 2 prohibits construction of a high-voltage transmission line without a route permit from the Commission. A high voltage transmission line is defined as a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of 100 kilovolts or more and is greater than 1,500 feet in length (Minnesota Statute 216E.01, subd. 4).

Session Law 254 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. Minnesota Statute 216E.04, subd. 2 (3), qualifies high-voltage transmission lines of 115 kV as eligible for review under the alternative permitting process. In addition, Minn. Rule 7850.1600 allows the proposer of a large electric power generating plant that will also require a high voltage transmission line to apply for both a site permit for the large electric power generating plant and a route permit for the high voltage transmission line in one application and in one process.

Considering all of the above, North Star Solar PV, LLC has submitted a combined Application for a Site Permit and a Route Permit for review under the provisions of the Alternative Permitting Process as outlined in Minnesota Statute 216E.04 and Minn. Rule 7850.2800-3900.

Scoping Process

Scoping is the first step in the alternative permitting process after application acceptance. The scoping process has two primary purposes: (1) to ensure that the public has a chance to participate in determining what sites and issues are studied in the EA, and (2) to help focus the EA on impacts and issues important to a reasoned site or route permit decision. This scope identifies potential human and environmental issues that will be addressed in the EA. The scope also presents an anticipated schedule of the environmental review process.

Public Scoping Meeting

On April 10, 2015, Commission staff sent notice of the place, date and time of the Public Information and Scoping meeting to those persons on the project contact list maintained by the Commission, the agency technical representatives list and the local landowners list. Notice of the public meetings was also published in the local newspaper, the Chisago County Press, on April 16, 2015.

Commission staff and Department Energy Environmental Review and Analysis (EERA) staff jointly held the public information and scoping meeting on April 30, 2015, proximate to the facility location. The purpose of the meeting was to provide information to the public about the proposed Project, answer questions, and allow the public an opportunity to suggest alternatives and impacts (i.e., scope) that should be considered during preparation of the environmental review document. A court reporter was present at the meeting to document oral statements.

The table below describes the meeting location, approximate attendance and number of speakers.

Public Meeting Summary

Place	Meeting Location	Date and Time	Attendance	Public Comments
Lent Township	Town Hall 33155 Hemingway Avenue	Thursday, April 30, 2015 6:00 p.m.	100	22

Public Comments

EERA received 18 written comments from the public by the end of the scoping comment period on May 15, 2015. EERA also received six letters from federal, state and local governments.

Public comments addressed a variety of concerns, including: compliance with local ordinances; appearance and methods to mitigate the visual impact of the facilities; concern over possible health impacts from EMF; impacts of the proposed facilities on property values of adjacent properties; impacts of the facilities on the local economy; potential wildlife dislocation; the overall appearance of the solar installations and the potential for glare; and impacts of noise during construction and potentially during operation of the facilities. Other letters included comments on personal property rights, support for building in this area of lower yield agricultural lands, and general support for solar energy generation.

The Minnesota Department of Transportation (MnDOT) noted that the Project does not abut a state trunk highway. However, MnDOT requested that any site or route construction work or delivery of materials that may affect MnDOT right-of-way (ROW) should be coordinated with the agency.

The U.S. Fish and Wildlife Service (USFWS) provided a list of species that may occur in the Project vicinity. USFWS did not identify records of any federally listed species or proposed critical habitat in the Project area. They did recommend construction restrictions to protect the Northern Long-eared Bat and migratory birds.

The city of North Branch and Chisago County both submitted letters requesting the Commission consider the existing local solar ordinances when issuing a site permit, especially pertaining to setbacks and screening clauses. Lent Township submitted a similar letter but also included a recommendation for an alternative site (see below).

Scoping comments are available for viewing on the Department’s EERA website; view or download at <http://mn.gov/commerce/energyfacilities/Docket.html?Id=34064>. Alternately, look up on eDockets at <https://www.edockets.state.mn.us/EFiling/search.jsp> (enter “15” for year and “33” for number).

Alternative Sites

References were made during the scoping meeting about the possibility of alternatively siting the Project in the Carlos Avery Wildlife Management Area (WMA) and the possibility of using rooftop installations. The Department concludes that these are not feasible alternates. Use of the Carlos Avery WMA is not feasible because of conflicts with Department of Natural Resources (DNR) intended use policies, including hunting, wildlife habitat protection and availability for public access to the area. Since the facility location proposed by North Star is 800 acres in size, there is simply not enough rooftop space available for a locational match between a utility-scale solar project and the identified interconnection substation.

Lent Proposal. Lent Township proposed a hybrid project area that excluded sections of the North Star proposal and incorporated the combined development of other solar facilities near the proposed North Star Project. In reviewing the Lent Proposal, EERA considered the possibility that impacts of the proposed facility or portions of the facility may be sufficient to either preclude development, or constrain the development of particular sections in such a way that the actual installed generation would be less than what is anticipated in the Application. In such a case, having evaluated the alternative site in the EA could allow for consideration of the alternative site in permitting an adjusted final project boundary area.

North Star stated that relocating or combining any portion of its proposed Project with these properties could be challenging. An active competitor would need to release its rights and control of the parcels in question to North Star.

Alternative Routes

The proposed transmission route is short (1/2 mile), on one owner's property (Xcel Energy) and unopposed. The entire route length is within the proposed Project boundary. No alternative routes were suggested by the public.

Alternative Sites and Routes Included in the EA

On June 4, 2015, EERA staff provided the Commission with a summary of the EA scoping process. The summary indicated that EERA staff favored recommending to the Deputy Commissioner of the Department that the Scoping Decision for the EA include the facility location proposed in the North Star Application and the Lent Proposal alternative site. EERA did not recommend any transmission route alternatives.

On June 19, 2015, the Commission voted to take no action with respect to the alternatives to be considered in the EA. However, the Commission stated it did not consider the Lent Proposal would assist in making the ultimate decision on the permit application (Minn. Rule 7850.3700); especially considering the Applicant's lack of interest in developing in that area and the Commission's own concerns about permitting a site currently controlled by other developers.

Given the lack of interest by the Applicant in expanding its Project boundary to include any of the alternative site, and given the concerns of the Commission in considering that alternative site for permitting, this Scoping Decision will include for review in the EA only the site and route in North Star's Joint Site and Route Permit Application.

HAVING REVIEWED THE MATTER, consulted with Department EERA 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 identified and described in the Environmental Assessment for the proposed North Star Solar Generation and Transmission Project. The EA will describe the Project and the human and environmental resources at the facility location. The EA will also provide information on the potential impacts of the proposed Project as they relate to the topics outlined in this scoping decision, including possible mitigation for identified impacts, identification of irretrievable commitment of resources, and permits from other government entities that may be required for construction of the Project.

The EA on the North Star Project will address and provide information on the following matters:

- I. Project Description**
- II. Project Purpose**
- III. Regulatory Framework**
 - a. Certificate of Need
 - b. Site and Route Permits
 - c. Scoping Process
 - d. Public Hearing
 - e. Other Permits
 - f. Issues outside the EA
- IV. Proposed Project**
 - a. Proposed Facility Location
 - b. Alternative Sites Considered and Rejected
 - c. Site Requirements
 - d. Project Design
 - e. Project Construction
 - f. Project Operation and Maintenance

V. Potential Impacts of Proposed Project

The EA will include a discussion of the following human and environmental resources potentially impacted by the proposed project. Potential impacts, both positive and negative, of the Project 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 decision and to the consideration of the need for mitigation measures (Minn. Rule 4410.2300). 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 describe the relevance of the information in evaluating potential impacts or mitigation (Minn. Rule 4410.2500).

- a. Human Settlement
 - i. Public Health and Safety
 - ii. Displacement
 - iii. Noise
 - iv. Aesthetics
 - v. Socioeconomics (including property values)
 - vi. Cultural Values
 - vii. Recreation
 - viii. Public Services and Infrastructure
 - ix. Land Use and Zoning

- b. Land Based Economies
 - i. Agriculture
 - ii. Forestry
 - iii. Tourism
 - iv. Mining

- c. Archaeological and Cultural Resources

- d. Natural Environment
 - i. Air
 - ii. Geology, Soils and Groundwater
 - iii. Surface Water
 - iv. Wetlands
 - v. Vegetation
 - vi. Wildlife
 - vii. Rare and Unique Natural Resources

VI. Unavoidable Impacts

VII. Irreversible and Irretrievable Commitments of Resources

SITES TO BE EVALUATED IN THE ENVIRONMENTAL ASSESSMENT

The EA will evaluate the facility location and route proposed by North Star in its Joint Site and Route Permit Application (see attached map). No other locations will be evaluated in the EA.

IDENTIFICATION OF PERMITS

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

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The EA for the North Star Solar Project will not consider the following:

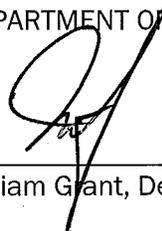
- A. No-build alternative.
- B. Issues related to project need, size, type, or timing.
- C. Any site or route alternative not specifically identified in this scoping decision.
- D. The manner in which land owners are compensated for site and route contracts and easement, as that is outside the jurisdiction of the Commission.

SCHEDULE

The Environmental Assessment is anticipated to be completed and available by September 2015. A public hearing will be held in the Project area after the Environmental Assessment has been issued and notice served.

Signed this 24th day of June, 2015

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



William Grant, Deputy Commissioner

PRELIMINARY NORTH STAR FACILITY LOCATION AND DESIGN

