



85 7TH PLACE EAST, SUITE 500
SAINT PAUL, MINNESOTA 55101-2198
MN.GOV/COMMERCE
651.539.1500 FAX: 651.539.1547
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June 22, 2015

Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Comments and Recommendations of Department of Commerce
Energy Environmental Review and Analysis Staff
Docket No. ET2, E015/TL-15-204

Dear Mr. Wolf,

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

In the Matter of the Application of Great River Energy and Minnesota Power for a
Certificate of Need and Route Permit for the Motley Area 115 kV Transmission Line
Project in Morrison, Cass, and Todd Counties, Minnesota

The application was filed on January 15, 2015, by:

Mark Strohfus
Great River Energy
12300 Elm Creek Blvd.
Maple Grove, MN 55369

EERA staff is providing the Commission with a summary of the scoping process for the
environmental assessment (EA) that will be prepared for this project and the alternatives that
EERA staff intends to recommend for inclusion in the scope of the EA. Staff is available to
answer any questions the Commission may have.

Sincerely,

A handwritten signature in cursive script that reads "Richard Davis".

Richard Davis
EERA Staff

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. ET2, E015/TL-15-204

Date: June 22, 2015

EERA Staff: Richard Davis.....651-539-1846

In the Matter of the Application by Great River Energy and Minnesota Power for a Certificate of Need and Route Permit for the Motley Area 115 kV Transmission Line Project in Morrison, Cass, and Todd Counties, Minnesota

Issues Addressed: These comments and recommendations address the environmental assessment (EA) scoping process, the alternatives proposed during the scoping process, and those alternatives which Department of Commerce, Energy Environmental Review and Analysis staff intends to recommend for inclusion in the scope of the EA.

Additional documents and information can be found on eDockets:

<https://www.edockets.state.mn.us/EFiling/search.jsp> (15-204) and on the Department's website: <http://mn.gov/commerce/energyfacilities/Docket.html?Id=34095>.

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

Introduction and Background

On March 19, 2015, Great River Energy and Minnesota Power (applicants) filed a joint certificate of need and route permit application to construct and operate a new 115 kilovolt (kV) transmission line and associated facilities in the Minnesota counties of Morrison, Cass, and Todd.¹ On May 27, 2015, the Commission accepted the application as complete.² In accordance

¹ Great River Energy and Minnesota Power, Application to the Minnesota Public Utilities Commission for a Certificate of Need and Route Permit for the Motley Area 115 kV Transmission Line Project, March 19, 2015, eDockets Numbers [20153-108405-01](#), [20153-108405-02](#), [20153-108406-01](#), and [20153-108407-01](#) [hereinafter CN and Route Permit Application].

with Minnesota Rule 7850.3700, Department of Commerce, Energy Environmental Review and Analysis (EERA) staff initiated the scoping process for preparation of an environmental assessment (EA). Based on public input from the scoping process, the Deputy Commissioner of the Department of Commerce will finalize and issue the scoping decision for the EA that will be prepared for the project.³

Project Description

Applicants are proposing to construct 15.5 to 16.5 miles of new single circuit 115 kV high voltage transmission line (HVTL) and associated facilities. The new single circuit 115 kV HVTL would begin at a new Crow Wing Power (CWP) Fish Trap Lake Substation and connect to the existing Minnesota Power (MP) "24 Line" transmission line; it will be renamed "155 Line" after project completion. The CWP Fish Trap Lake Substation will serve the new Minnesota Pipe Line Company (MPL) Fish Trap pump station.

The Project also includes upgrades to the existing Motley Substation from a 34.5 kV service to a 115 kV service and the addition of a three way switch to allow for the future CWP Shamineau Substation. Additionally, a more reliable ring bus breaker design will be added to the existing MP Dog Lake Substation, and a one-half mile connecting transmission line from the MP Dog Lake Substation to the MP "24 Line" will be constructed as part of the Project.

Applicants are requesting a total route width that will vary between 250 and 995 feet depending on the existing land uses of the adjacent properties;

- Where the route extends across open lands not following existing roadways a 250 foot wide route width is requested.
- A 300 foot route width is requested where the route follows rural roads and county highways, which will include an area 150 feet in each direction perpendicular of the road centerline.
- Where the route follows U.S. Highway 10 the applicants request that the edge of the route extend out to 250 feet from the road edge of both the southbound and northbound lanes of U.S. Highway 10, which will result in a route width varying between 975 and 995 feet due to varying highway median width.
- Applicants have also requested additional route width at specific locations;
 - at the interconnection of the new transmission line and the MP 24 line
 - segments crossing the Crow Wing River
 - near the Motley Substation
 - near a large elm tree on the south side of Azalea Road
 - along the East Route option in Cass County at the intersection of 51st Ave SW and 132nd St SW
 - in the area of the proposed MPL Fish Trap pump station
 - in specific areas to allow for the use of guy wires

² Commission Order Finding Application Complete, Directing Use of Informal Review Process, and Authorizing Joint Proceedings and Combined Environmental Review, May 27, 2015, eDockets Number [20155-110745-01](#) [hereinafter Commission Application Completeness Order].

³ Minnesota Rule 7850.3700.

Applicants indicate that the new 115 kV line will require a right-of-way (easement) of 100 feet in most segments, but they may consider reduced easements to 70 feet wide in special restrictive or physically limiting areas. 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 250 to 400 feet. Some sections of the project will include underbuild, distribution lines attached to the transmission structures. Project sections including underbuild will have a structure spacing of approximately 250 to 350 feet. Applicants indicate that construction on the project is anticipated to commence in late 2016 and be completed by early fall of 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 Motley, and to serve a proposed, new oil pumping station in the area.

Regulatory Process and Procedures

In Minnesota, no person may construct a high voltage transmission line without a route permit from the Commission.⁴ 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.⁵ The proposed project includes approximately 15.5 to 16.5 miles of new 115 kV transmission line and therefore requires a route permit from the Commission.

The proposed project will operate at a voltage greater than 100 kV and will have a length in Minnesota greater than 10 miles; thus, the project, per Minnesota Statute 216B.2421, is a large energy facility and requires a certificate of need from the Commission.⁶

Applicants intending to submit a project under the Commission's alternative permitting process for high voltage transmission lines are required to provide a 10-day advance notice of this intent to the Commission before submitting their route permit application.⁷ On March 5, 2015, the applicants filed a letter with the Commission indicating their intent to submit a route permit application for the proposed project under the alternative permitting process.⁸ Because the project will operate at a voltage between 100 and 200 kV, the project qualifies for the Commission's alternative permitting process.⁹

Environmental Review

Route permit applications for transmission lines are subject to environmental review conducted by EERA staff. Projects proceeding under the alternative permitting process require the preparation of an environmental assessment (EA).¹⁰ An EA is a document which describes the

⁴ Minnesota Statute 216E.03.

⁵ Minnesota Statute 216E.01.

⁶ Minnesota Statute 216B.243.

⁷ Minnesota Rule 7850.2800.

⁸ Notice of Intent by Great River Energy and Minnesota Power to Submit a Route Permit Application under the Alternative Permitting Process, March 5, 2015, eDockets Number [20153-107944-01](#).

⁹ Minnesota Statute 216E.04, Subd. 2.

¹⁰ Minnesota Rule 7850.3700.

potential human and environmental impacts of a proposed project and possible mitigation measures. Certificate of need applications for transmission lines are also subject to environmental review conducted by EERA staff; staff must prepare an environmental report (ER) for such projects.¹¹

If an applicant for a certificate of need applies for a route permit (for the same project) prior to completion of the ER, EERA staff may elect to prepare an EA in lieu of an ER.¹² If an EA is prepared in lieu of an ER, the EA must include an analysis of alternatives to the project required by Minnesota Rule 7849.1500.¹³ For the applicants' proposed project, EERA staff has elected to prepare one environmental review document for the project, an EA.

The first step in the preparation of the EA for the project is scoping.¹⁴ After providing opportunity for public comment on the scope of the EA, the Department of Commerce (Department) determines the scope of the EA.¹⁵

Scoping Process Summary

Commission staff and EERA staff held a joint public information and environmental assessment scoping meeting on May 19, 2015, in the city of Motley, Minnesota. Approximately 50 people attended the meeting. Comments were received from several people at the meeting; many of these comments were regarding specific natural resource concerns in the area and also individuals indicating a preference for one of the applicants proposed alternatives.¹⁶

A comment period, ending on June 3, 2015, provided other state agencies, federal agencies, and the public an opportunity to submit comments to EERA staff on issues, mitigation measures, and alternatives for consideration in the scope of the EA. Comments were received from three state agencies, one federal agency, and 11 members of the public.¹⁷¹⁸

EERA Staff Analysis and Comments

The scoping process for environmental review in Minnesota is designed to identify and analyze "only those potentially significant issues relevant to the proposed project" and alternatives to the project.¹⁹ With respect to route and site alternatives, the Department is charged with including those alternatives which will "assist in the [Commission's] ultimate decision on the permit application."²⁰

¹¹ Minnesota Rule 7849.1200.

¹² Minnesota Rule 7849.1900.

¹³ Id.

¹⁴ Minnesota Rule 7850.3700.

¹⁵ Id.

¹⁶ Scoping and Informational Meeting Minutes, eDockets Number [20156-111508-03](#) [hereinafter Oral Comments].

¹⁷ Motley Area Written Public Comments, eDockets Number [20156-111508-01](#) [hereinafter Written Comments].

Some members of the public submitted more than one written comment. The total number of written citizen comments submitted was 17.

¹⁸ MNDOT Comments, eDockets Number [20155-110935-01](#)

¹⁹ Minnesota Rule 4410.2100, Subp. 1.

²⁰ Minnesota Rule 7850.3700, Subp. 2B.

When route and site alternatives are proposed during the scoping process that could be carried forward for evaluation in the environmental review document for a project, EERA staff analyzes these alternatives using five criteria:

- 1) Was the alternative submitted in a timely manner, i.e., prior to the end of the public comment period for scoping?
- 2) Does the alternative contain “an explanation of why the site or route should be included in the [environmental review document]”? EERA staff interprets this text to require that route and site alternatives – to be included in the scope of the environmental review document – must mitigate a potential impact of the proposed project, and this mitigation must be, in general terms, explained by the proposer of the route or site alternative.²¹ The proposer need not provide extensive supporting data for their alternative, but must provide enough explanation such that it is fairly clear the potential impact(s) being mitigated by the route or site alternative.
- 3) Is the alternative outside of areas prohibited in Minnesota Rules 7850.4300, e.g., state and national parks?
- 4) Does the alternative meet the applicant’s stated need for the project?
- 5) Is the alternative feasible? Can the alternative be constructed and is it permissible by state and federal agencies with authority for construction or operation of the project?

Finally, EERA staff analyzes the remaining alternatives to determine if evaluation in the EA would aid in the Commission’s decision on the permit application. This includes comparing the alternative to other alternatives that could avoid or mitigate the impacts described by the proposer of the alternative and determining if the alternative is likely to negatively impact any of the routing factors of Minnesota Rule 7850.4100 relative to the proposed route.

EERA staff has used the above the criteria to analyze the alternatives proposed during the scoping process.

Six alternatives were proposed during the scoping process. These alternatives are:

- Todd-Wadena alternative
- MN Highway 64 and MN Highway 10 alternative
- Further East Toward Pillager alternative
- East of Highway 10 alternative
- MP Land East River Crossing alternative
- Old Tree Avoidance alternative

²¹ As an example, if a proposed transmission line proceeds past 10 residences and a citizen suggests route alternative A, which also proceeds past 10 residences but in another location, it is not clear how alternative A mitigates potential impacts of the project.

With respect to the above criteria, all six alternatives were timely and are outside areas prohibited in Minnesota Rule 7850.4300.

Alternative Routes

The first two alternatives – Todd-Wadena alternative and the MN Highway 64 and MN Highway 10 alternative – are alternative routes, that is, they would be located outside of the applicants' proposed route. The third, Further East Toward Pillager alternative, suggested no specific location or explanation of the impact(s) to be mitigated beyond general concerns which would apply to any property crossed by the project. EERA staff concludes that evaluation of these three alternative routes in the EA would not aid in the Commission's decision on the applicants' route permit application.

Todd-Wadena alternative

EERA staff believes that the Todd – Wadena alternative does not meet the stated need for the project. A route utilizing the Ward Substation, located west of the proposed Fish Trap Lake Substation, was considered and rejected in the applicants' CN and Route Permit Application. One of the reasons the applicants rejected this route was due to the fact that it does not facilitate upgrading Crow Wing Power's Motley Substation, which is an identified need for the proposed project. Additionally, utilizing a route from the west of the proposed Fish Trap Lake Substation would require a second river crossing at the Long Prairie River, and the additional length of a route from the west and the necessary underbuild of existing transmission lines would result in more project costs.

MN Highway 64 and MN Highway 10 alternative

The MN Highway 64 and MN Highway 10 alternative was suggested by two citizens. The MN Highway 64 and MN Highway 10 alternative would hook into the Minnesota Power 24 Line directly north of the city of Motley at the lines intersection with MN Highway 64. The MN Highway 64 and MN Highway 10 alternative would then travel south along highways 64 and 10 through Motley. Although this is a more direct route to the proposed Fish Trap Lake Substation, ultimately the total proposed project length does not become shorter. To meet the stated needs of the proposed project the proposed common route extending from MN Highway 10 east along Azalea Road to the Motley Substation must be concluded to facilitate proposed substation upgrades. Thus, the MN Highway 64 and MN Highway 10 alternative does not reduce the total footprint of the proposed project.

In addition, attempting to bring the proposed route through the city of Motley is problematic. Mr. Mark Strohfus addressed the issue of bringing the proposed route through Motley during the May 19, 2015, EA Scoping and Public Information Meeting. Mr. Strohfus stated that GRE did not consider following MN Highway 10 through Motley to be a viable build option because the proposed project will need a 100 foot wide right-of-way, and Highway 10 through downtown Motley is simply too crowded. Transmission lines have been sited through cities, such as in the Hiawatha and Chisago projects, where options for doing so are limited or not possible. However, in this case, options for avoiding downtown Motley are available.

Alignment Alternatives

The remaining three alternatives are alignments within the applicants' proposed route. EERA staff intends to evaluate these alignment alternatives in the EA that will be prepared for the project:

- East of Highway 10 alternative
- MP Land East River Crossing alternative
- Old Tree Avoidance alternative

East of Highway 10 alternative

Ms. Kim Carlson recommended the proposed project's common route to follow MN Highway 10 south of Motley be placed on the east side of MN Highway 10.²² Ms. Carlson has indicated that currently there are 19 landowners with driveway access along the west side of MN Highway 10 that would be impacted by the proposed project. However, if the proposed line was moved to the east side of MN Highway 10 there are currently only five landowners with driveway access to Highway 10 that would be impacted.

Additionally, Ms. Clark also states that more areas have already been cut for transmission line placement on the east side of MN Highway 10 when compared to the west side. Ms. Clark believes that with the existing degree of tree clearing completed on the east side of MN Highway 10, placement of the proposed transmission line on the east side will result in reduced vegetation clearing costs and reduced loss of trees.

Based on our review, the proposed project route along MN Highway 10 extends both east and west of the highway, so the EA will include review and analysis of both sides of MN Highway 10 along the project's proposed common route. Thus, Ms. Carlson's recommended alignment will be analyzed in the EA.

MP Land East River Crossing alternative

Mr. Daniel Donahue recommended that the east option of the proposed route cross the Crow Wing River approximately 100 to 200 yards south of the proposed crossing.²³ The proposed east option route would follow Azalea Road (Highway 26) slightly to the southeast in section 27 of Motley Township and then cross the Crow Wing River to the east to section 26 of Motley Township and then the proposed route would travel north. Mr. Donahue has indicated that the land to the east of Crow Wing River is owned by Minnesota Power Company, one of the applicants. Thus, EERA staff understands Mr. Donahue's alternative route for the Crow Wing River crossing on the proposed east route option is related to aesthetic impacts.

Based on review of Cass County, Minnesota Interactive Mapping website, EERA staff believes the property to the east of the Crow Wing River where the MP Land East River Crossing alternative is proposed is owned by Minnesota Power and Light Company, one of the project

²² Motley Area Written Public Comments, eDockets Number [20156-111508-01](#)

²³ Motley Area Written Public Comments, eDockets Number [20156-111508-01](#)

applicants.²⁴ Based on our review of the proposed project route, Mr. Donahue's alternative would be located within the area that will be analyzed during development of the EA. Thus, Mr. Donahue's recommended alignment will be analyzed in the EA.

Old Tree Avoidance alternative

Mr. Greg Frisk has recommended that the common route of the proposed project extending east along the south side of Azalea Road be constructed in a manner that will avoid the removal and damage of an old large tree on the Randy Frisk property.²⁵ The tree is located approximately a half mile east of MN Highway 10 on the south side of Azalea Road.

EERA staff believes consideration of the Old Tree Avoidance alternative may be accomplished within the proposed project route. Thus, Mr. Frisk's recommended alignment will be analyzed in the EA.

²⁴ Cass County, Minnesota, Interactive Web Mapping,
<http://www.co.cass.mn.us/link/jsfe/index.aspx?defaultRole=Public>

²⁵ Motley Area Written Public Comments, eDockets Number [20156-111508-01](#)