



In the Matter of Mankato Energy Center II, LLC's Application for a Site Permit for the 345 MW Expansion of the Mankato Energy Center

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION**

DOCKET NO. IP6949/GS-15-620

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 Mankato Energy Center expansion project proposed by Mankato Energy Center II, LLC in Blue Earth County.

Project Description

Mankato Energy Center II, LLC (applicant) proposes to add a combustion turbine generator, a heat recovery steam generator, and associated equipment to the existing Mankato Energy Center (MEC) in the city of Mankato, Blue Earth County. This expansion of the MEC will allow for the production of an additional 345 megawatts of electrical power. The MEC was designed and constructed to accommodate this expansion.

The project will use natural gas as a fuel source. Existing infrastructure installed for the MEC (e.g., electrical transmission, gas pipeline, water service) will be used for the expansion project. The applicant indicates that construction of the project is anticipated to begin in 2016, with a projected operational date of July 1, 2018.

Project Purpose

The MEC expansion project was selected in a Commission resource acquisition process to provide a new source of electrical power to meet the projected needs of Xcel Energy's electric power customers.

Regulatory Background

The applicant's proposed project requires a site permit from the Minnesota Public Utilities Commission (Commission). The applicant submitted a site permit application to the Commission on August 5, 2015. The Commission accepted the application as complete on October 14, 2015.

Department of Commerce, Energy Environmental Review and Analysis (EERA) staff is responsible for conducting environmental review for site permit applications submitted to the Commission.¹ The site permit application is being reviewed under the alternative permitting process; accordingly, EERA staff will prepare an environmental assessment (EA) for the project.²

¹ Minnesota Statute 216E.04.

² Minnesota Rule 7850.3700.

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 and mitigation measures to study in the EA, and (2) to focus the EA on those impacts and mitigation measures that will aid in the Commission's decision on the site permit application.

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.

Public Scoping Meeting

Commission staff and EERA staff held a joint public information and environmental assessment scoping meeting on October 13, 2015, in the city of Mankato, Minn. Three persons attended the meeting; these persons made no comments on the project.³

Public Comments

A comment period ending on October 27, 2015, provided the public an opportunity to submit written comments on impacts and mitigation measures for consideration in the scope of the EA. Comments were received from one person and two state agencies.⁴ These comments did not identify specific impacts or mitigation measures to study in the EA.

Agency Comments

The Minnesota State Historic Preservation Office noted that, based on its review of the project, there were no archaeological or historic resources in the project area that would be impacted by the project.⁵

The Minnesota Department of Transportation (MnDOT) noted that the project did not appear to impact MnDOT right-of-way.⁶ MnDOT indicated that consideration should be given to the movement of oversize/overweight equipment for the project, and that the applicant should coordinate with MnDOT if such equipment is transported on local highways.⁷

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 Mankato Energy Center expansion project. The EA will describe the project and the human and environmental resources

³ Comments on Scope of Environmental Assessment, eDockets Number [201510-115183-01](#).

⁴ Id.

⁵ Id.

⁶ Id.

⁷ Id.

of the project area. It will provide information on the potential impacts of the project 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 project with respect to the siting factors found in Minnesota Rule 7850.4100.

I. GENERAL DESCRIPTION OF THE PROJECT

- A. Project Description
- B. Project Purpose
- C. Project Costs

II. REGULATORY FRAMEWORK

- A. Certificate of Need
- B. Large Electric Power Generating Plant Site Permit
- C. Environmental Review Process
- D. Other Permits and Approvals

III. ENGINEERING, DESIGN, AND CONSTRUCTION

- A. Power Generation Systems
- B. Air Emission Controls
- C. Water Use
- D. Fuel Supply
- E. Electrical Interconnection
- F. Project Construction

IV. 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. 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 consideration of the need for mitigation measures.⁸ 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

⁸ Minnesota Rule 4410.2300.

incomplete or unavailable and the relevance of the information in evaluating potential impacts.⁹

- A. Environmental Setting
- B. Socioeconomics
- C. Human Settlements
 - 1. Noise
 - 2. Aesthetics
 - 3. Displacement
 - 4. Cultural Values
 - 5. Public Services
 - 6. Zoning and Land Use Compatibility
- D. Public Health and Safety
 - 1. Air Emissions and Air Quality
 - 2. Cooling Tower Plumes
 - 3. Fire / Electrical
- E. Land Based Economies
 - 1. Agriculture
 - 2. Forestry
 - 3. Mining
 - 4. Recreation and Tourism
- F. Archaeological and Historic Resources
- G. Natural Environment
 - 1. Water Resources
 - 2. Air Resources
 - 3. Flora
 - 4. Fauna
- H. Threatened / Endangered / Rare and Unique Natural Resources
- I. Costs that are Design Dependent
- J. Adverse Impacts that Cannot be Avoided
- K. Irreversible and Irretrievable Commitments of Resources

V. SITES TO BE EVALUATED IN THE ENVIRONMENTAL ASSESSMENT

The EA will evaluate the site proposed by the applicant in their site permit application (see attached map). No other sites will be will be evaluated in the EA.

VI. 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.

⁹ Minnesota Rule 4410.2500.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The EA for the Mankato Energy Center expansion project will not consider the following:

- A. No-build alternative.
- B. Issues related to project need, size, type, or timing.
- C. Any site alternative not specifically identified for study in this scoping decision.
- D. The manner in which landowners are compensated for sites.

SCHEDULE

The EA is anticipated to be completed and available in February 2016. A public hearing will be held in the project area after issuance of the EA and is anticipated to occur in March 2016.

Signed this 3rd day of November, 2015

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



William Grant, Deputy Commissioner

Mankato Energy Center Expansion Project Site Location Map

