Appendix A

Scoping Decision

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In the Matter of the Application of Great River Energy for a Route Permit under the Alternative Permitting Process for the Palisade 115 kV Project in Aitkin County, Minnesota

Environmental Assessment Scoping Decision

eDockets No. ET2/TI-15-423 Scoping Decision

The above matter has come before the Deputy Commissioner of the Department of Commerce (Commerce) for a decision on the scope of the environmental assessment (EA) to be prepared for the Palisade 115 kV Transmission Project (project) proposed by Great River Energy (applicant) in Aitkin County, Minnesota.

Project Purpose

Great River Energy has proposed the project to provide electric service to Enbridge Energy's proposed Palisade Pump Station. Enbridge Energy proposes to construct the Palisade Pump Station on the east side of US Highway 169, south of 510th Lane as part of its proposed Line 3 Pipeline Replacement Project.[1]

Project Description

Great River Energy proposes to supply power to Enbridge Energy's proposed Palisade Pump Station through a new overhead 13-mile 115 kV transmission line connecting the pumping station with a new Rice River Breaker Station along Minnesota Power's 115 kV "13 Line."

Great River Energy's proposed route parallels US Highway 169 for the majority of the route. In its route permit application, Great River Energy proposed two route options for crossing the Mississippi River:

- East Crossing Option: this option would continue to parallel US Highway 169 across the Mississippi;
- West Crossing Option: approximately four miles north of the Rice River Breaker Station this option would turn west and then northwest to establish a new crossing of the Mississippi River before turning northeast for approximately one mile along County State Aid Highway 21 and continuing along US Highway 169.

Great River Energy requests a route width of 400 feet, 200 feet each side of the Highway 169 centerline, for the majority of the route. Great River Energy requests a wider route width to allow for some design flexibility in the areas surrounding the proposed Enbridge

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[1] As part of the proposed Line 3 Replacement Project (PL-9/PPL-15-137), Enbridge proposes to construct eight pump stations. Four of the proposed pump stations (all west of Clearbrook) are at existing sites located along the existing Line 3. The proposed Palisade Pump Station is one of the four proposed new pumping stations located along Enbridge Energy's preferred route east of Clearbrook. There is no pump station or natural gas pipeline currently located at the proposed site of the Palisade pump station.

pumping station, Rice River Breaker Station, and the applicant's proposed eastern crossing of the Mississippi River.

Great River Energy plans to acquire a 100-foot permanent easement (50 feet on each side of the transmission line centerline) for the majority of the route. In areas where guy wires and anchors are required, Great River Energy may acquire a slightly wider easement. In some areas with very limited clearance a much narrower easement, between 35 and 70 feet, may be acquired.

Great River Energy anticipates a capital cost of between $13 and 13.3 million dollars for the Project and operations and maintenance costs of approximately $2000 per mile. The proposed project schedule anticipates route clearing in late 2016 or early 2017 and commencement of construction in the second quarter of 2017, with energization in late 2017.

Regulatory Background

The applicant filed a route permit application for the project pursuant to the alternative review process outlined in Minnesota Statute 216E.04 and Minnesota Rules 7850.2800-3900 on August 25, 2015.[2] On October 19, 2015, the Commission issued an order accepting the application as complete and authorizing use of the alternative review process.[3]

HVTL Route Permit

No person may construct a high voltage transmission line (HVTL) without first obtaining a route permit from the Commission. A HVTL is defined as a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of 100 kV or more and is greater than 1,500 feet in length. The proposed project will operate at 115 kV and be approximately 13 miles in length. As a result, the proposed project requires a route permit from the Commission.

Certificate of Need

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 that typically requires a certificate of need from the Commission.[4] Although the Project is considered a large energy facility, because the Project is designed as a radial line to provide electricity to a single customer (Enbridge) at a single location (proposed Palisade Pump Station), Great River indicates that the Project meets the

[2] Great River Energy, *Application to the Minnesota Public Utilities Commission for a Route Permit: Palisade 115 kV Transmission Project*, August 25, 2015, eDocket ID: 20158-113516-01, 20158-113516-02, 20158-113516-03, 20158-113516-04, 20158-113516-05, 20158-113516-06. (Hereinafter "Application")

[3] Minnesota Public Utilities Commission, *Commission Order Finding Application Complete, Granting Variance*, and Referring Application to Office of Administrative Hearings, October 19, 2015, eDockets No. 201510-114930-01 (hereinafter "Order")

[4] Minnesota Statute 216B.243.

exemption criteria for high voltage transmission lines proposed to serve a single customer at a single location identified under Minnesota Statute 216B.243 Subd.8 (2).

Eminent Domain

If issued a route permit by the Commission, the applicant may exercise the power of eminent domain to acquire the land necessary for the project pursuant to Minnesota Statute 216E.12 and Minnesota Statutes 117.

Environmental Review

Applications for a HVTL route permit are subject to environmental review, which is conducted by Commerce Energy Environmental Review and Analysis (EERA) staff. The alternative permitting process requires preparation of an EA.[5] An EA is a written document that contains an overview of the resources and potential human and environmental impacts and mitigation measures associated with the proposed project.[6] This is the only state environmental review document required for the project.[7]

Scoping

The first step in the preparation of an EA is scoping. The scoping process has two primary purposes: (1) to ensure that the public has a chance to participate in determining what routes and issues are studied in the EA, and (2) to help focus the EA on impacts and issues important to a reasoned route permit decision.

EERA conducts public information and scoping meetings in conjunction with a public comment period to allow the public the opportunity to participate in the development of the scope (or content) of the EA.[8] The commissioner of Commerce determines the scope of the EA,[9] and may include alternative route or route segments suggested during the scoping process if it is determined the alternatives would aid the Commission in making a permit decision.[10] Applicants are provided the opportunity to respond to each request that an alternative be included in the EA.[11]

Minnesota Rule 7850.3700, subpart 3, requires Commerce to determine the scope of the EA within 10 days after the close of the public comment period. However, Minnesota Statute 216E.04, subdivision 5, anticipates Commission input into identifying alternative routes for inclusion in the scope of the EA. Consequently, the Commission extended the 10-day timeframe to allow for its input.[12]

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5 Minnesota Statute 216E.04, subd. 5; Minnesota Rule 7850.3700, subp. 1.
6 Minn. Stat. 216E.04, subd. 5., Minn. R. 7850.3700, subp. 4.
7 Minn. Stat. 216E.04, subd. 5.
8 Minn. R. 7850.3700, subp. 1.
9 Minn. R. 7850.3700, subp. 3.
10 Minn. R. 7850.3700, subp. 2.
11 Minn. R. 7850.3700, subp. 2.
12 Order.

Scoping Process Summary

In accordance with Minnesota Rule 7850.3700, Subpart 2, EERA staff initiated the scoping process for preparation of an EA. On October 7, 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 and agency technical representative list, as well as local government units and affected landowners.[13] Additionally, notice of the public meeting was provided on both the Commission and EERA webpages.

Public Scoping Meeting

Commission and EERA staff held the public information and scoping meeting as noticed on October 27, 2015, at Waukenabo Town Hall in Palisade, Minnesota. The purpose of this meeting was to provide information to interested persons about the proposed project, to answer questions about the proposed project and the permitting process, and to allow the public an opportunity to suggest impacts, mitigative measures, and alternatives that should be considered in the EA. A court reporter was present at the meeting to document oral statements.[14]

Approximately 30 members of the public attended the meeting and five people asked questions and provided comments about the project. Public comments addressed the proposed location of the transmission line, right-of-way width and location, tax treatment of the project, economic impacts to landowners from the project, and health impacts from the project. Participants at the meeting suggested investigating an alternative alignment that would move the Mississippi River crossing to the east side of US 169.

At the public information and scoping meeting one commenter suggested that an alternative routing option along the proposed Enbridge pipeline route be evaluated in the northern portion of the route.[15]

Public Comments

A public comment period, ending November 10, 2015, provided the opportunity to submit written comments to EERA on the scope of the EA. The purpose of this comment period was to allow for interested persons to suggest impacts, mitigative measures, and alternatives that should be considered in the EA. Written comments were received from the Minnesota Department of Natural Resources (DNR), the Minnesota Department of Transportation (MnDOT), and Great River Energy.[16]

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[13] Minnesota Public Utilities Commission and Minnesota Department of Commerce, *Notice of Public Information and Environmental Assessment Scoping Meeting*, October 7, 2015, eDockets Nos. 201510-114655-01, 201510-114655-02 .
[14] Oral Comments, Public Info-Scoping Meeting 10-27-15, November 19, 2015, eDockets No. 201511-115822-01 .
[15] Id.,, at pp. 52-57
[16] Minnesota Department of Natural Resources Scoping Comments, November 10, 2015, eDockets No. 201511-115613-01, 201511-115613-02, 201511-115613-03.

DNR comments requested the EA discuss the potential impacts to avian species, wetlands, and forested areas from construction and operation of the project. DNR also identified several methods to mitigate potential avian and vegetation impacts to be evaluated in the EA. DNR comments also request that the EA address cumulative impacts.

MnDOT comments note the proximity of the proposed route to US Highway 169 and requested that the EA identify impacts to the continued safety of the state highway trunk system that may result from design, construction and maintenance of the project. MnDOT also requested that the EA identify any additional costs to the state highway system that may result from the location of the project.

Great River Energy submitted a new alternative crossing of the Mississippi River, known as the "Chute Gardens Alternative Route Segment."

Commission Consideration of Alternatives

On November 19, 2015, EERA staff provided the Commission with a summary of the scoping process.[17] The summary indicated that EERA staff would recommend to the Deputy Commissioner that the scoping decision for the proposed project should include the "Pipeline Alternative Route Segment" proposed at the October 27, 2015, Public Meeting and the "Chute Gardens Alterative Route Segment" proposed by Great River Energy. In its briefing paper dated December 9, 2015, Commission staff recommended taking no action regarding route alternatives to be considered in the EA.[18]

On December 17, 2015, the Commission considered what action, if any, it should take regarding the alternatives put forth during the scoping process. The Commission elected to take no action on the route alternatives EERA proposed to recommend to the Deputy Commissioner in its November 19, 2015, scoping summary to the Commission.

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Having reviewed the matter, consulted with Commerce 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 analyzed in the EA for the proposed project. The EA will describe the proposed project and the human and environmental resources of the project area. It will provide information on the potential impacts of the proposed project as they

Minnesota Department of Transportation Scoping Comments, November 10, 2015, eDockets No. 201511-115606-01 .
Great River Energy Scoping Comments, November 10, 2015, eDockets No. 201511-115623-01.
[17] Minnesota Department of Commerce, *Scoping Process and Route Alternatives*, November 19, 2015, eDockets No. 201511-115826-01 .
[18] Minnesota Public Utilities Commission, *Staff Briefing Papers*, December 9, 2015, eDockets No. 201512-116317-01 .

relate to the topics outlined in this scoping decision, including possible mitigation measures. It will identify impacts that cannot be avoided, irretrievable commitments of resources, and permits from other government entities that may be required. The EA will discuss the relative merits of the route alternatives studied in the EA using the routing factors found in Minnesota Rule 7850.4100.

The EA regarding the proposed project will address and provide information on the following matters:

I. Project Description

- Purpose
- Description
- Location
- Route Description

II. Regulatory Framework

- Commission Route Permit
- Certificate of Need Applicability
- Environmental Review
- Other Potential Permits Required

III. Proposed Project

- Project Design
- Project Construction
- Restoration
- Project Operation and Maintenance
- Project Cost

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 proposed project will be described. The EA will discuss the "*effect on the environment that results from the incremental effects of* [*the proposed project*] *in addition to the* [*proposed Line 3 Project*] *in the environmentally relevant area that might reasonably be expected to affect the same environmental resources*…."[19] Based on the impacts identified, the EA will describe mitigation measures that could reasonably be implemented to reduce or eliminate 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.[20] EERA staff will consider the relationship between the cost of data and analyses and the relevance and importance of the

[19] Minn. R. 4410.0200, sub. 11(a).
[20] Minn. R. 4410.2300.

information in determining the level of detail to provide in 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, 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.[21]

Human Settlement

- Aesthetics
- Cultural Values
- Displacement
- Interference
- Land Use and Zoning
- Noise
- Public Health and Safety (including electromagnetic fields)
- Public Services and Infrastructure
- Recreation
- Socioeconomics (including property values)

Land Based Economies

- Agriculture
- Forestry
- Mining
- Tourism

Archaeological and Cultural Resources

Natural Environment

- Air
- Geology
- Groundwater
- Rare and Unique Resources
- Soils
- Surface Water
- Vegetation
- Wetlands
- Wildlife (including Wildlife Habitat)

Unavoidable Impacts

Irreversible and Irretrievable Commitments of Resources

V. Routes to be Evaluated in the Environmental Assessment

[21] Minn. R. 4410.2500.

The EA will evaluate the route proposed by the applicant. It will also evaluate the Chute Gardens and Pipeline alternative segments depicted in **Figure 1**. No other route or route segment alternatives will be evaluated in the EA.

Chute Gardens Alternative Route Segment

The "Chute Gardens Alternative Route Segment" was proposed by Great River Energy.[22] The "Chute Gardens Alternative Route Segment" would turn west from US Highway 169 in the vicinity of 445th Lane and head west for approximately one-quarter of a mile before crossing the Mississippi River. On the west side of the Mississippi this alternative would follow the Great River Road northeast for approximately 0.75 miles before re-connecting with US Highway 169.

Great River Energy felt that the "Chute Gardens" alternative could potentially provide some advantages over the existing route options currently in the record by:

- Eliminating the congestion at the U.S. Highway 169 river crossing.
- Reducing the overall length of the West Route Option by approximately one-half mile
- Impacting fewer landowners than the West Route Option.

Pipeline Alternative Route Segment

The "Pipeline Alternative Route Segment" proposed at the October 27, 2015, public meeting.[23] This alternative segment would turn east from the proposed route and follow Aitkin County Highway 3 for approximately one-quarter mile before following the Enbridge's proposed Line 3 route north for approximately three miles to the proposed Palisade pump station location.

This route alternative may potentially provide some advantages over the proposed route by consolidating the proposed transmission and pipeline corridors. Consolidating the corridors may potentially result in reduced tree clearing and consolidating the wetland areas potentially affected by both the proposed project and the proposed Line 3 pipeline project.

VI. Identification of Permits

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

The above outline is not intended to serve as a table of contents for the EA document itself, and, as such, the organization, that is, the structure of the document, may not be similar to that appearing here.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The EA will not consider the following:

[22] Great River Energy Scoping Comments, November 10, 2015, eDockets No. 201511-115623-01
[23] Oral Comments, Public Info-Scoping Meeting 10-27-15, November 19, 2015, eDockets No. 201511-115822-01 , at pp. 52-57.

- Any alternative not specifically identified in this scoping decision.
- A no-build alternative.
- Issues related to project need, size, type or timing.
- Impacts of specific energy sources.
- The manner in which landowners are compensated for ROW easements.

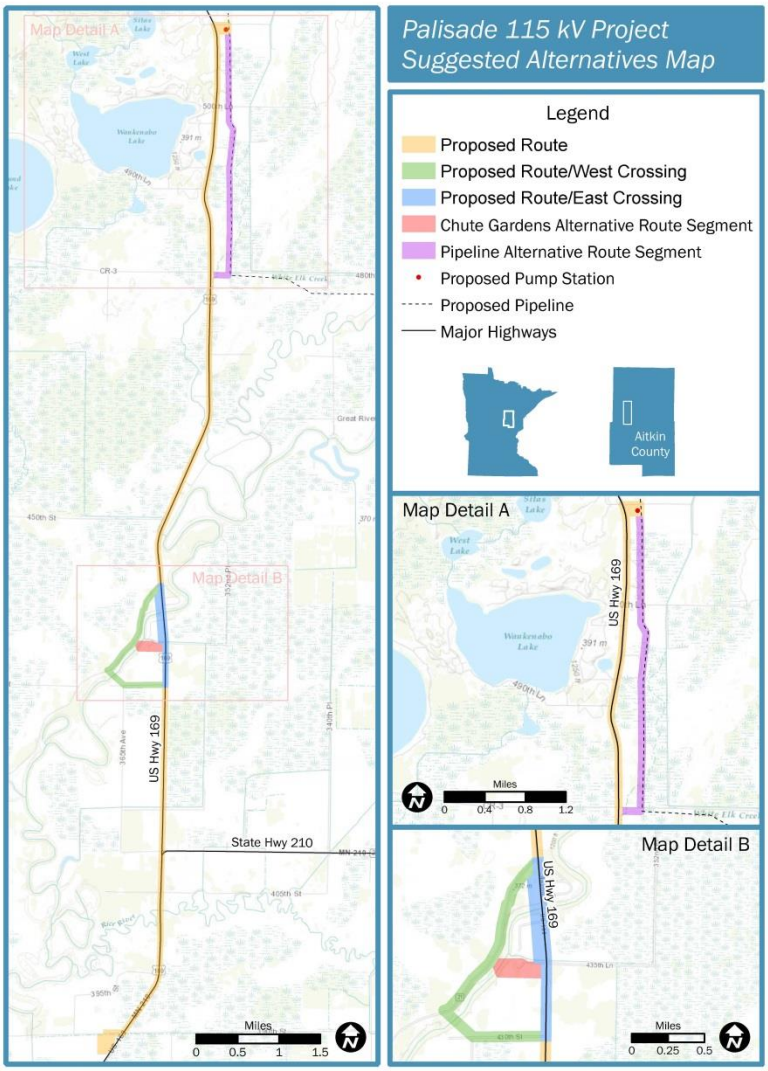
SCHEDULE

The EA is anticipated to be completed and available by March 2016. A public hearing will be held in the project area after the EA has been issued and notice served.

Signed this 22nd day of December, 2015

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

William Grant, Deputy Commissioner

Figure 1 Alternatives Map

Attachment 1: Suggested Alternatives Map