



In the Matter of the Application of  
Xcel Energy for a Site Permit for  
the Black Dog Unit 6 Project  
in Dakota County, Minnesota

**Environmental Assessment  
Scoping Decision**

**eDockets No. E002/GS-15-834**

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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 Black Dog Unit 6 Project (project) proposed by Xcel Energy (applicant) in Dakota County, Minnesota.

### *Project Purpose*

The proposed project was selected by the Minnesota Public Utilities Commission (Commission) as part of a competitive resource acquisition process to provide additional electrical power sources to meet the projected needs of the applicant's customers (E002/CN-12-1240).<sup>1</sup> The proposed project will ensure reliable 115 kilovolt (kV) power supply to the Twin Cities metropolitan area by utilizing existing transmission infrastructure that serves distribution substations across the area.

### *Project Description*

The applicant proposes to construct a 215 MW natural gas-fired combustion turbine unit (Unit 6) at its existing Black Dog Generating Plant in the city of Burnsville in Dakota County, Minnesota (**Figure 1**). The proposed combustion turbine will be a simple-cycle unit with dry low-nitrogen oxide burners for emissions control. Use of good combustion practices will also control emissions. No add-on emission controls are anticipated.

The proposed project is a "peaking" facility, meaning it is only expected to operate between 4 and 10 percent of the time. It will be built in an existing powerhouse building. Construction is expected to begin in June 2016. Once constructed, the service life is expected to exceed 35 years.

Minor modifications to an existing 115 kV switchyard will be required to connect Unit 6 to the electric transmission system. No upgrades to the switchyard or transmission system will be required. The proposed project will use natural gas as a fuel source. Any needed improvements to natural gas infrastructure, for example, pipelines, and associated approvals will be the responsibility of the gas supplier and are not a part of this proceeding. It is anticipated that this additional infrastructure will be permitted by the supplier in accordance with the requirements of Minnesota Statutes Section 216G.02 and Minnesota Rules Chapter 7852.

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<sup>1</sup> Minnesota Public Utilities Commission, *Order Approving Power Purchase Agreement with Calpine, Approving Power Purchase Agreement with Geronimo, and Approving Price Terms with Xcel*, February 5, 2015, eDockets No. 20152-107070-01 (Hereinafter E002/CN-12-1240 Order).

Initial startup is planned for early 2018, with commercial operation beginning in March 2018. The proposed project is anticipated to cost \$100 million.

### *Regulatory Background*

In Minnesota, no person may construct a large electric power generating plant (LEPGP) without a site permit from the Commission.<sup>2</sup> A LEPPG is defined as “*electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts [50 MW] or more.*”<sup>3</sup> The proposed project will have an electric generating capacity of 215 MW.<sup>4</sup> As a result, the proposed project requires a site permit from the Commission. Because this project will be fueled solely by natural gas<sup>5</sup> it qualifies under the Commission’s alternative permitting process.<sup>6</sup>

In addition, an applicant cannot construct a large energy facility in Minnesota without first receiving a Certificate of Need (CN) issued by the Commission,<sup>7</sup> unless it was selected as part of a competitive resource acquisition process.<sup>8</sup> As a result, a CN is not required.<sup>9</sup>

On October 15, 2015, the applicant filed a site permit application for the project pursuant to the alternative review process outlined in Minnesota Statute 216E.04 and Minnesota rules 7850.2800-3900.<sup>10</sup> The Commission considered the completeness of the application at its December 3, 2015, agenda meeting. On December 15, 2015, the Commission issued an order accepting the application as complete and authorizing use of the alternative review process.<sup>11</sup>

### *Environmental Review*

Applications for a site 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.<sup>12</sup> 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.<sup>13</sup> This is the only state environmental review document required for the project.<sup>14</sup>

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<sup>2</sup> Minnesota Statutes [216E.03](#), subdivision 1., Minnesota Rules [7850.1300](#), subpart 1.

<sup>3</sup> Minn. Stat. [216E.01](#), subd. 5.

<sup>4</sup> Xcel Energy, *Application to the Minnesota Public Utilities Commission for a Site Permit for the Black Dog Unit 6 Project*, October 15, 2015, eDockets No. 201510-114858-01 (Hereinafter “Application”).

<sup>5</sup> Application.

<sup>6</sup> Minn. Stat. [216E.04](#), subd. 2(2).

<sup>7</sup> Minn. Stat. [216B.243](#), subd. 2.

<sup>8</sup> E002/CN-12-1240 Order.

<sup>9</sup> Minn. Stat. [216B.2422](#), subd. 5(b).

<sup>10</sup> Application.

<sup>11</sup> Minnesota Public Utilities Commission (December 10, 2015) *Order Finding Application Complete, Requesting Summary Report, and Granting Variance*, eDockets No. 201512-116357-01 (Hereinafter “PUC Order”).

<sup>12</sup> Minnesota Statute [216E.04](#), subd. 5; Minnesota Rule [7850.3700](#), subp. 1.

<sup>13</sup> Minn. Stat. [216E.04](#), subd. 5., Minn. R. [7850.3700](#), subp. 4.

<sup>14</sup> Minn. Stat. [216E.04](#), subd. 5.

## 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 issues are studied in the EA, and (2) to help focus the EA on the potential impacts, issues and possible mitigative measures important to a reasoned site 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.<sup>15</sup> The commissioner of Commerce or his designee determines the scope of the EA.<sup>16</sup> 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. The Commission extended this timeframe.<sup>17</sup>

### Scoping Process Summary

In accordance with Minnesota Rule 7850.3700, subpart 2, EERA staff initiated the scoping process for preparation of the EA. On January 6, 2016, 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.<sup>18</sup> Notice was published in a local newspaper<sup>19</sup> and 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 January 28, 2016, at Burnsville City Hall in Burnsville, Minnesota. The purpose of this meeting was to provide information to interested persons about the proposed project and permitting process, to answer questions about the proposed project and permitting process, and to allow the public an opportunity to suggest potential impacts, issues and mitigative measures to be considered in the EA. (The proposed project was selected as part of a competitive resource acquisition process; therefore, alternative site locations are precluded from this proceeding.)

One member of the public and one city of Burnsville staff member attended the public meeting. These individuals were provided with handouts, and afforded the opportunity to ask questions and provide comment. A court reporter was present at the meeting to document oral statements. Neither individual provided comments for the record.

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<sup>15</sup> Minn. R. [7850.3700](#), subp. 1.

<sup>16</sup> Minn. R. [7850.3700](#), subp. 3.

<sup>17</sup> PUC Order.

<sup>18</sup> Minnesota Public Utilities Commission (January 6, 2016) *Notice of Public Information and Environmental Assessment Scoping Meeting*, eDockets Nos. 20161-117009-01 and 20161-117009-02.

<sup>19</sup> Xcel Energy (February 17, 2016) *Affidavit of Publication*, eDockets No. 20162-118389-01.

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**Public Comments**

A public comment period, ending February 11, 2016, 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 and mitigative measures that should be considered in the EA. Written comments were received from the Minnesota Department of Natural Resources (DNR) and the Minnesota Department of Transportation (MnDOT). DNR discussed issues regarding an active peregrine falcon (*Falco peregrinus*) nest box mounted on an existing smokestack. MnDOT indicated that the applicant would need to coordinate shipment of oversized loads on interregional corridors (I35W/I35E) with the agency. MnDOT also requested that any construction work or materials delivery with potential to affect its right-of-way be coordinated with the agency.

Scoping comments are compiled and available to view or download on the EERA webpage.<sup>20</sup>

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<sup>20</sup> Minnesota Department of Commerce, *Public Comments Received on the Scope of the EA*, Retrieved date, from: .

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

#### **I. Project Description**

- Purpose
- Description
- Location
- Sources of Information

#### **II. Regulatory Framework**

- Certificate of Need
- Site Permit
- Scoping Process
- Public Hearing
- Issues outside the EA

#### **III. Proposed Project**

- Proposed Facility Location
- Site Requirements
- Project Design
- Project Construction
- 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. 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.<sup>22</sup> 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 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.<sup>23</sup>

The outline below 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.

### **Human Settlement**

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

### **Land Based Economies**

- Agriculture
- Forestry
- Mining
- Tourism

### **Archaeological and Cultural Resources**

### **Natural Environment**

- Air
- Geology, Soils and Groundwater
- Rare and Unique Resources
- Surface Water
- Vegetation
- Wetlands
- Wildlife (including the peregrine falcon referenced during scoping)
- Wildlife Habitat

### **Unavoidable Impacts**

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<sup>22</sup> Minn. R. [4410.2300](#).

<sup>23</sup> Minn. R. [4410.2500](#).

## Irreversible and Irretrievable Commitments of Resources

### V. Alternative Sites to be evaluated in the Environmental Assessment

The EA will evaluate the site proposed by the applicant in their site permit application. No other sites will be will be evaluated in the EA.

### VI. Identification of Permits

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

## ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The EA will not consider the following:

- Any alternative not identified in this scoping decision, including a no-build alternative.
- Issues related to project need, size, type or timing.
- Issues related to necessary improvements to natural gas pipeline(s).

## SCHEDULE

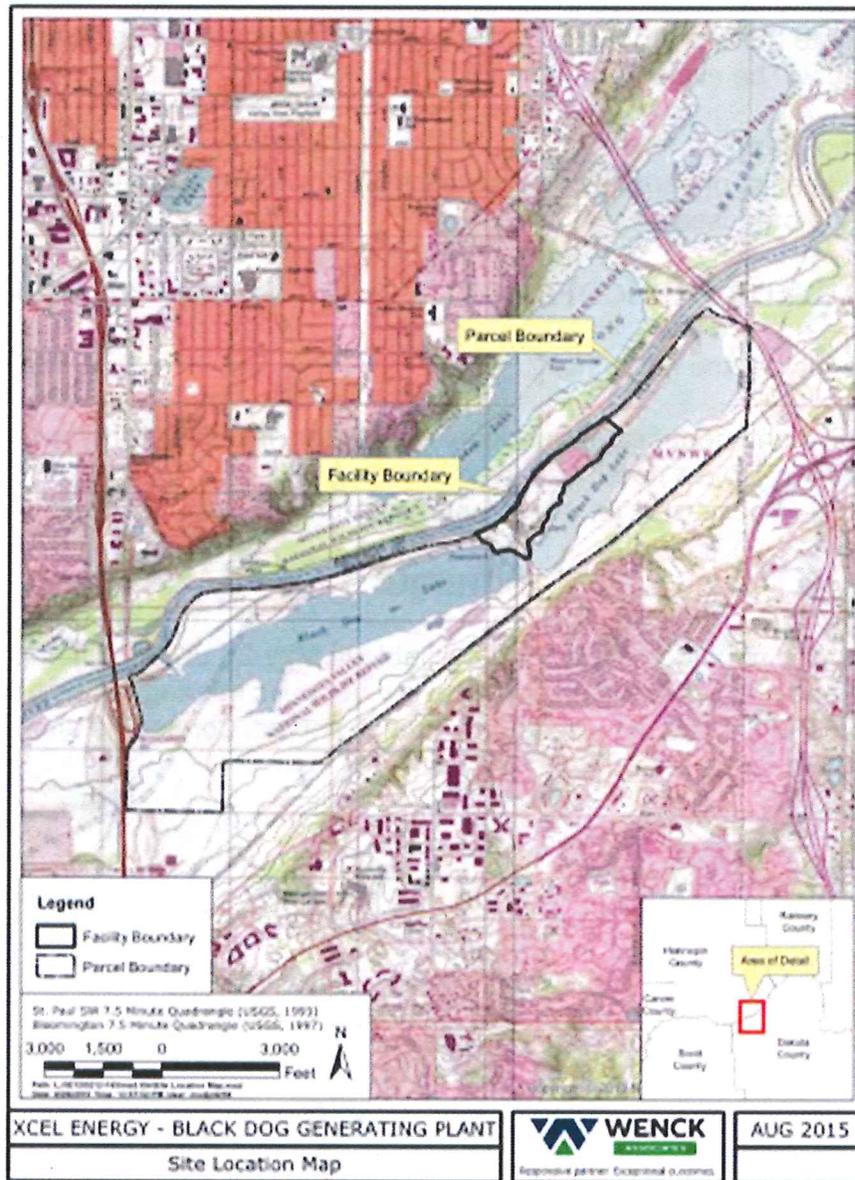
The EA is anticipated to be completed and available in May 2016. Upon completion of the EA, it will be noticed and made available for review. A public hearing will be held in the project area after the EA has been issued and notice served. Comments on the EA may be submitted into the hearing record.

Signed this 23<sup>rd</sup> day of February, 2016

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE

  
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William Grant, Deputy Commissioner

Figure 1 Project Location



Source: Application.