



Energy Facility Permitting  
85 7th Place East, Ste 500  
Saint Paul, MN 55155-2198  
Minnesota Department of Commerce

November 20,, 2006

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
127 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

RE: Comments and Recommendations of the Minnesota Department of Commerce Energy  
Facility Permitting Staff  
**Docket No. ET-6133/MC-06-1458**

Dear Dr. Haar:

Attached are the comments and recommendations of the Minnesota Department of Commerce (DOC) Energy Facility Permitting (EFP) Staff in the following matter:

*The request for a Minor Alteration of the Faribault Energy Park (FEP) generation project involving the addition of duct burners to the combined cycle portion of the facility that is currently under construction.*

The Department is providing you with DOC EFP staff *Comments and Recommendations*.

The Department EFP staff recommends that the PUC authorize the Minor Alteration request as received and without condition.

Staff is available to answer any questions the Commission may have.

Sincerely,

William Cole Storm  
DOC EFP Staff

Enclosures

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS AND RECOMMENDATIONS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
ENERGY FACILITY PERMITTING STAFF**

**DOCKET NO. ET-6133/MC-06-1458**

Meeting Date: November 30, 200.....Agenda Item # \_\_\_\_\_

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Company: Minnesota Municipal Power Agency

Docket No. **ET-6133/MC-06-1458**

In the Matter of a Request for Determination of a Minor Alteration for the approved Faribault Energy Park (FEP) generation project involving the adding of duct burners to the combined cycle portion of the facility currently under construction.

Issue(s): Should the Minnesota Public Utilities Commission (PUC) grant or deny authorization to MMPA to add a nominal 25 MW duct burner to the FEP generation project in Rice County, Minnesota, under the minor alteration provisions of Minnesota Rule 4400.3820?

DOC Staff: William Cole Storm.....651-296-9535

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**Relevant Documents** (in Commission Packet).

1. Minnesota Municipal Power Agency's Request to the PUC for a Minor Alteration to the permitted Faribault Energy Park generation project, Dated October 2, 2006;
2. Minnesota Municipal Power Agency's letter describing modifications to the facility's air permit, Dated July 24, 2006;

The enclosed materials are work papers of the Department of Commerce Energy Facility Permitting (DOC-EFP) Staff. They are intended for use by the Public Utilities Commission and are based on information already in the record unless otherwise noted.

This document can be made available in alternative formats (i.e., large print or audio tape) by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

(Note: Relevant documents and additional information can be found on eDockets (PL-6580/GP-06-931) or the PUC Facilities Permitting website:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=18685>

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## **Statement of the Issues**

Should the PUC grant or deny authorization to MMPA to add a nominal 25 MW duct burner to the FEP generation project in Rice County, Minnesota, under the minor alteration provisions of Minnesota Rule 4400.3820?

## **Introduction and Background**

The Minnesota Municipal Power Agency (MMPA) is a power agency organized under Minn. Stat. Ch. 453 to provide electrical energy and related services to its members and customers. MMPA's members are the cities of Anoka, Arlington, Brownton, Chaska, Le Sueur, North St. Paul, Olivia, and Winthrop.

On July 10, 2003, the Minnesota Public Utilities Commission (PUC) granted the issuance of a Certificate of Need (CON) for the Faribault Energy Park (FEP) generation project in Rice County, Minnesota. The Order Granting Certificate of Need was issued on August 13, 2003.

On September 9, 2003, MMPA filed an application for a Site Permit to the Minnesota Environmental Quality Board (EQB) to construct and operate a 250 megawatt (MW) combined cycle large electric power generating plant (LEPGP) proposed to be located in the city of Faribault, Rice County, Minnesota.

The FEP is located in the city of Faribault, about 2.5 miles north of the downtown area on the west side of Highway 76, south of 170<sup>th</sup> Street West and east of Interstate 35. The site is in close proximity to the intersection of the Northern Natural Gas (NNG) high pressure natural gas mainline and the Northern States Power Company (NSP) Lake Marion – West Faribault 115 kV high voltage transmission line (HVTL).

On September 18, 2003, the MEQB accepted the MMPA application for the project and began reviewing the application under the Full Review Process. This process included public notifications, an initial public informational/EIS Scoping Meeting, development of an EIS Scoping Decision, preparation of an EIS, a contest test hearing before an ALJ and finally a decision by the EQB.

On May 20, 2004, the EQB issued a Site Permit for a LEPGP to MMPA.

### ***Project Description***

The minor alteration the MMPA is seeking relates to the proposal to add a nominal 25 MW duct burner to the plant. MMPA proposes to add the duct burner as a part of the combined cycle construction project.

The duct burner will add thermal energy to the hot exhaust gases as they are ducted from the gas turbine to the waste heat recovery boiler. The duct burner will be capable of burning bio-diesel fuel and is expected to operate only on peak days. The purpose of adding the duct burner is to help MMPA meet the biomass requirement of the renewable energy objective in an innovative way.

### **Regulatory Process and Procedures**

A minor alteration, as defined in Minnesota Rule 4400.3820, is a change in a large electric power generating plant or high voltage transmission line that does not result in significant changes in the human or environmental impact of the facility. The provision provides a speedy and easy process for obtaining authorization of such minor alterations. The term “minor alteration” is subjective and requires a decision each time as to whether or not the proposed changes result in significant changes in the human or environmental impact of the facility.

Minnesota Rule 4400.3820 specifies application requirements, review and public notice procedures to be used in seeking minor alteration authorization.

Information on the proposed addition of a duct burner was provided to the DOC EFP staff on July 24, 2006. The request from MMPA for a minor alteration was submitted in writing on August 4, 2005, and described why the alteration is considered minor.

Public notice of receipt of the request for a minor alteration was mailed to those persons on the general distribution list on October 23, 2006, establishing the required ten-day notice period for the public to be made aware of and make comments on the proposed project.

### **DOC EFP Staff Analysis and Recommendation**

The request for a minor alteration has been reviewed by DOC EFP staff pursuant to the requirements of Minnesota Rule 4400.3820. The request provides adequate justification for staff to conclude that the proposed project would not cause a significant environmental impact and is eligible for consideration as a Minor Alteration.

No significant issues were identified by the DOC EFP staff or any member of the public during the review of the minor alteration application request or during the public comment period.

No public comments were received by the close of the November 3, 2006, comment period.

## **PUC Decision Options**

According to the provisions of the rules, PUC may take the following actions on this request:

- A. Authorize the Minor Alteration request allowing MMPA to add a nominal 25 MW duct burner to the plant as a part of the combined cycle construction project without condition.
- B. Authorize the Minor Alteration request allowing MMPA to add a nominal 25 MW duct burner to the plant as a part of the combined cycle construction project with certain conditions.
- C. Determine that the alteration is not minor and requires a full permitting process.
- D. Make some other decision deemed more appropriate.

### **DOC EFP Staff Recommendation:**

Staff recommends option A.