



Minnesota Department of Natural Resources

500 Lafayette Road
St. Paul, Minnesota 55155-400

May 27, 2004,

Honorable Judge Raymond R. Krause
Office of Administrative Hearings
100 Washington Avenue, Suite 1700
Minneapolis, MN 55401-2138

RE: Xcel Energy Blue Lake Power Generating Plant Expansion
Docket #04-75-PPS-Xcel Blue Lake
Environmental Assessment

Dear Judge Krause:

The Department of Natural Resources (DNR) has reviewed the Environmental Assessment (EA) for the proposed Power Plant Expansion, High Voltage Transmission Lines (HVTL) and Natural Gas Pipeline associated with the Xcel Energy proposal. With respect to potential impacts to natural resources, the DNR offers the following comments.

1) 4.0 Alternative HVTL Routes – pp. 35-36

The Minnesota County Biological Survey has classified the oak savanna within Minnesota Department of Transportation (MnDOT) Parcel No.75 as a "Site of High Biodiversity Significance." DNR recommends Xcel Energy consider HVTL route alternatives that minimize impacts to the oak savanna and the state-listed species of special concern therein. Alternative B results in no impact to the oak savanna, and Alternative C results in 200 feet of impact area. If lower impact alternatives are not feasible, DNR recommends Xcel Energy develop strategies to regenerate and manage the oak savanna community.

2) 6.2.3 Rare and Unique Natural Resources – pp. 48-49

The EA fails to mention that three species of special concern have been documented in the oak savanna in or near MnDOT Parcel No.75: Rhombic-petaled evening primrose (*Oenothera rhombipetala*), Plains pocket mouse (*Perognathus flavescens*), and Gopher snake (*Pituophis catenifer*). If the HVTL route crosses MnDOT Parcel No.75, these state-listed species of special concern must be carefully protected during site construction.

3) 6.2.4 MnDOT Parcel 75 – pp. 49-50

DNR is encouraged that Xcel Energy will develop a Vegetative Management Plan for any HVTL corridor that crosses MnDOT Parcel No.75. Oak savannas are considered critically imperiled plant communities in Minnesota and in the Midwestern United States, making this site

DNR Information: 651-296-6157 • 1-888-646-6367 • TTY: 651-296-5484 • 1-800-657-3929

An Equal Opportunity Employer



Printed on Recycled Paper Containing a
Minimum of 10% Post-Consumer Waste

particularly important. The EA states that the Vegetative Management Plan would create strategies to regenerate and manage the oak savanna community. DNR is willing to provide assistance to Xcel Energy and MnDOT in this planning and management effort. This effort should include: 1) avoiding as much disturbance to ground layer vegetation in the oak savanna as possible, 2) on-site native plant seed collection and dispersal, and 3) exotic plant species control. Xcel Energy was copied on an email that outlined these management techniques (*attached: May 10th, 2004 from DNR Regional Plant Ecologist, Hannah Dunevitz to Bill Storm, EQB*). With exotic species control and management, the savanna could be restored to a higher quality condition.

Minnesota Statutes §116C.61

Minnesota Statutes §116C.61, Subdivision 3 requires state agencies authorized to issue permits for construction of large electric power generating plants (LEPGPs) to state whether the site, and other design matters, under consideration for approval by the Environmental Quality Board will be in compliance with agency standards, rules or policies. Project construction and operation will not require a new permit from the DNR. Xcel Energy will request an amendment to its existing DNR groundwater appropriation permit (No. 731114). No adverse impacts to water supply are anticipated. Project construction and operation will be in compliance with DNR's standards, rules and policies.

Thank you for the opportunity to review this document. These staff comments do not restrict Commissioner Merriam's freedom to act after he reviews the entire record in the matter when the routing permit comes before the Environmental Quality Board for a final decision. Please contact me, or Matt Langan of my staff (#651-297-3359), with any questions regarding this letter.

Sincerely,



Thomas W. Balcom, Supervisor
Environmental Policy & Review Unit
Division of Ecological Services
(651)296-4796

c: Bill Storm, EQB Staff
Hannah Dunevitz, DNR
Dan Stinnett, USFWS

#20040253-0004

D:\AA_OMBS\LEPGP\XcelBlueLakeEA052704.doc

From: Hannah Dunevitz
To: bill.storm@state.mn.us
Date: 5/10/2004 4:29:56 PM
Subject: Blue Lake Expansion Project and oak savanna

Hi Bill - This is a note to confirm and clarify the things we discussed on site today at the oak savanna in Shakopee. I appreciated the opportunity to walk the site with you and Pam.

It would still be ideal to not build a new powerline transmission corridor in the oak savanna. As we saw, every disturbance opens the area up for more degradation and makes it harder to introduce the controlled burning so necessary to maintain and restore oak savanna.

However, I understand the options are limited. Since the width of the newly affected powerline corridor is about 45 feet, the impact is less than I had originally surmised from my field visit and the other information available to me. It should be possible to put the new powerline in adjacent to the old one on the west side of Parcel 75, as we discussed, with care taken to minimize impact and manage the oak savanna appropriately. I feel that is preferable to putting a new line in on the east side, as negative impacts would be greater there. I would recommend the following:

1. Include the impacts to the new powerline corridor in the report you are preparing, as well as the impact to the oak savanna as a whole. Impacts to the future corridor include elimination of a number of oak and aspen trees, elimination of vegetation in a certain area (it would be helpful to clarify exactly how much area) in order to install the new towers, and disturbance of vegetation in order to get machinery and cement in to install the towers.
2. I would like to work with you, with Excel Energy, and with MnDot to develop a management plan for the transmission line corridors and the rest of the oak savanna on this site.
3. Leafy spurge is the most urgent threat to the integrity of the oak savanna. As we observed, it is especially rampant under the power lines and in open areas near the edge of the savanna, but it occurs throughout the area. I recommend that Excel work with MnDot and the DNR to begin controlling leafy spurge as soon as possible, to prevent this year's seed set and to begin to reduce the population size.
4. To revegetate disturbed areas, I would recommend collecting seeds from native plants on the site and using them in disturbed areas. This could possibly be done by contracting with MCC crews to collect the seed at the appropriate time this summer/fall.
5. I would recommend avoiding as much disturbance to ground layer vegetation in the oak savanna as possible. Destroying vegetation opens soil up to being colonized by invasive exotics plants and persistent weedy natives such as thistles, as we saw today in the existing powerline corridor. Winter cutting of trees, hand applications of herbicide, and other lower impact management would be advisable.

Let me know if you have any questions or concerns.

Hannah Dunevitz
Regional Plant Ecologist
Minnesota DNR
651-772-7570

CC: pamela.jo.rasmussen@xcelenergy.com; Rebecca Wooden; Sarah Hoffmann; Wayne Barstad