

SITE PERMIT
FOR CONSTRUCTION OF A
LARGE ELECTRIC POWER GENERATING PLANT
IN
SCOTT COUNTY, MINNESOTA
ISSUED TO
NORTHERN STATES POWER COMPANY d/b/a XCEL ENERGY
MEQB DOCKET NO. 04-75-PPS-XCEL BLUE LAKE

In accordance with the requirements of Minnesota Statutes section 116C.57 and Minnesota Rules chapter 4400, this Site Permit is hereby issued to:

XCEL ENERGY

Xcel Energy is authorized by this permit to construct a new 324 megawatt natural gas-fired large electric power generating plant and associated facilities on a site in the city limits of Shakopee, Minnesota, identified in this Permit and in compliance with the conditions specified in this Permit.

STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD



Robert A. Schroeder
Chair

Issued: June 17, 2004

I. SITE PERMIT

The Minnesota Environmental Quality Board hereby issues this Site Permit to Xcel Energy, pursuant to Minnesota Statutes section 116C.57 and Minnesota Rules chapter 4400, to construct a 324 megawatt natural gas-fired power plant and associated facilities on a site in Scott County, Minnesota, within the city limits of the City of Shakopee, more specifically designated in this Permit.

II. PROJECT DESCRIPTION

The large electric power generating plant authorized by this Permit is the addition of two, 162-megawatt, simple cycle, natural gas-fired combustion turbine generators, and associated equipment, at the Blue Lake Generating Plant.

A simple cycle combustion turbine has three major components: (1) a compressor, (2) a combustion chamber, (3) and a turbine. Air is drawn into the compressor, compressed, and discharged to the combustion chamber, mixed with fuel and ignited. The resulting expanding hot gases are sent through the turbine, causing them to rotate. The rotating turbine blades turn a shaft connected to a generator that produces electricity. Exhaust gasses are emitted to the atmosphere through a stack approximately 50 feet tall.

The Project will use two General Electric 7FA (or equivalent) combustion turbine generators, each with a nominal capacity of 162 MW.

III. DESIGNATED SITE

The Project will be constructed on the existing Blue Lake Generating Plant (Section 11, Township 115 north, Range 22 west, Scott County, Minnesota) site between the existing fuel tanks and the four existing oil-fired peaking units on an area previously graded and surfaced with gravel. No expansion of the Plant footprint will be required by the project.

The site is more specifically described in the permit application and in the Environmental Assessment, and is shown in the attached map.

IV. PERMIT CONDITIONS

The following conditions shall apply to the construction of the facility.

A. Site Plan. At least seven days prior to commencing construction, the Permittee shall submit to the EQB a site plan showing the location and placement of the various structures to be constructed, including all electrical equipment, pollution control equipment, roads, and other associated facilities. The Permittee shall have the right to move or relocate any of these structures after construction commences, but the Permittee shall file an amended site plan with the EQB prior to implementation.

B. Construction Practices

- 1. Application.** The Permittee shall follow those specific construction practices and material specifications described in the Application, unless this Permit establishes a different requirement in which case this Permit shall prevail.
- 2. Field Representative.** At least seven days prior to commencing construction, the Permittee shall advise the EQB in writing of the person or persons designated to be the field representative for the Permittee with the responsibility to oversee compliance with the conditions of this Permit during construction. This person's address, phone number, and emergency phone number shall be provided to the EQB, who may make the information available to local residents and public officials and other interested persons. The Permittee may change its field representative at any time upon written notice to the EQB.
- 3. Roads.** At least seven days prior to commencing construction, the Permittee shall advise the EQB and other appropriate governing bodies having jurisdiction over roads, of all state, county, and township roads that will be used during construction of the project. Where practical, existing roadways shall be used for all activities associated with construction of the facility. Where practical, all-weather roads shall be used to deliver heavy components to and from the site. The Permittee shall, prior to the use of such roads, make satisfactory arrangements with the appropriate state, county, and township governmental bodies having jurisdiction over the roads to be used for construction, for repair and maintenance of those roads that will be subject to extra wear and tear due to transportation of equipment and materials. The Permittee shall notify the EQB of such arrangements upon request of the EQB.

B. Completion of Construction.

- 1. Plans and Specifications.** Within sixty days after completion of construction of the facility, the Permittee shall submit to the EQB the "as built" plans and specifications.
- 2. GPS Data.** Within sixty days of completion of construction, the Permittee shall submit to the EQB, in the format requested by the EQB, geo-spatial information (GIS compatible maps, GPS coordinates, etc.) for the power plant and associated facilities.

C. Other Requirements. The Permittee shall comply with all applicable state rules and statutes. The Permittee shall obtain all required permits for the project and comply with the conditions of these permits. A list of the anticipated permits and associated environmental approvals required for the project are listed in Sections 2.1.8 and 2.2.6 of the Environmental Assessment.

D. Delay in Construction. If the Permittee has not commenced construction or improvement of the project within four years from the date of issuance of this Permit, the EQB shall consider suspension of the Permit in accordance with Minn. Rules part 4400.3750.

V. PERMIT AMENDMENT.

This permit may be amended at any time by the Environmental Quality Board. Any person may request an amendment of this permit by submitting a request to the Chair in writing describing the amendment sought and the reasons for the amendment. The Chair will mail notice of receipt of the request to the Permittee. The EQB may amend the permit after affording the Permittee and interested persons such process as is required.

VI. TRANSFER OF PERMIT

The Permittee may request at any time that the Environmental Quality Board transfer this permit to another person or entity. The Permittee shall provide the name and description of the person or entity to whom the permit is requested to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the permit is to be transferred shall provide the EQB with such information as the EQB shall require to determine whether the new permittee can comply with the conditions of the permit. The EQB may authorize transfer of the permit after affording the Permittee, the new permittee, and interested persons such process as is required.

VII. REVOCATION OR SUSPENSION OF THE PERMIT

The Environmental Quality Board may initiate action to revoke or suspend this permit at any time. The EQB shall act in accordance with the requirements of Minnesota Rules part 4400.3950 to revoke or suspend the permit.

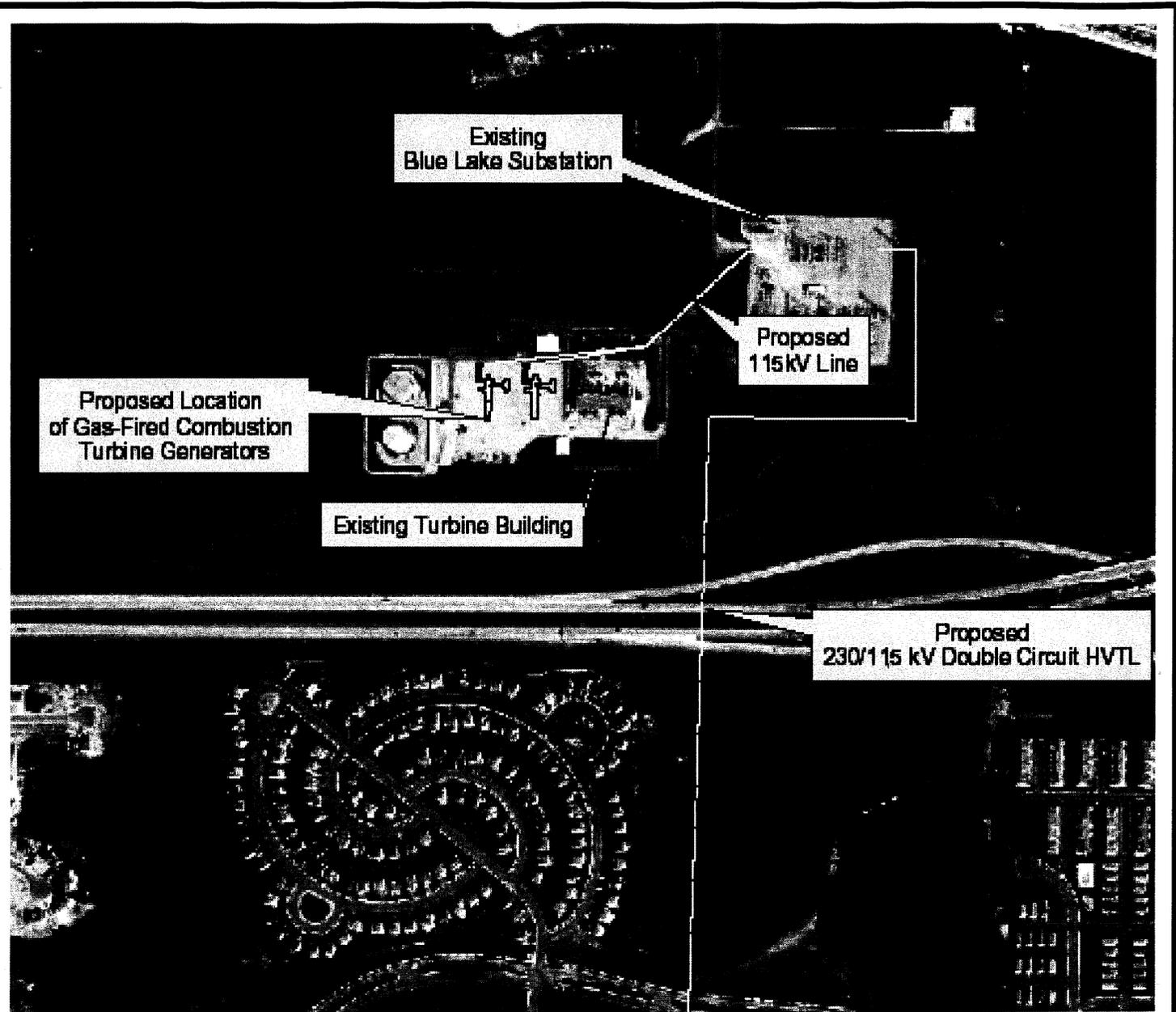


Figure 3 Site Map: Aerial

**Environmental Assessment
 Blue Lake Site Permit
 EQB Docket No. 04-75-PPS-Xcel Blue Lake**



LEFGP Site



**Approximate Alignment
 of New Transmission**

