Invenergy

August 5, 2004

Mr. Robert Schroeder, Chair
Minnesota Environmental Quality Board
658 Cedar Street, Room 300
St. Paul, MN 55155

Re: Alternative Review Process for a Site Permit for the Cannon Falls Energy Center Simple Cycle Natural Gas Power Plant

Dear Mr. Schroeder:

Invenergy Cannon Falls, LLC (Invenergy Cannon Falls), a wholly owned subsidiary of Invenergy LLC, submits this letter, in accordance with the requirements specified in Minnesota Rule 4400.2000, Subp. 2, to notify the Minnesota Environmental Quality Board (EQB) of our intent to submit an application for a Site Permit for the proposed Cannon Falls Energy Center to be located in Cannon Falls, Minnesota. The Cannon Falls Energy Center (Facility) will consist of two simple cycle combustion turbines. The nominal generating capacity of the Facility will be 357 MW. The primary fuel will be natural gas with low sulfur distillate fuel oil used as a backup.

This Facility is being developed under an executed power purchase agreement between Invenergy Cannon Falls and Northern States Power d/b/a Xcel Energy. As such, the entire output of the Facility is dedicated to meet the Minnesota Public Utility Commission (PUC) approved need and therefore Invenergy Cannon Falls will not be required to file for a Certificate of Need pursuant to Minnesota Statutes 216B.243; 216B.2422, subd.5(c)[1].

Invenergy Cannon Falls requests processing of the application using the alternative review procedures provided for in Minnesota Rules 4400.2000 to 4400.2950.

We look forward to working with you and your staff during the permit application and review process. If you have any questions or need additional information, please contact me by phone at 312-224-1417 or by email at jschroeder@invenergyllc.com.

Sincerely,

Joel Schroeder
Invenergy Cannon Falls LLC

cc: Bryan Schueler – Invenergy LLC
Julie Spapperi – URS Corporation
James Bertrand – Leonard, Street and Deinard
Bill Storm – Minnesota Environmental Quality Board

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[1] The Minnesota Public Utilities Commission (PUC) approved the resource planning process proposed by Northern States Power Company d/b/a Xcel Energy, in Docket E-002/RP-00-787. *In the Matter of Northern States Power Company's Application for Approval of its 2000-2014 Resource Plan,* Order Approving Xcel Energy's 2000-2014 Resource Plan. A part of that approved process included a solicitation of proposals to increase its supply portfolio by 1,000 megawatts (MW). To meet this objective, Xcel Energy issued an All Source Request for Proposals (RFP) dated December 6, 2001. The RFP outlined the baseload and peaking supply needs of Xcel Energy for the period at issue and encouraged potential bidders to propose resources that they believed would enhance Xcel Energy's supply portfolio beginning in 2005 and extending into the year 2009. In response, Invenergy submitted a proposal on March 15, 2002 to supply approximately 357 MW of peaking capacity. In June of 2004 Northern States Power (NSP) and Invenergy Cannon Falls LLC (Invenergy Cannon Falls) executed a purchased power agreement (PPA).