ANNOTATED AGENDA

Item: **Xcel Energy**
High Bridge Generating Plant Repowering Project
EQB Docket #05-91-PPS-Xcel High Bridge

Presenter: William Storm, DOC Staff 651-296-9535

Materials:

1. Site Permit Application submitted by Xcel Energy;
2. Environmental Assessment: Xcel Energy High Bridge Power Generating Plant Repowering Project;
3. Letter from the MDNR dated June 6, 2005;
4. Letter from the City of St. Paul dated July 7, 2205;
5. Letter from the Rock-Tenn Company dated July 7, 2005;
6. Report of Administrative Law Judge dated June 21, 2005;
7. Proposed Findings of Fact, Conclusions and Order concerning the LEPGP Siting;
8. Sample Resolution Adopting the Findings of Fact, Conclusions, and Order on (1) Designation of LEPGP Site and Issuance of LEPGP Site Permit and (2) Adequacy Determination of the Environmental Assessment;
9. Proposed LEPGP Site Permit.

Action Requested: The MPUC is asked to issue a permit to Xcel Energy, identifying a site for the construction of a natural gas-fuel, combined-cycle electric generating facility capable of producing 480 to 665 megawatts (MW) in Ramsey County within the boundaries of the to be decommissioned High Bridge Generating Plant. Additionally, the Commission is asked to find that the Environmental Assessment and the record address the issues identified in the scoping decision.

Background: On January 31, 2005, Xcel Energy submitted to the Minnesota Environmental Quality Board (MEQB) a site permit application regarding a proposal to construct and operate a natural gas-fuel, combined-cycle electric generating facility capable of producing 480 to 665 megawatts (MW).

The project is part of the Metropolitan Emission Reduction Proposal which was reviewed and approved by the Public Utilities Commission (PUC) in Docket E002/M-02-633. The proposal consists of replacing the existing 270 MW coal fueled plant (i.e., the High Bridge Plant) with a new, natural gas-fired, combined cycle plant. The conversion of the High Bridge Plant is exempted from the Certificate of Need requirements of Minnesota Statutes § 216B.243.

The Site Permit application was reviewed under the Alternative Permitting Process procedures set forth in Minn. Rules chapter 4400.2000. These rules require the preparation of an Environmental Assessment (EA). Chapter 4400 also requires a number of procedural steps in administering the permit application (public notices, public meeting, and a hearing).

The public information and EA scoping meetings were held in St. Paul on March 3, 2005. The Scoping Decision was signed by the EQB Chair on March 22, 2005. The EA was completed on April 28, 2005.

A public hearing presided over by Administrative Law Judge Bruce H. Johnson was held on May 24, 2005 in St. Paul. The ALJ's report was released on June 21, 2005. The ALJ recommended

that a site permit be issued to Xcel Energy for the construction of a LEPGP to be installed at the High Bridge Plant site as proposed in the Site Permit Application.

Additional documents pertaining to this project are available on the EQB webpage:
http://www.eqb.state.mn.us/Docket.html?Id=15966

Associated Issues:

To supply natural gas to the facility, a new, high pressure pipeline will need to be constructed connecting the plant to an existing Northern Natural Gas Company (NNG) interstate pipeline. The new pipeline will originate at the Cedar Town Border Station in Burnsville, approximately 10 miles southwest of the new plant. The permitting and review process for the pipeline construction/routing will be conducted in separate proceedings before the MPUC.

In order to accommodate the proposal, Xcel Energy will need to modify several existing on-site structures. The High Bridge Substation and several transmission line structures will need to be relocated on the site. All of the relocated lines will remain at the same voltage, but will be reconductored, these activities do not require an HVTL Route Permit under Minnesota Rules Chapter 4400. The relocation of the High Bridge substation and the relocation of the transmission lines are part of this project and are considered associated facilities under the Site Permit. There may be some additional reconductoring required to support the project, but the planning process is not complete. Those projects are not part of the Site Permit and Xcel Energy would notify the MPUC under a separate filing.

Significant Issues:

No significant issues were raised within the record with regard to construction of the new natural gas-fired, combined-cycle generating plant replacing the existing High Bridge coal-fired plant.

Those that attended the meetings/hearings or commented on the project expressed support for the MERP proposal and this project. The major area of concern voiced during the public meetings/hearings was blending the new facility into the Mississippi River Corridor as naturally as possible, including vegetation and appearance of the buildings. Air, noise and water issues were also discuss at the public meetings/hearings.

These issues were incorporated into the Scoping Decision along with a number of other usual impacts associated with large energy projects.

Two comment letters were received after the release of the ALJ's report. One letter was from the Rock-Tenn Company concerning the loss of a source for steam for their operations. The other letter was from the City of St. Paul regarding local building and land use regulations. Pertaining to the later issue, Xcel Energy has agreed to follow the process of applying for City Building Permits.

Staff Recommendation:

The staff recommends that the Commission grant the requested permit for the LEPGP Site. In addition, it is necessary for the Commission to find that the EA and the record have addressed the issues identified in the scoping decision.

STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD

In the Matter of the LEPGP Site Permit Application by Xcel Energy associated with the natural gas replacement plant at the High Bridge Power Generating Plant in Ramsey County	**FINDINGS OF FACT, CONCLUSIONS, AND ORDER** **MEQB DOCKET NO. 05-91-PPS-Xcel High Bridge**

The above-captioned matter came before the Minnesota Public Utilities Commission (MPUC) at a regular meeting on August 4, 2005, pursuant to an application by Northern States Power Company d/b/a Xcel Energy for a Large Electric Power Generating Plant Site Permit associated with the Metropolitan Emission Reduction Proposal (MERP). MERP was reviewed and approved by the Public Utilities Commission (PUC) in Docket E002/M-02-633. The proposal consists of replacing the existing 270 MW coal fueled plant (i.e., the High Bridge Plant) with a new, natural gas-fired, combined cycle plant. The conversion of the High Bridge Plant is exempted from the Certificate of Need requirements of Minnesota Statutes § 216B.243.

STATEMENT OF ISSUE

Should Xcel Energy be granted a Site Permit to construct and operate a natural gas-fuel, combined-cycle electric generating facility capable of producing 480 to 665 megawatts (MW) at the High Bridge Generating Plant?

Based upon all of the proceedings herein, the Minnesota Public Utilities Commission makes the following:

FINDINGS OF FACT

1. The Summary of Evidence of the Administrative Law Judge in his Report of June 21, 2005, is hereby adopted as Findings of Fact by the MPUC.

2. The MPUC has jurisdiction over the subject matter. Effective July 1, 2005, Article 3 of the recently passed energy bill S.F.1368 transfers power plant and wind turbine siting, transmission line and pipeline routing authority from the Minnesota Environmental Quality Board (EQB) to the Minnesota Public Utilities Commission (PUC). The same law transfers the energy facility permitting staff from the EQB to the Minnesota Department of Commerce.

Based on the foregoing Findings of Fact, the MPUC makes the following

CONCLUSIONS

1. Any of the foregoing Findings more properly designated as Conclusions are hereby adopted as such.

2. This project qualifies for review under the Alternative Review Process of Minn. Stat. § 116C.575 and Minn. Rules parts 4400.2000 to 4400.2950.

3. The Applicant and the EQB have complied with all procedural requirements required by law.

4. The EQB has completed an Environmental Assessment on this project as required by Minn. Stat. § 116C.575, subdivision 5, and Minn. Rules part 4400.2750, and considered all the pertinent factors in determining which site to approve.

5. The conditions included in the Site Permit are reasonable and appropriate and will help to minimize the impacts of this project and are agreed to by the Applicant.

Based on the Findings of Fact and Conclusions contained herein and the entire record of this proceeding, the MPUC hereby makes the following

ORDER

A Site Permit is issued to Northern States Power Company d/b/a Xcel Energy for construction of a natural gas-fuel, combined-cycle electric generating facility capable of producing 480 to 665 megawatts (MW) in Ramsey County within the boundaries of the (to be decommissioned) High Bridge Generating Plant. The Permit shall be issued in the form attached hereto, with a map showing the approved site.

Approved and adopted this 11th day of August, 2005

BY ORDER OF THE COMMISION

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Burl W. Haar,
Executive Secretary

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PROPOSED RESOLUTION

OF THE

MINNESOTA PUBLIC UTIITIES COMMISSSION

Designation of Site and Issuance of
Site Permit

To
Northern States Power Company d/b/a/ Xcel Energy

For a

Large Electric Power Generating Plant
in
Ramsey County

MEQB Docket No. 05-91-PPS-Xcel High Bridge

BE IT RESOLVED, that the Minnesota Public Utilities Commission approves and adopts the Findings of Fact, Conclusions and Order designating a site within the boundaries of the current High Bridge Generating Plant (501 Shepard Road, St. Paul, Minnesota) for a 480-665 megawatt large electric power generating plant and issuing a Site Permit to Xcel Energy

BE IT FURTHER RESOLVED, that the Minnesota Public Utilities Commission approves and adopts the Findings of Fact, Conclusions and Order which determines that the Environmental Assessment and the record created at the public hearing addresses the issues identified in the scoping decision.

BE IT FURTHER RESOLVED, that Burl W. Haar, Executive Secretary of the Minnesota Public Utilities Commission, is authorized to sign the adopted Findings of Fact, Conclusions and Order, and the Site Permit.

SITE PERMIT

FOR CONSTRUCTION OF A

LARGE ELECTRIC POWER GENERATING PLANT

IN

RAMSEY COUNTY, MINNESOTA

ISSUED TO

NORTHERN STATES POWER COMPANY d/b/a XCEL ENERGY

MEQB DOCKET NO. 05-91-PPS-XCEL HIGH BRIDGE

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 natural gas-fuel, combined-cycle electric generating facility capable of producing 480 to 665 megawatts (MW) on the site of the High Bridge Generating Plant in St. Paul, Minnesota, identified in this Permit and in compliance with the conditions specified in this Permit.

Approved and adopted this 11th day of August, 2005

BY ORDER OF THE COMMISION

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Burl W. Haar,
Executive Secretary

Issued: August 11, 2005

I. SITE PERMIT

The Minnesota Public Utilities Commission (MPUC) hereby issues this Site Permit to Xcel Energy, pursuant to Minnesota Statutes section 116C.57 and Minnesota Rules chapter 4400, to construct a new natural gas-fuel, combined-cycle electric generating facility capable of producing 480 to 665 megawatts (MW) on the site of the High Bridge Generating Plant in St. Paul, Minnesota.

II. PROJECT DESCRIPTION

The High Bridge Repowering Project (HBRP) proposal consists of replacing an existing 270 MW coal fueled plant (i.e., the High Bridge Generating Plant) with a natural gas fueled generating plant. The new plant consists of a natural gas-fired, combined-cycle electric generating facility capable of producing 480 to 665 megawatts (MW).

The proposed HBRP will consist of one combined cycle power block in a 2-on-1 configuration and associated support facilities. In a 2-on-1 configuration, two combustion turbines, each directly connected to an electric generator, will exhaust hot gas to dedicated heat recovery steam generators. Steam produced by the two heat recovery steam generators will be combined and directed to a single steam turbine.

The project description is more specifically described in the permit application and in the Environmental Assessment.

III. DESIGNATED SITE

The High Bridge Generating Plant address is 501 Shepard Road, St. Paul, Minnesota 55102. The property is located along the Mississippi River, just southwest of the High Bridge in Township 28N, Range 23W, Sections 1 and 12 in Ramsey County.

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. Recognizing that this project will be conducted in phases (1. site preparation, 2. construction and 3. demolition) this permit requires that at least fourteen (14) days prior to commencing each phase of activity, the Permittee shall submit to the MPUC three (3) copies of a work/site plan appropriate for that phase. Depending on the phase this may include the cut/fill/grading plans, 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 MPUC 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 fourteen (14) days prior to commencing each phase of activity, the Permittee shall advise the MPUC 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. This person's address, phone number, and emergency phone number shall be provided to the MPUC, 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 MPUC.

3. Roads. At least fourteen (14) days prior to commencing each phase of activity, the Permittee shall advise the MPUC and other appropriate governing bodies having jurisdiction over roads, of all state, county, and city roads that will be used during that phase 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 city 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 MPUC of such arrangements upon request of the MPUC.

C. Completion of Construction.

1. Plans and Specifications. Within sixty (60) days after completion of construction of the facility, the Permittee shall submit to the MPUC the "as built" plans and specifications.

2. GPS Data. Within sixty (60) days of completion of construction, the Permittee shall submit to the MPUC, in the format requested by the MPUC, geo-spatial information (GIS compatible maps, GPS coordinates, etc.) for the power plant and associated facilities.

D. 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 approvals required for the project are listed in Section 1.6 Other Project Permits, Application for a Generating Plant Site Permit.

E. Delay in Construction. If the Permittee has not commenced construction or improvement of the project within four (4) years from the date of issuance of this Permit, the MPUC shall consider suspension of the Permit in accordance with Minn. Rules part 4400.3750.

V. PERMIT AMENDMENT

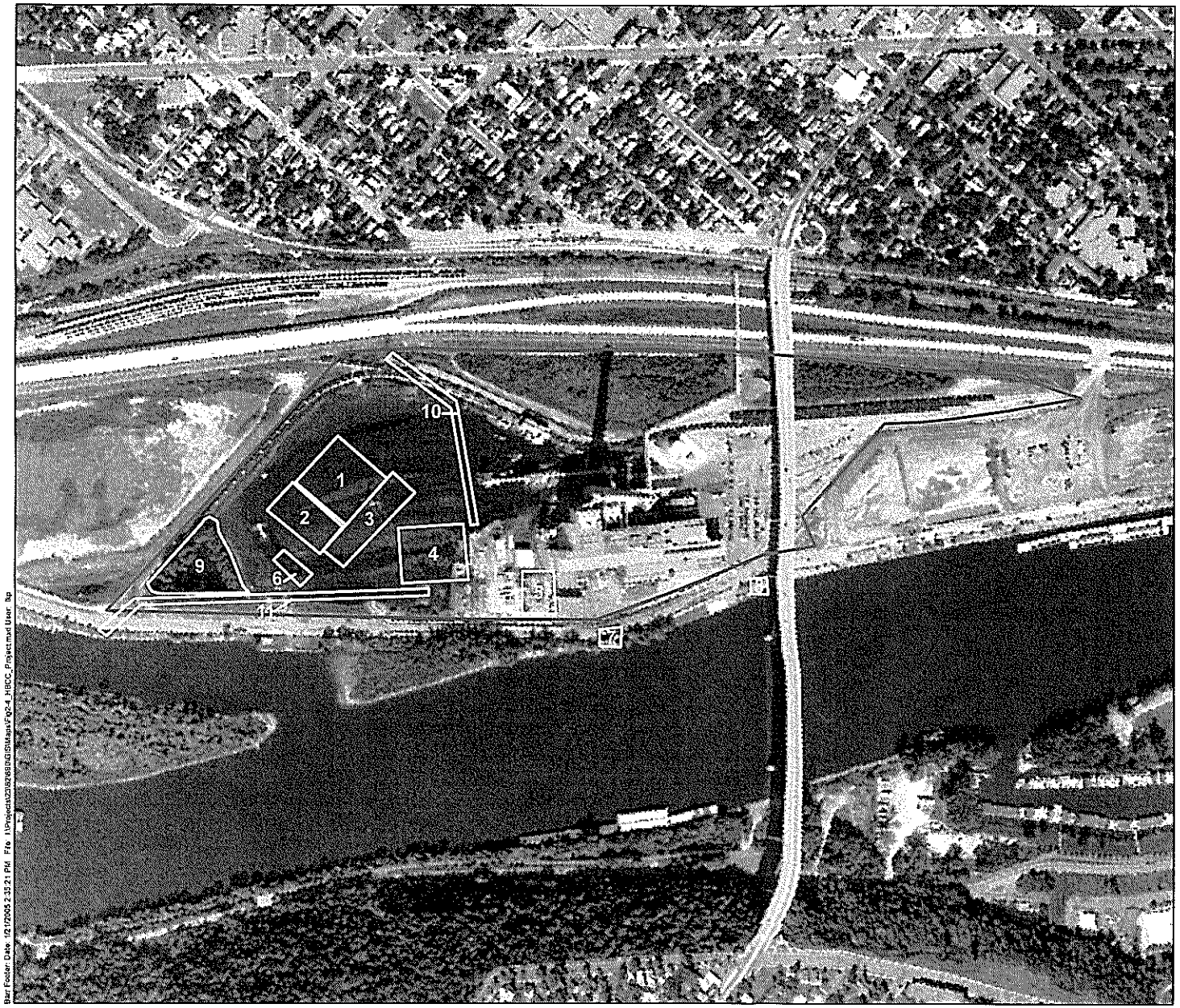
This permit may be amended at any time by the MPUC. Any person may request an amendment of this permit by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The MPUC 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 MPUC 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 MPUC with such information as the MPUC shall require in determining whether the new permittee can comply with the conditions of the permit. The MPUC 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 MPUC may initiate action to revoke or suspend this permit at any time. The MPUC shall act in accordance with the requirements of Minnesota Rules part 4400.3950 to revoke or suspend the permit.



Project Site

Project Layout Features

1 Combustion Turbine Generators
2 Steam Turbine Generator
3 Transformers
4 Transmission Substation
5 Distribution Substation
6 Water Tanks
7 Water Intake
8 Water Discharge
9 Water Storage Pond
10 Transmission Line
11 Transmission Line

0 30 60 120 180 240 Meters

0 55 110 220 330 440 Feet

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Figure 2-4

HBCC Project Layout
High Bridge Combined Cycle Project
St. Paul, MN

January 2005

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