

MINNESOTA DEPARTMENT OF COMMERCE
ENERGY FACILITY PERMITTING STAFF BRIEFING PAPERS

Meeting Date: September 22, 2005

Agenda Item # _____

Company: Summit Wind, LLC

Docket No. EQB 05-96-LWECS-SW and PUC E6465/WS-05-1220

In the Matter of a Site Permit for the 60-Megawatt Jeffers Wind Energy Center in Cottonwood County, Minnesota

Issue(s): Should Summit Wind, LLC be granted a site permit under Minnesota Statutes section 116C.694 to construct a 60 (nominal) Megawatt Large Wind Energy Conversion System (LWECS) in Cottonwood County, Minnesota?

DOC Staff: Larry B. Hartman651-296-5089

Relevant Documents (Enclosed in Commission Packet. See eDockets or the PUC website for the documents identified below.)

1. Schematic of Permitting Process for Large Wind Energy Conversion Systems
 2. Aerial Photograph of Jeffers Wind Energy Center Site Permit Boundaries
 3. Applicant Comment Letter on Draft Site Permit, prepared by RMT, received August 30, 2005
 4. Exhibit List (includes written comments and other documents that are part of the record)
 5. Findings of Fact, Conclusions of Law and Order Issuing a Site Permit to Summit Wind
 6. Site Permit for Large Wind Energy Conversion System in Cottonwood County issued to Summit Wind, LLC
 7. Site Permit Application for a Large Wind Energy Conversion System, accepted June 28, 2005
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The enclosed materials are work papers of the Department of Commerce Energy Facility Permitting 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)).

Statement of the Issue

Should the Minnesota Public Utilities Commission (the Commission) grant or deny a site permit to Summit Wind, LLC for the 60 Megawatt Jeffers Wind Energy Center in Cottonwood County, Minnesota?

Regulatory Framework and Background

Effective July 1, 2005, Article 3 of the recently passed energy bill Senate File 1368 transferred energy facility permitting (power plants, transmission lines, pipeline and wind turbine siting) authority from the Minnesota Environmental Quality Board (EQB) to the Minnesota Public Utilities Commission (MPUC).

A site permit from the Minnesota Public Utilities Commission is required to construct a Large Wind Energy Conversion System (LWECS), which is any combination of wind turbine and associated facilities with the capacity to generate five megawatts or more of electricity. This requirement became law in 1995 in Minnesota Statutes, sections 116C.691 through 116C.697. The rules to implement the permitting requirement for LWECS are in Minnesota Rules Chapter 4401. A diagram of the permitting process is included as No. 1 in the Commissioners' packet for illustration purposes.

Between 1995 and June of 2005, the EQB issued 11 site permits for LWECS projects, totaling approximately 630 Megawatts. Those projects have ranged in size from 10 MW to 107.5 MW and have been or are being built in the Minnesota Counties of: Lincoln, Pipestone, Murray, Jackson, Martin and Dodge. The Jeffers Wind Energy Center will be the first state permitted LWECS project in Cottonwood County.

The Applicant

Summit Wind, LLC is a company formed by 34 area landowners to facilitate development of the area as a wind farm investment. Wind Energy Developers (WED) based in Chaska, Minnesota, is the developer for this project, and is functioning as the agent of Summit Wind, LLC for the permitting, construction and operation of the Jeffers Wind Energy Center.

Project Location

The proposed project site is located in northwestern Cottonwood County, near the City of Jeffers. The proposed site, approximately 8,320 acres in size, is comprised primarily of agricultural lands. See aerial photo with delineated site boundaries included as No. 2 in the Commissioners' packet. Summit Wind, LLC has options on adjacent additional properties to the east and north of the proposed site for future wind development purposes.

Jeffers Wind Energy Center Project Description

Wind Energy Developers, LLC on behalf of Summit Wind, LLC (Summit), is proposing to build the Jeffers Wind Energy Center in two phases, with consideration given to further development in the future. Phase I is 10 megawatts and Phase II is 50 megawatts.

Phase I, scheduled to begin construction in 2005, will consist of four Clipper 2.5 megawatt (MW) wind turbine generators and an electrical collector system. The turbines will be mounted on 80-meter (262 feet) high freestanding tubular towers. The rotor diameter of the three blades is 93 meters (305 feet), with a rotor swept area of approximately 73,120 square feet. The electrical collector system will consist of underground 34.5 kV collection lines and facilities providing step-up transformation.

The 10 MW of power generated from Phase I will be delivered to a new switchyard planned adjacent to the Storden Junction Substation with interconnection to the grid at the Storden Junction Substation. The Storden Junction Substation is owned by Interstate Power & Light Company. The power generated from Phase I will be sold to the Central Minnesota Municipal Power Agency (CMMPA) under a Power Purchase Agreement. The CMMPA provides wholesale power for 16 member municipal electric utilities located mostly in central Minnesota.

Phase II will consist of 28 Vestas 1.8 MW wind turbine generators, or an equivalent turbine model, and additional 34.5 kV collection system facilities. Phase II is planned for commercial operation by December 31, 2006.

The Vestas turbines will be mounted on 78-meter (256 feet) high freestanding tubular towers. The rotor diameter of the three blades is 80 meters (262 feet), with a rotor swept area of approximately 54,114 square feet. Grid interconnection will be at the switchyard located adjacent to the nearby Storden Junction Substation. The developer anticipates that power will be sold to Xcel Energy under a separate Power Purchase Agreement.

A Certificate of Need from the Minnesota Public Utilities Commission (PUC) is not required for either Phase I or Phase II. Phase I is under 50 MW, and is not subject to the CON requirements. Phase II is the result of Xcel Energy's Request for a Proposal bid process under the state's Wind Mandate, as such, a CON is not required.

Other project components include: all-weather class 5 access roads of gravel or similar materials, pad-mounted step-up transformers, concrete and steel tower foundations, a supervisory control and data acquisition system, meteorological towers, and an operations and maintenance building.

Procedural Background

The site permit application has been reviewed pursuant to the requirement of Minnesota Rules Chapter 4401 (Wind Siting Rules).

On June 20, 2005, the EQB received the site permit application submitted by Wind Energy Developers on behalf of Summit Wind, LLC. On June 28, 2005, the EQB chair accepted the

application and notified the applicant of application acceptance. Upon acceptance of the application staff initiated the review and notice requirements of Minnesota Rules, chapter 4401.

The rules provide opportunities for the public to participate in deliberations on the LWECS permit application. The public was advised of the submission of the permit application after the application was received, a draft site permit on the project was provided for the public and the applicants to review, the public was afforded a period of time to submit written comments, and a public meeting was held in Jeffers on August 15, 2005. About 40 people attended the public meeting.

DOC Energy Facilities Permitting staff reviewed the permitting process requirements and responded to questions about the draft site permit, and permitting process. Representatives of the applicant were available to describe the project and answer questions. No adverse comments were registered at the public meeting.

Public Comments

One comment letter was received by the close of the August 31, 2005 comment period. The August 30, 2005, letter from Joel Schittone, RMT, a consultant representing the applicant, requested several minor changes in the site permit. DOC Energy Facilities Permitting staff reviewed those requests and has incorporated appropriate language changes in the site permit. The letter from RMT, dated August 30, 2005, is included as document No. 3 in the Commissioner's packet.

Issues

No significant issues were identified during the course of this proceeding.

Record

A list of the written comments and other documents that are part of the record in this permit proceeding is included as document No. 4 (Exhibit List) in the Commissioners' packet. The DOC Energy Facilities Permitting staff has provided copies of these documents to PUC staff, and copies will be available at the PUC meeting.

Findings of Fact

Staff have prepared Findings of Fact, Conclusions of Law and Order, and they are included as document No. 5 in the Commissioners' packet. The Findings address the procedural aspects of the process followed, describe the project, respond to the written comment(s), and address the environmental and other considerations of the project. Most of the findings in the Findings of Fact reflect findings that were also made for other LWECS projects. The following outline identifies the categories of the Findings.

Category	Findings
Background and Procedure	(Findings Nos. 1 – 11)
The Permittee	(Finding No. 12)
Project Description.....	(Findings Nos. 13 – 20)
Wind Resource Considerations.....	(Findings Nos. 21 – 25)
Land Rights and Easement Agreements	(Findings Nos. 26 – 27)
Written Comments	(Findings Nos. 28 – 29)
Site Criteria	(Findings Nos. 30 – 72)
Site Permit Conditions	(Findings Nos. 73 – 74)

Standard for Permit Issuance

Essentially the test for issuing a site permit for a Large Wind Energy Conversion System is to determine whether a project is compatible with environmental preservation, sustainable development, and the efficient use of resources. Minnesota Statutes section 116C.693. The wind statutes incorporate certain portions of the Power Plant Siting Act, including the environmental considerations. The site criteria addressed in the Findings of Fact (such as human settlement, noise, community benefits and surface water) track the factors described in the PUC’s rules for other types of power plants that are pertinent to wind projects. Minnesota Rules part 4400.3310. Also, the law allows the PUC to place conditions in LWECS permits. Minnesota Statutes section 116C.694 (d). The conditions in this proposed Site Permit are essentially the same as those conditions included in LWECS site permits issued by the Environmental Quality Board.

MPUC Decision Options

- A. Adopt the Findings of Fact, Conclusions and Order and the Site Permit as proposed by DOC Energy Facility Permitting staff.
- B. Amend the Findings of Fact, Conclusions and Order and Site Permit as deemed appropriate.
- C. Deny the site permit.
- D. Make some other decision deemed more appropriate.

DOC Staff Recommendation: The DOC Energy Facility Permitting staff recommends that the MPUC adopt the Findings of Fact, Conclusions and Order and issue a Site Permit with the appropriate conditions contained in the staff’s suggested permit to Summit Wind, LLC for the 60 MW Jeffers Wind Energy Center to be located in Cottonwood County.