

Minnesota Environmental Quality Board



658 Cedar Street
Room 300
St. Paul, MN 5155

(651)297-1257
Fax (651)296-3698
TTY: (800)627-3529
www.eqb.state.mn.us

Staff provided by the
Department of
Administration

May 4, 2004

TO: Robert A. Schroeder, Chair
EQB (Tel: 651-296-3391)

FROM: George E. Johnson 
EQB Staff, (Tel: 651-296-2888)

RE: EQB Staff Recommendation on Acceptance of Route Permit Application
Mankato Energy Center LLC
Blue Earth County, Minnesota
Pipeline Routing Permit & Partial Exemption Application
EQB Docket # 04-77-PRP-CALPINE

Action Requested: Signature of the Chair on a letter notifying Mankato Energy Center Park, LLC (MEC) that its application for a Pipeline Route Permit are accepted. The date of the Chair's letter determining that an application is substantially complete marks the start of the schedule for the Board to make a final decision on the permit. Acceptance of the application allows staff to initiate the review process.

Attached is a letter for your signature notifying MEC of the chair's decision to accept the pipeline application.

Staff Recommendation: The EQB staff has reviewed the pipeline routing permit & partial exemption application for compliance with the requirements of Minn. Rules, parts 4415.0105 through 4415.0165. The MEC application provides the information required by the pipeline routing rules. Therefore, EQB staff recommends that the chair of the Board accept the MEC application.

Review Process (Pipeline): The MEC application is being reviewed under the partial exemption process, which is an abbreviated form of review and permitting for pipelines. EQB review under this process does not require the applicant to identify an alternative route or require the EQB to hold a contested case hearing. EQB staff will hold a public information meeting in the area to receive comments on the application or any concerns people may have. To grant a partial exemption the EQB must determine there is no substantial environmental impact. When a partial exemption is granted, the EQB issues a pipeline routing permit with conditions that address construction and restoration practices.

EQB staff expects this pipeline project and the associated large electric power generating plant LEPGP to be placed on the EQB's agenda for a decision in August or September 2004.

Background: On March 4, 2004, Mankato Energy Center, LLC (MEC) submitted to the Minnesota Environmental Quality Board (MEQB) a site permit application regarding a proposal to construct and operate a dual-fuel, combined-cycle electric generating facility capable of producing 650 megawatts (MW). The application for the Site Permit was accepted by the Chair on March 15, 2004.

MEC is a wholly-owned subsidiary of the Calpine Corporation. The proposed project is intended to provide electric power generation to meet a portion of the Xcel Energy's purchase power agreement. The additional power generation from this facility will be available for the merchant power market.

The Project is to be located immediately north of Mankato City limits north of Highway 14 and west of 3rd Avenue, in Blue Earth County, Minnesota. The parcel has been annexed by the city of Mankato and is currently zoned industrial. The site and surrounding area contain a significant amount of utility-related features including a natural gas pipeline easement, a petroleum product pipeline easement, an electric utility substation, and an electric transmission line corridor. The area surrounding the site primarily contains industrial facilities and land uses, some agricultural land and a few farmsteads.

In association with the construction of its power plant, MEC is proposing to install a 20-inch outside diameter, underground, natural gas pipeline from to the Northern natural Gas (NNG) mainline to the proposed power plant. The length of the pipeline will be approximately 3.3 miles and will have an operating pressure of approximately 550 psi.

G:\EQB\Power Plant Siting\Projects - Active\Calpine\External Correspondence\ memo to chair5-4-04.doc

