STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD

In the Matter of the Application by Mankato Energy Center, LLC for a Site Permit for a 655 Megawatt Dual Fuel Combined Cycle Combustion Turbine Large Electric Power Generating Plant in Blue Earth County.	**FINDINGS OF FACT, CONCLUSIONS, AND ORDER ISSUING SITE PERMIT FOR A LARGE ELECTRIC POWER GENERATING PLANT** **MEQB DOCKET NO. 04-76-PPS-CALPINE**

The above-captioned matter came before the Minnesota Environmental Quality Board at a regular meeting on September 16, 2004, pursuant to an application by Mankato Energy Center, LLC (FEP), for a Site Permit to construct a 655-megawatt dual fuel, combined cycle combustion turbine immediately north of the City of Mankato, Blue Earth County, Minnesota.

STATEMENT OF ISSUE

Should Mankato Energy Center, LLC (MEC) be granted a Site Permit for a 655 megawatt dual fuel, combined cycle combustion turbine in the City of Mankato, Minnesota, and if so, under what conditions?

Based upon all of the proceedings herein, the Minnesota Environmental Quality Board makes the following:

FINDINGS OF FACT

1. Findings of Fact Nos. 1-49 and 156-241 of the Administrative Law Judge in his report dated August 20, 2004, are adopted in their entirety, with the following amendment.

2. Findings of Fact No. 164 is amended to read as follows:

   164. Facility non-contact cooling wastewater will be returned to the WWTP at a point downstream of the supply connection for discharge under the City of Mankato NPDES Permit. Testimony of J. Goodwin, July 12, 2004, at pages 91-97; see Ex. 57 (MEC Cooling Water System and Attachments) at Attachments C & D (Effluent System Treatment Process and Water Balance Diagrams). The Mankato WWTP will pre-treat water to be delivered to the Facility for use as noncontact cooling water. Once used, Facility noncontact cooling water will be

returned to the WWTP. MEC Exceptions, September 2, 2004. To accommodate the return of non-contact cooling water to the WWTP, the City of Mankato will amend and update its NPDES permit renewal application, which is currently pending before the MPCA. Testimony of J. Goodwin, July 12, 2004, at pages 96-97. The City of Mankato has agreed to facilitate the arrangement, which would allow the City to discharge the Facility's wastewater through the City outfall and under the City NPDES Permit. Id. at 92-93. Domestic wastewater generated by the Facility will be discharged directly to the City of Mankato's sanitary sewer system through a lateral service connection line. Ex. 13 (Site Permit Application) at 8-13.

3. The applicant has not registered any objections to the inclusion of the proposed conditions in the Site Permit.

Based on these Findings of Fact, the Environmental Quality Board makes the following:

CONCLUSIONS OF LAW

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

2. The Environmental Quality Board has jurisdiction over the subject matter of this proceeding pursuant to Minn. Stat. § 116C.57, subdivision 2.

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

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

5. 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 route and site to approve.

6. 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 Environmental Quality Board hereby makes the following

ORDER

1. The Minnesota Environmental Quality Board hereby issues a Site Permit to Mankato Energy Center, LLC, for construction of a proposed 655 megawatt dual fuel combined cycle combustion turbine generating plant on the proposed 25-acre site in the southeast quarter of the southwest quarter of Section 31, Township 109 north, Range 26 west, Lime Township in Blue Earth County, Minnesota. The area so designated is more specifically shown on the map attached to the Site Permit.

2. The Site Permit shall be issued in the form attached hereto, including the description of the facility, the description of the site, and the inclusion of certain conditions.

Approved and adopted this 16th day of September, 2004

STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD

Robert A. Schroeder,
Chair

Admin Minnesota
STATE AND COMMUNITY SERVICES