

**REPORT TO THE
MINNESOTA ENVIRONMENTAL QUALITY BOARD
ON THE
2001 ANNUAL HEARING
OF THE
POWER PLANT SITING PROGRAM**

The Minnesota Environmental Quality Board's 2001 Annual Hearing of the Power Plant Siting Program was held on Saturday, December 1, 2001, at the EQB offices in the Centennial Building in St. Paul, Minnesota. Notice of the meeting was published in the EQB Monitor on November 12, 2001, and the notice and an agenda were available on the EQB webpage. The notice and the agenda were mailed to those persons who had attended the 2000 annual hearing. Copies of the notice and the agenda are attached to this Report.

The Environmental Quality Board was represented by staff members Alan Mitchell and Mike Michaud. Cathy Jensen of the Minnesota Pollution Control Agency and Susan Medhaug and Bob Cupit of the Minnesota Department of Commerce also were in attendance. Sixteen other persons attended. A copy of the registration list from the hearing is attached to this Report. Persons were asked when they registered to indicate whether they wanted to have their names included on the annual hearing mailing list and on a new list being created by the EQB for persons who wanted to receive notice of permit applications for specific projects.

The hearing convened at approximately 9:00 a.m. An audio tape of the proceedings was made and is on file with the EQB. The public was afforded an opportunity throughout the hearing to ask questions and make comments, and a special question and comment period was held as the last item on the agenda. Only one person - George Crocker of the North American Water Office - submitted any written comments, and those documents are attached to this Report. The hearing adjourned at 12:20 p.m. The record was kept open for receipt of written comments until December 14, 2001, and one e-mail was submitted during that time, from Kristen Eide-Tollefson. The e-mail is attached.

Summary of Proceedings. Attached to this Report is a Summary of Proceedings, in which the discussion that occurred under each agenda item is described.

Significant Issues Raised: Significant issues raised by the public during the hearing include the following:

- The State of Minnesota must continue to engage in long-range planning for new large electric power facilities, both generating plants and transmission lines, to meet the needs of Minnesota citizens and must involve the public in all aspects of this planning.

- The State of Minnesota must not allow the federal government to take over jurisdiction of the siting of large electric power facilities in the state.
- The State of Minnesota should consider the reinstatement of the Governor's Nuclear Waste Council to address issues related to the long-term disposal of high level radioactive wastes.
- The State of Minnesota must seek ways to provide access to the national transmission grid for small generating facilities as a means of promoting distributed generation, particularly through the construction of lower voltage lines on high voltage transmission structures.
- The Environmental Quality Board should continue to expand its use of the internet as a means to advise the public of ongoing activities and to provide the public with access to pertinent documents.

EQB Response:

Long-Range Planning. State agencies, including the Minnesota Environmental Quality Board, are aware of the ongoing necessity to continue to plan for Minnesota's electric energy future. The Department of Commerce is presently finalizing the State Energy Planning Report. The Department has made a presentation about the draft Report to the EQB's Energy Committee and the EQB staff has advised the Board of ongoing activities in this regard. EQB staff has provided the Department with comments and suggestions on the draft Report. EQB staff has participated in proceedings before the Minnesota Public Utilities Commission regarding the identification of transmission projects required to address anticipated future inadequacies in the system. The EQB has been a strong advocate of public participation in all these various forums.

The Environmental Quality Board recognizes that the state must continue to plan for the future energy needs of its citizens and that involvement of the public is crucial in all planning activities.

Federal Activities. The Minnesota Environmental Quality Board and other state agencies like the Department of Commerce, the Public Utilities Commission, and the Pollution Control Agency have monitored and will continue to monitor activities of the Federal Energy Regulatory Commission and other federal agencies relating to electric energy regulation and development. The EQB is planning to hold a seminar in February 2001 to address various issues relating to electric power generation and transmission, including the role of FERC and the federal government.

One important role of the state is to be an active participant in the activities of the new Midwest Independent System Operator (MISO) organization, which will be the organization responsible for transmission facilities in a large multi-state region of the center of the country, replacing the work of the Mid-Continent Area Power Pool

(MAPP). The Environmental Quality Board will continue to work with other state agencies in participating in and monitoring the work of MISO.

Governor's Nuclear Waste Council. With regard to nuclear waste disposal, the EQB staff in January 2002 finalized an annual report to the Legislature regarding federal activities to manage high-level radioactive wastes. 2002 could be a significant year for decisions by the federal government regarding the construction of a national repository for high-level radioactive wastes. Numerous state agencies and the Minnesota Legislature will surely keep advised of these developments.

Since the Annual Hearing in December, the Board's Energy Subcommittee met on January 31, 2002, and discussed the question of reactivating the Governor's Nuclear Waste Council. The Subcommittee decided that since no legislative action on nuclear issues at the state level was anticipated this year, the Subcommittee would not pursue the question of the reactivation of the Council at this time.

Distributed Generation. In November 2001, the EQB Energy Committee heard from a number of southwestern county Commissioners with respect to their desire to promote construction of a transmission system that would allow for the connection of distributed generation sources, such as a 34.5 kilovolt underbuild on a proposed new 100-mile 345 kV line from Sioux Falls, South Dakota, to the Lakefield Junction substation in Jackson County, Minnesota. The Committee expressed an interest in gathering information on the technical and financial impacts of such a proposal and considering the idea in proceedings on new transmission projects.

EQB Web Page. In the past year the EQB has attempted to expand its use of the internet to provide more information to the public. The EQB has put a good deal of historic information about power plant siting on the EQB homepage, has requested permit applicants to provide electronic versions of their submissions to the agency so these can be put on the web, has placed findings of fact and other final actions by the Board on the web, has put various reports prepared by the staff on the web, and has utilized the web to disseminate notices of various proceedings and opportunities for public participation. Each issue of the EQB Monitor is published on the web. Other state agencies, also, have used the internet to afford the public with easy access to information.

The Environmental Quality Board will continue to look for ways to expand its use of the internet as a means to provide the public with access to information and with notice of upcoming and final actions. The Board minutes could be made available on the internet if there was an interest in reviewing that document. The agenda for upcoming Board meetings could be posted. The staff will consider the possibility of posting on the web the material in the Board member packets for Board meetings, but given the short timeframe between the mailing and the Board meeting, it may not be possible to disseminate this information on the web in advance of the meeting. Also, many items in the Board packet are prepared by other persons and no electronic version is available. The staff is also developing a format for listing on the web the various documents that are available with regard to particular projects seeking permits. When electronic versions of

certain documents are available, a link to the actual document can be provided. Other agencies are attempting to create a similar mechanism, and the EQB staff has found this to be extremely helpful and convenient.

Attachments. The following documents are attached to this Report.

1. 2001 Annual Hearing - Summary of Proceedings
2. Notice of Annual Hearing
3. Agenda of Annual Hearing
4. Chronological List of Projects Considered by EQB (December 2000 to December 2001)
5. List of Projects by Category (December 2000 to December 2001)
6. Schematic of Full Permitting Process
7. Schematic of Alternative Permitting Process
8. Registration List from Annual Hearing
9. "Bulk Distributed Generation Transmission: Developing the Transmission Grid as Though Distributed Generation Mattered," (Autumn 2001) submitted by George Crocker
10. "Southwest Minnesota Energy Task Force," (November 5, 2001) submitted by George Crocker
11. E-Mail from Kristen Eide-Tollefson to Alan Mitchell dated December 6, 2001, entitled "Nuclear Waste"

This Report was finalized on February 12, 2002.