
DRAFT SCOPING DOCUMENT

HIAWATHA 115 kV HVTL PROJECT

PUC DOCKET No. E002/CN-10-694

Prepared by the Staff of the



March 4, 2011

1.0 INTRODUCTION

This scoping document is intended to advise the public of the scoping process and the process for the preparation of the Environmental Review document. The scoping decision will identify for the public the issues and alternatives that the Office of Energy Security (OES) has determined are appropriate for inclusion in the environmental review document.

On April 24, 2009, Xcel Energy submitted a high voltage transmission line (HVTL) Route Permit application to the Public Utilities Commission (Commission) for the proposed Hiawatha Transmission (Hiawatha) Project. The application was submitted pursuant to the provisions of the Full Permitting Process outlined in Minnesota Rules 7849.5200 to 7849.5340.

The Commission accepted the HVTL Route Permit Application as complete on May 26, 2009, which marked the beginning of the full permitting review process.

At the time of the route permit application acceptance the project did not meet the size and length thresholds definition of a *large energy facility* as described in Minnesota Statutes Section 216B.2421, subd. 2(2) and (3), and did not require the issuance of a Certificate of Need (CON) by the Commission.

However, this project does falls under the recently enacted statutory provision that requires a CON for transmission projects of this size and length if located in an area with high population density and the proposed transmission lines parallel a below-grade bike and walking path (2010 Minn. Laws, ch. 361, art. 5, sec. 19; Effective Date: May 18, 2010).

Therefore, the Commission must determine whether the HVTLs are necessary and in the best interest of the state through the CON process.

The Applicant applied for a Certificate of Need on November 29, 2010.

CERTIFICATE OF NEED

Before any large energy facility, in this case HVTL, can be constructed in Minnesota, the Commission must determine that they are necessary and in the best interest of the state. The certificate of need process includes environmental review and public hearings, and typically takes 12 months. This process is the only proceeding in which a no-build alternative and the size, type, timing, system configuration and voltage of the proposed project will be considered.

A copy of the certificate of need application, along with other relevant documents, can be reviewed at the Energy Facility Permitting web page at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=30489>

The OES Energy Facility Permitting staff is responsible for administering the environmental review process. The Commission is responsible for determining if the transmission lines proposed are needed.

Potential routes that the transmission lines would follow, if approved, have been put forth and are being evaluated in the HVTL Route Permit proceeding (See Below).

Environmental Review

The environmental review process under the certificate of need procedures includes public information/scoping meetings and the preparation of an environmental review document, the Environmental Report (ER). The environmental report is a written document that describes the human and environmental impacts of the proposed project, alternatives to the project and methods to mitigate anticipated adverse impacts. The ER must be prepared before the public hearing and before the Commission can make a decision on the certificate of need application.

HVTL ROUTE PERMITTING

Minnesota Statutes Section 216E.03, subd. 2, provides that no person may construct a HVTL without a route permit from the Commission. An HVTL is defined as a transmission line of 100 kV or more and greater than 1,500 feet in length in Minnesota Statutes Section 216E.01, subd. 4. The proposed transmission lines are HVTLs and, therefore, a route permit is required prior to construction.

Xcel Energy's an application for a HVTL Route Permit was being reviewed by the Commission under Docket TL-09-38. However, due to the recently enacted legislation requiring a Certificate of Need, the HVTL Route Permit proceedings are on hold pending the outcome of this Certificate of Need filing.

A copy of the HVTL route permit application, along with other relevant documents, can be reviewed at the Energy Facility Permitting web page at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=19981>

The OES EFP is responsible for evaluating the HVTL route permit application and administering the environmental review process. The Commission is responsible for selecting the transmission lines routes and issuing the HVTL route permit.

2.0 PROJECT DESCRIPTION

The total length of the HVTLs would be approximately 1.4 to 3.8 miles long depending on the final route. The stated purpose of the Hiawatha Project is to meet the electrical distribution needs of the Applicant's customers in south Minneapolis, Hennepin County, Minnesota. The Applicant has stated that demand for power has increased beyond the capability of the system due to population growth, higher load density, and recent successful urban revitalization efforts, particularly in the areas along Lake Street, Hiawatha Avenue, and the Chicago and Park Avenue corridors. Additional electrical infrastructure is required to address overload conditions on the local distribution system and to improve the reliability of the power supply to residences and businesses. Without new infrastructure, electrical conditions will worsen with time.

Xcel Energy proposes to construct the following facilities:

- A new 115 kV distribution substation near Hiawatha Avenue and 28th Street (Hiawatha Substation),
- A new 115 kV distribution substation near Oakland Avenue South and 29th Street, including the site of the former Oakland Substation (Midtown Substation), and
- Two 115 kV transmission lines between the two new substations. The routes for the transmission lines total approximately 1.4 to 3.8 miles depending on the final route selected.

Potential routes that the transmission lines would follow, if approved, were put forth in the HVTL Route Permit proceeding which is currently on hold (see above). The transmission line routes will be determined through the HVTL Route Permit process expected to recommence following the certificate of need process, if a CON is granted.

3.0 ENVIRONMENTAL REVIEW DOCUMENT

The environmental review document under the certificate of need procedures (Minnesota Rules 7849.1500, subpart 1) must include the following:

- A. A general description of the proposed project and associated facilities;
- B. A general description of the alternatives to the proposed project; these shall include:
 - The no-build alternative;
 - Demand side management;
 - Purchased power;
 - Facilities of a different size or using a different energy source;
 - Upgrading of existing facilities;
 - Transmission rather than generation; and
 - Use of renewable energy sources.
- C. An analysis of the human and environmental impacts of a project of the type proposed and of the alternatives identified;
- D. Analysis of the potential impacts that are project specific;
- E. An analysis of mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative;
- F. An analysis of the feasibility and availability of each alternative considered;
- G. A list of permits required for the project; and
- H. A discussion of other matters identified in the *Scoping Decision*.

4.0 EA SCOPING PROCESS

The purpose of the scoping process is to provide the public with an opportunity to participate in the development of the scope of the ER by holding a public meeting and soliciting public comment.

The public information/scoping meetings and the comment period listed below are your opportunity to participate in the determination of the content or “scope” of the ER.

Wednesday, March 16, 2011
Afternoon Session - 2:00 p.m.
Evening Session - 6:00 p.m.
Plaza Verde
1516 East Lake Street
Minneapolis, MN 550407
612-724-5332

The meetings will inform the public about the project and the regulatory proceedings; provide a forum to discuss the environmental, social and economic issues of importance in the areas potentially affected; and gather public input into the scope of the ER to be prepared for the project. The meetings provide the public an opportunity to ask questions about the project and suggest alternatives to the proposed project and specific impacts that should be addressed in the ER.

Representatives of OES, the Commission and the Applicant will be at the meetings to describe the proposed project and answer questions.

Written public comments can be submitted to the OES EFP staff until **April 6, 2011**. Once the scope is determined, OES staff will prepare the ER and introduce it into the record at a public hearing to be scheduled, noticed and held at a later date.

5.0 DRAFT SCOPE FOR COMPLETION OF ER

The environmental report will address the following matters:

1.0 INTRODUCTION

- 1.1 Purpose and Need
- 1.2 Regulatory requirements

2.0 PROJECT DESCRIPTION

- 2.1 General
- 2.2 Design
- 2.3 Right-of-Way Requirements and Acquisition
- 2.4 Construction
- 2.5 Operation and Maintenance
- 2.6 Permits

3.0 ALTERNATIVES TO THE PROPOSED HVTL

- 3.1 No-build Alternative
- 3.2 Demand Side Management
- 3.3 Purchase Power
 - 3.3.1 Long term Purchase Power
 - 3.3.2 Short term Purchase Power
- 3.4 Alternative Fuels
 - 3.4.1 Fossil Fuel Technologies
 - 3.4.2 Renewable Resource Technologies
- 3.5 Up-grading Existing Facilities
- 3.6 New Generation

4.0 ENVIRONMENTAL AFFECTS

- 4.1 Air Quality
- 4.2 Biological Resources
- 4.3 Culture Resources
- 4.4 Geology and Soils
- 4.5 Health and Safety
- 4.6 Land Use
- 4.7 Noise
- 4.8 Socioeconomics
- 4.9 Transportation
- 4.10 Visual Impacts and Aesthetics
- 4.11 Water Resources (surface, groundwater, wetlands)
- 4.12 Waste Management and Disposal

6.0 SCHEDULE FOR COMPLETION OF ER

It is anticipated that the Environmental Report on the Hiawatha 115 kV HVTL CON application will be completed by July 31, 2011.

Upon completion of the ER, the OES EFP will notify those persons who have asked to be notified of the completion. In addition, the OES EFP will publish notice of the availability of the ER in the EQB Monitor. The ER will be made available for review and will be posted on the EFP webpage.

Following the release of the ER, a public hearing will be held in the vicinity of the project area to obtain public opinion on the necessity of granting a certificate of need.