

**REPORT TO THE  
MINNESOTA ENVIRONMENTAL QUALITY BOARD  
ON THE  
2002 ANNUAL HEARING  
OF THE  
POWER PLANT SITING PROGRAM**

The Minnesota Environmental Quality Board's 2002 Annual Hearing of the Power Plant Siting Program was held on Saturday, November 23, 2002, at the EQB offices in the Centennial Building in St. Paul, Minnesota. Notice of the meeting was published in the EQB Monitor on October 28, 2002, 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 2001 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, Michael Sullivan, Suzanne Steinhauer, and Bill Storm. Janet Gonzalez of the Minnesota Public Utilities Commission and Susan Medhaug and Bob Cupit of the Minnesota Department of Commerce also were in attendance. Ten other persons attended. A copy of the registration list from the hearing is attached to this Report.

The hearing convened at approximately 9:15 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. Two people, Kristen Eide-Tollefson and Richard Polich, submitted written material, 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 20, 2002. A letter from Terry Graumann, Otter Tail Power was received before the hearing and is attached to this Report.

**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:** To a large extent, the issues of concern to the public are the same issues that were identified at the 2001 Annual Hearing. Significant issues raised by the public during the hearing include the following:

- The EQB should continue to use its website to provide the public with easy and quick access to information on projects and on processes. Information on both historical projects and on current projects should be available, along with information on projects receiving local approval. The public would also like to see more links to other agencies and more information on the processes for approving new large energy projects.

- The public wants to be involved early on in matters relating to planning of new large energy facilities, and the public wants to be involved in a meaningful way with regard to review of new project proposals. State agencies continue to seek ways to keep the public informed and involved in ongoing projects while conducting their review of proposed projects in an expeditious fashion and in accord with statutory timeframes.
- There is a growing interest in providing local developers with access to the transmission grid.
- Some citizens are concerned about the exercise by utilities of eminent domain authority when they propose new power plants and transmission lines.

**EQB Response:**

**EQB Web Page.** The public is generally pleased with the EQB's web page but would like to see even more information included. The staff has devoted a significant effort to development and maintenance of the web page in the past year. The staff has created a form called a File Register for each pending project. The File Register contains a list of documents in a particular docket, and many of the documents can be linked directly through the web. The staff has also utilized the web as a mechanism for keeping the public advised of upcoming meetings and hearings. The staff will continue to attempt to make the web more user friendly and to provide access to more information, particularly historical reports that the public said it would like to have access to. Hopefully, links to other state agencies, such as the Public Utilities Commission and the Department of Commerce, can be included on the EQB web page.

**State Review of Proposed Projects.** There are a number of steps that have been instituted in the past year and are being instituted to increase the opportunities for the public to be involved in energy planning and review.

The EQB Board in December adopted final amendments to the Power Plant Siting rules, Minn. Rules chapter 4400. These rule amendments will be final in mid-February 2003. The rules provide opportunities in a number of respects for the public to be involved in the review of proposed new power plants. The rules allow for the EQB Chair to create a citizen advisory task force to participate in the review and selection of power plant sites and routes for transmission lines.

The EQB is also developing rule amendments to the environmental review rules (4410.7600) to provide for the preparation of an environmental report by the EQB when a project proposer seeks a determination from the Public Utilities Commission that a new project is needed. The EQB will be responsible for gathering the information on the potential environmental impacts of a proposed project, along with alternatives to the project, for the Public Utilities Commission. The environmental report will be completed in a matter of a few months to allow the PUC to proceed in an expeditious fashion to complete its decisionmaking process.

A new transmission planning process is underway pursuant to a new statute that went into effect in 2001, Minn. Stat. § 216B.2425, and the Public Utilities Commission has recently proposed rules addressing the process to be followed by utilities in preparing a transmission planning report by November 1 of the even numbered years.

**Local Access to Transmission Grid.** On January 30, 2003, the Public Utilities Commission issued its order granting certificates of need to Xcel Energy for four transmission lines in the Buffalo Ridge area. The PUC attached conditions to the certificates that are intended to provide opportunities for local landowners to install wind turbines and obtain access to the grid.

**Eminent Domain.** The matter of eminent domain authority is one that has to be addressed by the Legislature. The Power Plant Siting Rules that were recently adopted by the Board provide that when notice is given of an application for a site permit or a route permit, the utility must include a statement in the notice indicating whether the utility may exercise the power of eminent domain and the basis for such authority. Minn. Rules part 4400.1350, subp. 3.J. This notice will go out to landowners near a proposed project early on in the process.

**Attachments.** The following documents are attached to this Report.

1. 2002 Annual Hearing - Summary of Proceedings
2. Notice of Annual Hearing
3. Agenda of Annual Hearing
4. Chronological List of Projects Considered by EQB (December 2001 to November 2002)
5. List of Projects by Category (December 2001 to November 2002)
6. Registration List from Annual Hearing
7. e-mail from Kristen Eide-Tollefson, "Aggregating Renewable Electrical Generating Capacity to Gain Transmission Access for Smaller Scale Locally Owned Projects"
8. Nordic Power LLC Integrated Coal Gasification Project: The Rosemount, Minnesota Project"
9. Letter from Terry Graumann, Otter Tail Power

This Report was finalized on February 11, 2003.