

**REPORT TO THE
MINNESOTA ENVIRONMENTAL QUALITY BOARD
ON THE
2003 ANNUAL HEARING
OF THE
POWER PLANT SITING PROGRAM**

The Minnesota Environmental Quality Board's 2003 Annual Hearing of the Power Plant Siting Program was held on Wednesday, December 3, 2003, at the EQB offices in the Centennial Building in St. Paul, Minnesota, at both 2:00 and 7:00 p.m. Notice of the meeting was published in the EQB Monitor on November 24, 2003, 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 2002 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, Larry Hartman, Dave Birkholz, George Johnson, and Bill Storm. Janet Gonzalez of the Minnesota Public Utilities Commission and Susan Medhaug of the Minnesota Department of Commerce also were in attendance. About a dozen other persons attended one or both of the sessions. A copy of the registration list from the hearing is attached to this Report.

The hearing convened at approximately 2:10 p.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. The afternoon hearing adjourned at 4:00 p.m. and the evening session began around 7:10 and ended at 8:10 p.m. The record was kept open for receipt of written comments until December 19, 2003, but nobody submitted any written comments.

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 Discussed: The following issues received the most discussion at this year's Annual Hearing.

- **Compensation to Landowners.** The manner in which landowners whose property is to be crossed by new transmission lines are to be compensated is becoming an increasingly hot topic. Some folks contend that the traditional one-time payment is no longer adequate when transmission lines are being used to transmit cheaper electricity from distant generation sources to large demand centers with no benefit to consumers along the line.
- **State Role in Transmission Line Routing.** There was discussion about the disconnect between federal goals to provide low cost electricity and state interests

to ensure that transmission lines are routed and built in accordance with state requirements and policies.

- **Environmental Review of Proposed Projects.** There is continuing support for the need to conduct environmental review of proposed large energy projects.
- **Public Access to Information.** The public continues to want access to information and data about existing and proposed energy facilities.

EQB Response:

Compensation to Landowners. This topic appears to be an increasingly important issue to both the public and the utilities. While nobody has come forward with draft legislation at this time, it is possible that various proposals will be presented in the upcoming legislative session. This issue is important to state agencies because although the manner in which landowners are compensated may not affect the agencies directly, the controversy surrounding new power plants can be affected by whether landowners perceive any benefit from having a new transmission line cross their property.

State Role in Transmission Routing. This issue is an ongoing one over whether the federal government will take over transmission line planning and routing and eliminate or change state jurisdiction over need and routing. This may be an issue that the EQB Energy Subcommittee might want to consider.

Environmental Review of Proposed Projects. With the final adoption of the 4410 amendments, the EQB has now established a mechanism for conducting environmental review of proposed large energy projects at both the certificate of need stage and the siting and routing stage. There is broad support for this process from the utilities, the public, and the state agencies. The EQB is presently conducting its first Environmental Report under the new 4410 language; this is on the Trimont wind project. A second project, the Xcel Blue Lake peaking plant, is expected in January 2004. The Blue Lake project could become the first project to undergo review in a joint proceeding, so that a decision on a certificate of need by the PUC and a decision on a site permit by the EQB will occur simultaneously. As the EQB gains more experience with the new processes, proposed projects can be reviewed expeditiously with ample opportunity for public participation and involvement.

Public Access to Information. The EQB continues to receive compliments on its website. The public appreciates the ability to link directly to permit applications and other major documents relating to all projects under review by the EQB.

There is great interest by utilities and the public in obtaining access to the transmission mapping data that the EQB has compiled in the past two years with the assistance of the Land Management Information Center. This data will become readily available to the public through the internet in 2004.

Attachments. The following documents are attached to this Report.

1. 2003 Annual Hearing - Summary of Proceedings
2. Notice of Annual Hearing
3. Agenda of Annual Hearing
4. Chronological List of Projects Considered by EQB (December 2002 to November 2003)
5. List of Projects by Category (December 2002 to November 2003)
6. List of Upcoming and Pending Projects
7. Registration List from Annual Hearing

This Report was finalized on January 9, 2004.