

**2004 ANNUAL HEARING
POWER PLANT SITING PROGRAM
SUMMARY OF PROCEEDINGS**

The following is a summary of the 2004 Annual Hearing of the Power Plant Siting Program held on November 17, 2004, at the EQB offices in St. Paul, Minnesota. The summary follows the agenda prepared for the hearing.

I. INTRODUCTION

Power Plant Siting manager Alan Mitchell called the hearing to order at approximately 2:10 p.m. Alan Mitchell asked everyone in attendance to sign the registration sheet. Mr. Mitchell advised the attendees that between the afternoon session and the evening session, at the request of Kristen Eide-Tollefson of Citizens United for Responsible Energy, the staff would be holding an informal session to discuss the work of citizen advisory task forces and anyone who was interested was invited to attend. He then asked each person present to introduce himself or herself and identify the group or organization represented. A list of those attending the annual hearing is attached to the staff report.

II. REGULATORY CHANGES

A. Proposed Legislation Amending Pipeline Statutes (Minn. Stat. § 116I.015)

Mr. Mitchell reported on the action by the EQB Board in February 2003 directing the staff and the Chair to seek amendments in the pipeline statutes to clarify some issues that had arisen and to clarify the authority of the EQB. A bill was introduced last year (S.F. 2763) that was heard by a Senate Committee but not introduced in the House. One of the handouts available for review is the legislation that the EQB will be supporting and bringing to the Legislature next session. Mr. Mitchell reported that a meeting was scheduled for December 9 to discuss the pipeline legislation and possible amendments to the pipeline rules. Mr. Mitchell directed attention to a handout available on a working draft of amendments to the pipeline rules.

Mr. Mitchell stated that the main thing that the draft rules do is identify the size and length of pipeline projects that will be entitled to an exemption from some of the full routing requirements. The statute directs the EQB to provide a partial exemption from some of the procedural requirements for certain pipelines. The draft rules describe the size and type of pipelines that are exempt from certain procedural requirements.

Eric Swanson asked about the timeline for developing the rule amendments. Mr. Mitchell responded that rulemaking takes around a year, so it would be next fall before new rules could be effective.

B. Proposed Legislation Amending Power Plant Siting Act (Minn. Stat. § 116C.69)

Mr. Mitchell advised that one other legislative change that the EQB is considering is an amendment to the part of the Power Plant Siting Act that provides for assessing fees when applicants apply for permits for power plants or transmission lines. The statute was first adopted in 1973 and sets forth a formula for determining the amount of fees that can be assessed – so many dollars per dollar of investment. Nearly every time, the formula has been sufficient to cover the costs of processing the application, but it makes sense to update the statute to reflect that the applicant has to pay the reasonable cost. That is the way the wind statute works and the way the pipeline statute works, and those statutes are newer than the Power Plant Siting Act. Mr. Mitchell reported that a copy of the draft legislation is available and that this is a new bill and it was not introduced last year.

Paula Maccabee asked whether there was a risk that an applicant could disagree with the EQB over what necessary and reasonable meant. Mr. Mitchell responded that such a situation was possible but it hasn't happened in the past. Some applicants have asked for information about the costs.

Ms. Maccabee asked whether the EQB had ever exceeded the statutory amount. Mr. Mitchell said that the EQB exceeded the statutory amount in at least three cases – Chisago, Arrowhead, and the recent Lakefield Junction 161 kV line. Mr. Mitchell also stated that there has been inflation since the statute was passed in 1973, which the staff calculated would be about four times higher.

Ms. Maccabee asked whether it might be better to just change the formula to provide higher fees. Mr. Mitchell said that if the formula was changed to be high enough it would address her concern but the formula is not as satisfactory as language saying pay the reasonable fees. Mr. Mitchell said that the rules already provide that if there is a dispute over the fees, that issue can be brought to the full Board and the Board will pass on that. Mr. Mitchell also pointed out that more than just staff time is included in the fees. Other expenses like attorneys fees are also included, and the EQB accounts for all its expenses.

C. Amendment of Pipeline Rules, chapter 4415

No additional discussion occurred under this agenda item.

III. PROJECT REVIEW

A. Discussion of projects completed in the past year

Mr. Mitchell described the handouts that were available listing the projects that had been completed in the past twelve months, one listing the projects by date the permit was issued and the other listing the projects by type. He indicated that what the staff would like to hear is whether anybody has identified any issues in the past year where

improvements might be made in the way the program has worked and the permits processed and where there might be some improvements made. He summarized the past year's activities – EQB permitted three generating plants. EQB permitted five high voltage transmission lines, three associated with new power plants, three pipelines all connected with new natural gas plants, and two wind projects for a total of 119 MW of wind.

Laura Reinhardt stated that she had a concern regarding the 161 kV Lakefield project, whether route segments were added after the public meeting and after the applicant provided notice so that landowners along the new alternative did not get notice. Mr. Mitchell responded that the staff was also concerned about this issue, that when the staff goes to the public scoping meeting and new routes are identified, there are landowners who did not get the initial notice. He explained that staff has attempted to send these new landowners notice. Larry Hartman of the EQB staff provided an explanation of the efforts that were made to notify landowners along the alternative routes through the City of Jackson that were identified during the scoping process.

Mr. Mitchell brought up the Air Lake project and explained that during the scoping process several different route alternatives were identified that were included in the scope of the environmental assessment, and the staff made an effort to notify landowners along these new route alternatives of that fact. Mr. Mitchell stated that the staff has not received any complaints regarding notice in the Air Lake matter, but recognized that her point was a legitimate one and that the staff was trying to provide direct notice, and not just newspaper notice, to all landowners along any of the possible routes.

Mr. Mitchell stated that even though everybody was probably familiar with the EQB webpage, the staff did set up the computer and projector to demonstrate some of the information that was available on the web. With the appropriate pages from the web projected on the screen, the staff pointed out a number of features, including the Calendar and the Tables describing the status and timeline of the pending and closed projects and the link to the File Register for each project listed.

David Jacobson of the Public Utilities Commission staff asked how much time the staff spent maintaining the webpage. Bill Storm and David Birkholz responded that it did not take much time at all if the documents were posted as they became available, but it did take some time to catch up if the staff got behind in keeping the web material current. Mr. Mitchell added that the staff has learned that some of the documents, like the permit applications with maps and figures, were large documents that were difficult to download for some users on their home computers so these documents were often posted separately. The staff also explained that there is a time savings for the staff by having the documents available on the web, because often the staff can respond to public requests by directing the person to the web.

Adam Sokolski said that he thought the EQB webpage was good and asked whether documents that were submitted electronically were considered official. Mr. Mitchell responded that the staff considers the document filed when the staff gets it electronically.

David Birkholz added that for almost every document on the web, there is a paper copy in the EQB files with a date stamp on it.

Laura Reinhardt said she considered the EQB webpage to be one of the best for state agencies and she would encourage other agencies to try to expand their web use. David Jacobson responded that the Public Utilities Commission had so many dockets, many more than the EQB, with so many documents that it was difficult to make all these documents available electronically. Several commenters, including Paula Maccabee and Bill Neuman, stated that the public really depended on having access electronically to government documents.

After a few minute discussion among the participants of the need for electronic access to documents and electronic filing, Kristen Eide-Tollefson asked if the staff could comment on how the process for combining certificate of need and permitting was working. A discussion followed on the manner in which the Calpine project in Mankato, for which a joint PUC/EQB hearing was held, and the Blue Lake project in Scott County, for which separate hearings were held on the same day, proceeded. David Jacobson of the PUC staff and Alan Mitchell of the EQB staff commented on those processes.

Ms. Eide-Tollefson commented that there was not time for her and others to participate fully in the scoping process on the Calpine matter and that she wondered if the EQB had considered hiring a consultant to look more fully into some of the issues related to that project, particularly on the alternatives to be analyzed. Mr. Mitchell responded that there was not enough time to consider hiring a consultant to assist in the development of the environmental assessment on the Calpine project.

Mr. Mitchell responded that with some projects, like the Calpine transmission lines, the staff is conducting environmental review without any real alternatives under consideration. In those cases, the environmental review can be completed quickly. However, with controversial projects, the environmental assessment is not going to be completed in a few weeks and the public hearing is not going to be completed in one day. With controversial projects, with real alternatives to consider, it is going to take longer and it may be necessary to hire consultants to assist in the environmental review.

B. Identification of Pending and Anticipated Projects

There were no questions about the pending projects.

Mesaba Project. Paula Maccabee asked whether an EIS or an environmental assessment was going to be prepared on the anticipated projects, because the handout listing the projects did not provide that information. Mr. Mitchell began with the Mesaba project and explained that an EIS would be prepared because of the size of the plant and the line.

Laura Reinhardt asked whether the EIS on the Mesaba project would look at the questions of need and size, type, and timing of the plant. Mr. Mitchell said that when it

came time to scope the environmental impact statement on that project, the EQB would like to hear the views of the various interested parties on those questions.

Bob Evans said he works for Excelsior Energy, the proposers of the Mesaba project, and he took a couple of minutes to explain the Mesaba project. The Mesaba project is an integrated coal gasification plant to be located in northern Minnesota. The project involves two phases. The first phase is a 531 megawatt plant, and the second phase is another 531 MW plant. Mr. Evans explained that the company had been working with the Iron Range Resources and Rehabilitation Board (IRRRB) and with local officials on the project.

Paula Maccabee raised a concern over mercury emissions from the plant. Mr. Evans responded that the company is committed to remove over 90% of the mercury. After a few minute exchange over the scope of the EIS, Mr. Mitchell stated that he did not know the answers to the questions and he suggested that we leave these issues to the time when the EIS is scoped. Mr. Mitchell stated that the staff had informed the Mesaba folks that since the statute provided that once a route for a transmission line was approved, Mesaba could build any size line it wanted, the EQB would treat their application as one for a big line.

Big Stone Project. Mr. Mitchell suggested that the group move on to the other anticipated projects, and Paula Maccabee asked about the Big Stone project. Mr. Mitchell responded that the project is a 630 MW coal plant to be located in South Dakota, so it will undergo review by South Dakota and probably by the federal government as well. He described two possible transmission lines coming into Minnesota from the Big Stone plant that will require a permit from the EQB. Construction is anticipated in 2007 and operation in 2011.

Ms. Maccabee asked how Minnesota can address concerns about air emissions from a coal fired plant like this one. Mr. Mitchell said that the transmission lines into Minnesota that are contemplated are of a size that a certificate of need from the Public Utilities Commission will be required. John Reinhardt, Ms. Maccabee, and David Jacobson discussed various issues related to this project.

Chisago Project. Mr. Mitchell moved the agenda along to the Chisago project. A discussion was held on the anticipated schedule for the project.

Monticello Dry Cask Storage. The next project discussed was the Monticello dry cask storage project. Mr. Mitchell stated that the EQB would be preparing an EIS for the PUC which will make a decision on a certificate of need. The scoping process will start before the end of the year. Mr. Mitchell stated the discussion at this meeting demonstrated how important the scoping process is.

Paula Maccabee asked about any decisions the EQB would make regarding the dry cask storage proposal. Mr. Mitchell explained that the statute required the EQB to make a determination about a water issue and decide the adequacy of the EIS, but the PUC would

determine the need issue. Mr. Mitchell explained that the scoping process would identify the alternatives to operating the Monticello plant and the alternatives to dry cask storage and the potential impacts that would be included in the EIS, and the public would have an opportunity to participate in determining the scope.

Koch Pipeline. Eric Swanson said that it would probably be the end of the first quarter of 2005 before any applications would be submitted. Mr. Mitchell said that both a certificate of need and a pipeline routing permit would be required. The project is a 280 mile long pipeline carrying Canadian crude, from Clearbrook along an existing right-of-way for the first half or so and then new route to the refinery.

Paula Maccabee inquired whether the EQB had a draft application for any of these projects and whether those were available to the public. Mr. Mitchell responded that the EQB did not have a draft application for any of the anticipated projects. He said that there had been meetings, with power point presentations, slides, and handouts.

Monticello Dry Cask Storage. Ms. Maccabee asked how the public could stay advised of progress on the Monticello project. Mr. Mitchell said that that question is one of the things the staff is considering, that the certificate of need is going down one track and the environmental impact statement is going down another track, and then they have to come together. And the certificate of need application will not be filed for a while. The staff has a scoping environmental assessment worksheet on Monticello, and the staff was working on putting together the draft scoping document. He said that he thought the public would see the scoping document before it saw the CON application.

Ms. Maccabee asked if there was an EAW or other documents available for public review. Mr. Mitchell said that there is a draft scoping EAW available. Ms. Maccabee asked if that document was available on the EQB website. Mr. Mitchell responded that a webpage for the Monticello project had not been established yet.

Kristen Eide-Tollefson asked if there was a public process associated with the EAW scoping document. Mr. Mitchell explained how the rules worked – that a scoping EAW is prepared, then the RGU, in this case the EQB, puts together a draft scoping decision, then public meetings are scheduled, and the draft scoping decision is available for public review, and then it comes back to the full Environmental Quality Board for a decision on the scope of the environmental impact statement. He said that it would take a couple of months to do that.

Ms. Maccabee said that the public was interested in having the draft scoping EAW up on the website. Mr. Mitchell said the staff would be doing that, that the staff got the draft EAW just on Monday.

Ms. Eide-Tollefson asked about how the certificate of need process would affect the scoping decision. Mr. Mitchell said the Public Utilities Commission had its rules and when a certificate of need is applied for, you have to address alternatives, impacts, and things like that so it will guide the scoping document. You want to provide in the

environmental impact statement the information that the PUC is going to need to make a decision under its rules. They say if you are going to propose this type of facility, you have to look at other kinds of facilities, like conservation. There is a whole list of alternatives required under their rules.

Ms. Eide-Tollefson asked when those would come into play. Mr. Mitchell responded that they would come into play during the scoping process, so the EQB can give the PUC an EIS that satisfies everything the PUC needs to make a decision.

Ms. Eide-Tollefson asked how this could happen before the certificate of need application is submitted. David Jacobson provided a description of how the PUC certificate of need process functioned.

Ms. Maccabee asked about how the EQB would notify the public about the scoping process so they would have a chance to be involved. Mr. Mitchell responded that the EQB would notify everybody who was required to get notice under the rules, and the staff would do its best to get notice out. He said that he suspected that people would be aware of the Monticello dry cask storage application.

Ms. Eide-Tollefson requested that when the draft scoping decision comes out, if the staff would provide a timeline alongside for the anticipated pieces. She said it didn't make sense to scope the EIS without being able to look at the CON application. She said she read the Prairie Island certificate of need application and so much of that was very specific. Mr. Mitchell said the staff just got the draft scoping EAW, and a draft scoping decision had not been prepared yet, and a File Register had not been created on the web. He said the scoping EAW will go up on the web, and when we get the draft scope together, it will go up there, and the notice of the scoping meeting will go up there, and we'll mail the notice to everybody we can think of who might be interested.

Laura Reinhardt asked about how this pre-application pre-public process would work to allow the public to participate. Mr. Mitchell responded that the way the 4410 rules are written, an EIS starts with a scoping EAW, with information that comes from the applicant, and the staff just received the draft EAW on Monday. He said that the fact that Xcel Energy had not applied for their certificate of need yet was troublesome for a lot of people.

Bill Neuman said that from the public perspective, this has the potential for causing confusion. If a person did a search on the internet, you are not going to find everything you need to know to participate, and one of the reasons is that there is different terminology used by one agency versus another. He said maybe there was a way to do some cross-referencing so if you do a Goggle search you will turn up the documents. Laura Reinhardt said the EQB said it would post all the documents, and Mr. Mitchell said they would try to get them all up there, and that the EQB did scan documents.

Prairie Island – Byron – Pleasant Valley. Mr. Mitchell said there was one other project he placed on the list of anticipated projects, even though it was not going to be permitted

by the EQB, but he wanted to bring it to the public's attention. And that's the replacement of some damaged poles on the 345 line going south out of Prairie Island, which will start next spring. And since there is no change in voltage and no change in design the structures are designed for, and no change in right of way, there is no permit required for it.

IV. WIND TURBINE INVENTORY

Mr. Mitchell introduced Sandi Kuitunen who works with the Land Management Information Center. He said that Sandi has been working with Larry Hartman and other EQB staff for the past year or so to pull together data on the wind turbines in the state, and we wanted to use this opportunity to show the kind of data that is available.

Ms. Kuitunen reported that she has been working to develop a GIS [Geographic Information System] wind turbine database. She used a power point presentation to show what data is available, what is missing, and how the data may be used. She explained where the data was obtained, including from the EQB, from counties, from wind developers, and from the Department of Commerce. She explained that she attempted to not only document the wind turbines that had been permitted by the EQB but also those that had been permitted locally (under 5 megawatts) and also numerous home and farm turbines of less than 100 kilowatts. She also explained that she used National Agricultural Imagery Photography to attempt to confirm the location of the turbines.

Larry Hartman described the efforts the EQB staff is undertaking to attempt to gather attribute data about the turbines, including such information as type, size, manufacturer, and blade length. He said that the staff would be sending out a survey form to wind turbine owners asking for a number of attribute features. He said that there is a lot of data on wind turbines available but it does not exist in one place and the survey was intended to compile that data.

Kristin Eide-Tollefson asked if the wind data could be used with other information and overlaid with other data. Ms. Kuitunen responded that the wind data certainly could be used with other data and as an example, the U.S. Fish and Wildlife Service had recently requested certain wind data.

V. PUBLIC QUESTIONS AND COMMENTS

Kristen Eide-Tollefson said that last year the public saw a presentation on the data regarding transmission lines in the state, and she wondered what the process was for release of that data. Mr. Mitchell responded that the EQB has a lot of GIS data on the transmission lines in the state over 60 kilovolts, and that on December 1, the EQB was going to post on the web a map of the state with the transmission lines and that people who were interested in obtaining the attribute data could contact us and the EQB would provide it. And there would be no fee.

Ms. Eide-Tollefson asked if the data would be interactive so counties or others could use the data for mapping and planning. Mr. Mitchell said yes, they could do that with it.

Bob Evans asked what the attributes included. David Birkholz responded that the attributes include voltage, the utility, substations, technical specifications, although not the same information existed for every line. Mr. Mitchell circulated a document with the list of attribute data.

Mr. Mitchell said there is lots of work ahead for everybody and that 2005 was going to be a busy year.

Kristen Eide-Tollefson asked whether staff was anticipating any legislation that hadn't been talked about regarding the power plant siting statutes. Mr. Mitchell said he talked about that amendment to 116C.69, and if people knew of other amendments, this was a good time to announce that.

David Jacobson said that he had had some discussion about streamlining the process for review of proposed projects. Mr. Mitchell said there was always interest in streamlining the process. Mr. Jacobson said that the discussion affected issues regarding reimbursement for the costs of new facilities.

Mr. Mitchell mentioned that Kristen Eide-Tollefson wanted to have a discussion after the Annual Hearing adjourned on citizen task forces and that he just wanted everybody to know that they were welcome to attend if they'd like.

Mr. Mitchell described what would happen next. The staff would prepare two documents – a summary of proceedings and a short report on the main things that were discussed. These documents from past annual hearings were available on the web, and the ones for this hearing would appear on the web when they were available. He said that the staff would likely bring those documents to the Board in January. He also announced that the public had until December 6 to submit written comments. Written comments should be sent to Mr. Mitchell.

The afternoon session was adjourned.

EVENING SESSION

I. INTRODUCTION.

Mr. Mitchell called the Annual Hearing together and explained the purpose of the Annual Hearing. He said that the most important part was hearing comments from the public. He explained that the staff would prepare a summary of proceedings and a brief report and bring those to the Board in January. These documents will go up on the web.

Mr. Mitchell asked that everybody introduce himself or herself and identify any particular issues of concern.

II. REGULATORY CHANGES

Mr. Mitchell said that all three of these items have handouts on the back table.

Mr. Mitchell said that last February the Board directed the Chair and the staff to seek legislative changes in the pipeline statute. A bill, S.F. 2763, was introduced in the Senate, but it was not introduced in the House. It was the EQB's intention to go forward again this year. Mr. Mitchell announced that a meeting was scheduled for December 9 to discuss the legislation and possible amendments to the pipeline rules, and the meeting was open to anybody who wished to attend.

Mr. Mitchell said that a working draft of amendments to chapter 4415 was available on the table, and this document was hot off the press, the staff wanted to get it out to the public so people could see the kind of changes the staff was thinking about.

Carol Overland asked what had held up the bill last year. Mr. Mitchell responded that it was the lateness of the hour, there just wasn't time to get the bill introduced after the Board decided to go forward at the February meeting. The EQB did have sponsors; Senator Fredrickson was the main sponsor in the Senate.

Mr. Mitchell said that the other legislative change anticipated was a change to the Power Plant Siting Act, specifically section 116C.69, which relates to the fees that are charged applicants. The statute when adopted in 1973 set forth a formula to determine the amount of fees an applicant would have to pay based on the value of the project, the cost of the project. For nearly every project, that formula has been sufficient but in a couple of cases the costs have exceeded what the formula would have provided. It makes sense to change the language to require the applicant to pay the reasonable costs. This would make the Power Plant Siting language consistent with what is in the wind statute and the pipeline statute, which provide for payment of reasonable fees. There is a mechanism for bringing any disputes to the full Board.

Carol Overland asked what the utilities are concerned about. Mr. Mitchell explained that there were no complaints; the utilities do pay the fees. The EQB just thought it was appropriate to avoid the situation where the fees exceed the statutory amount.

III. PROJECT REVIEW

A. Discussion of projects completed in the past year.

Mr. Mitchell advised that a handout was available listing all the projects that had been permitted in the past year. He summarized the EQB permitting activities – there were three generating plants permitted, five high voltage transmission lines, three of which were short interconnections related to the new power plants, three pipelines, all connected to new gas plants, and two wind projects with a total of 119 megawatts. He asked

whether anybody had any suggestions or issues on how permitting had gone or anything needing attention. Nobody had any comments or suggestions.

David Birkholz and Alan Mitchell gave a demonstration of the EQB webpage and showed the various material available on the web, including the calendar and the table of pending projects. They also directed attention to the File Register that is maintained on each project. They explained that some documents are quite large and would take a long time to download on a home computer, so the staff sometimes separates maps and figures from other parts of the document so only portions need be downloaded at a time

There were no questions.

B. Identification of pending and anticipated projects

Mr. Mitchell directed attention to the handout listing the projects.

Air Lake to Empire Township HVTL. Mr. Mitchell explained the anticipated schedule, and if the judge gets his report out by December 1, the matter is likely to be before the Board at the December Board meeting.

Carol Overland asked what the process was after the judge's report came out. Mr. Mitchell referred her to the schematic showing the process, and explained that the public will have an opportunity to appear before the Board when it makes its decision. Mr. Mitchell explained that the staff would prepare a report that would be available for public review a week before the Board meeting. He said that any person who was interested in that project should notify the staff that they were interested in that matter. He said the staff would e-mail the documents to people on the project contact list and would post the documents as soon as possible after they were mailed to the Board.

Mr. Mitchell said that there are some issues in the Air Lake matter, there were a number of alternatives that were examined, and a number of people appeared at the public hearing. Some people wanted 210th Street, some wanted Highway 66. There were issues regarding the route through the City of Farmington.

He asked Marla Vagts (who lives on 210th Street in Empire Township) whether she had any specific questions about this project. She said that one of the troubling things was that the people who live along the route found out about the project just a couple of weeks before the deadline for proposing alternative routes. The citizens have no experience with this kind of thing, yet had to propose alternative routes, and they were under pressure to make any alternative route under ten miles.

Mr. Mitchell added that what Marla is talking about is that the proposed line is about nine and a half miles long and if you are ten miles or longer, you need a certificate of need. Some of the alternatives that were analyzed were over ten miles long. GRE says we need to get this line built and if you pick this route and we have to go back to step one and

apply for a certificate of need, that will cause a delay and additional expense and will cause concerns about reliability.

A second issue the staff heard is that there is not enough time to participate in the scoping proceeding to identify alternatives and impacts and there is not enough time after the environmental assessment comes out to prepare for the public hearing. Mr. Mitchell said staff explained that the EQB has six months to complete the review and it is a very crunched schedule.

Carol Overland asked if anybody had ever actually checked the length of the proposed line. David Birkholz responded that the staff had checked the distances and in this instance the EQB staff did not take the distance into account, that that was a PUC decision.

Marla Vats said that she lives next to the substation and citizens asked when the substation was built whether there would be large power lines going down their street. Unfortunately, the answer was not recorded but the answer was no. She is concerned about losses in their property values.

Mr. Mitchell said that she had presented the same testimony at the hearing, and other people testified at the hearing about those issues, and that is what the judge is considering. Mr. Mitchell said that he is not going to get into the merits of that or the resolution of that tonight.

Carol Overland asked if anybody brought up the PEER decision. Mr. Mitchell responded that it was brought up. It was brought up by reference to staff comments on the GRE power line in Hennepin County, where the Supreme Court said in the PEER case that the state should try to use existing corridors and not create new ones.

Mr. Mitchell asked whether there were any questions about other pending projects, and there were none.

C. Identification of pending and anticipated projects

Big Stone. Carol Overland asked how far the Buffalo Ridge to White line is to the Big Stone plant. Mr. Mitchell said both are close to the Minnesota border but he wasn't sure how far north to south they were apart.

Mr. Mitchell gave some details about the Big Stone project – a second 600 megawatt pulverized coal unit that the utilities hope to begin constructing in 2007 and have in operation in 2011. Two power lines into Minnesota will be required – one a 53 mile line to Morris and a 90 mile line to Granite Falls. They are both upgrades from 115 kV to 230 kV. They will need both a certificate of need and a route permit.

Carol Overland asked if there were other short lines required, and Mr. Mitchell said he hasn't been told about any others. Mr. Mitchell said the Big Stone people had not submitted an application to South Dakota but had had some conversations.

Chisago HVTL. Mr. Mitchell said Xcel Energy will probably submit an application for a certificate of need early in 2005 for the Chisago project. Carol Overland asked if it was still bundled. Mr. Mitchell said he didn't know. (Note: Mr. Mitchell asked Pam Rasmussen that question on November 19 and Ms. Rasmussen said the project is not bundled.)

Mesaba. Mr. Mitchell said that attendees spent some time this afternoon discussing the project, and he asked Bob Evans to just go over the timing. Carol Overland asked about the community readiness committee. Mr. Evans said that the committee was meeting in Ely on December 1 in the evening. The committee is composed of public officials and private citizens.

Mr. Evans said that the company had been awarded funds from the Department of Energy that will help it meet the goal of submitting permit applications in early 2005. Mr. Mitchell said that this project is of a size that will require the full permitting process, including preparation of an environmental impact statement. Mr. Evans explained that they have to go through an EIS process at the federal level, and they will be telling DOE that following the EQB process should suffice.

Mr. Mitchell said that EQB will work with their federal counterparts on this project and the Big Stone project to avoid duplication of work and coordinate efforts.

Mr. Evans said the company will have a proposal for both a site and a transmission line. The transmission line depends somewhat on the MISO [Midwest Independent System Operator] process. Carol Overland asked if the company was in the MISO queue, and Mr. Evans said they were.

Carol Overland raised the question regarding whether need would be examined in the review of the Mesaba project. Mr. Mitchell said that that question had come up in the afternoon session and he would give her the same answer he gave Paula Maccabee in the afternoon: Come to the scoping meeting because there is going to be a discussion of that.

Mr. Mitchell said that for any of these projects, the scoping meeting is very important, regardless of the time available for preparation.

Marla Vats asked if citizens could have been involved in the process any earlier than they were [in the Air Lake matter]. Mr. Mitchell informed her about the transmission planning process, whereby utilities have to submit a plan every other year in November, and in the other year the utilities have to hold public meetings. The Air Lake project has been talked about for a couple years. He said that you have to be one of the people who gets notice of those meetings, and you have to contact the Public Utilities Commission or the utilities to get on the mailing list.

Ms. Vats said you wouldn't know that your area is one of the areas involved unless you went to that meeting. Mr. Mitchell said you may know that Dakota County is involved but you may not know that 210th Street is proposed.

Bill Neuman said that the display ads and other public notices that are given do not begin to give the public specific notice that a project could impact you and this is why. Mr. Mitchell said that notice is key at all these stages, and the EQB works hard to get notice out and sometimes people who should take notice, cast it aside too.

Monticello Dry Cask Storage. Mr. Mitchell explained that the EQB will prepare an EIS for the Public utilities Commission. The EQB has two decisions to make: one on the adequacy of the EIS and the other on compliance with certain water standards. Mr. Mitchell explained that preparation of the scoping decision was underway and the public would be getting notice of the scoping. He said that Jim Alders was present in the afternoon and the application for the certificate of need is probably going to be submitted to the PUC in December.

Carol Overland asked whether the Nuclear Regulatory Commission was going to consider the application an onsite storage facility and made reference to various federal rules. John Wachtler said that what he has dealt with the federal government on is the relicensing of the plant.

Ivanhoe Wind Project. Mr. Mitchell reported that the EQB was expecting a 150 megawatt wind project in Lincoln County. He said that wind permits usually get through the process in four to five months.

Koch Pipeline. Mr. Mitchell said that Koch has a 24 to 30 inch pipeline, 280 miles long, from northern Minnesota to the refinery, transporting Canadian crude. They need both a certificate of need and a routing permit. Applications are expected in the second quarter of 2005.

High Bridge. Mr. Mitchell said that Jim Alders mentioned to him earlier that day that Xcel Energy intends to come into the EQB with a permit application for a new gas fired plant to replace High Bridge before the end of the year. It will be part of MERP [Metro Area Emission Reduction Program] replacing High Bridge and putting in gas turbines at Riverside and control equipment at Allen S. King.

Carol Overland asked if that would be at the same site. Mr. Mitchell said that is what will be examined but what they are proposing is to put the new plant right next to the old one. Mr. Mitchell said a pipeline will be involved too, to bring gas to the plant.

Prairie Island – Byron – Pleasant Valley. Carol Overland asked if it involved reconductoring. Mr. Mitchell said he did not believe it did involve reconductoring, and it does not involve a change in voltage or any expansion of the right-of-way. Ms. Overland asked about capacity – the MVA. Mr. Mitchell said he did not know. He listed

that project because the work will begin in May and he wanted the public to be aware of it even though no permit will be required.

IV. WIND TURBINE INVENTORY

Mr. Mitchell reported that during the afternoon session, Sandi Kuitunen of the Land Management Information Center gave a power point presentation demonstrating information that the EQB had compiled on wind turbines in the state, but that Ms. Kuitunen was not available for the evening session. Mr. Mitchell informed the attendees that the maps that Ms. Kuitunen described during the afternoon session were available if people wanted to look at them. He described the work that the EQB had been doing in compiling data on wind turbines in the state, including the smaller ones not permitted by the EQB. He mentioned that the EQB also has data on transmission lines greater than 60 kV, and that the EQB was going to put up on the web a map showing the transmission lines and that people who were interested could contact the EQB and get the attribute data regarding the transmission lines and the wind turbines.

V. PUBLIC QUESTIONS AND COMMENTS

Mr. Mitchell stated that this was the time for attendees to ask any questions they had or to make comments.

John Drawz asked for confirmation of when the meeting on the pipeline rules would be held. Mr. Mitchell said that it would be on December 9 at 10:00, and the time had been changed from what was previously announced because the Legislative Electric Energy Task Force would be meeting on that day in the afternoon and that the EQB would get a notice out.

Carol Overland indicated that she had a number of exhibits she wanted to submit into the record. Ms. Overland said she wanted to get into the record the NERC Reliability Assessment. She said the document contains information about the effect of Minnesota Power on the system. Mr. Mitchell identified the document as the 2004 Long-Term Reliability Assessment, The Reliability of Bulk Electric Systems in North America, North American Electric Reliability Council, September 2004. [The actual pages are pp. 2, 31-32, 40-43, and 63-68.] Ms. Overland said that the document is available on the web.

Ms. Overland said the next thing is the WRAO map where it shows the various routes from WRAO report. Mr. Mitchell asked her to identify what WRAO is, and she said it is the Wisconsin Reliability Assessment Organization.

Ms. Overland said that next is pieces of the ATC Ten Year Plan, the American Transmission Company over in Wisconsin. They're talking about building regional energy markets. Page 11 of the ATC plan talks about various lines and one of them is an outgrowth of the WRAO report which is 9a and 9b, and the 345 line in southwest Minnesota is part of 9a-9b. The WRAO shows the line running along I-90 all the way

into Wisconsin. She said it is being built piecemeal and everybody needs to be aware of that.

Ms. Overland said that the next thing she has got is a bunch of pieces from the Wisconsin Strategic Energy Assessment, the September 2004 one. It talks about all the additions of generation in Wisconsin, 6409 megawatts. On page 19 the Arrowhead-Weston line is mentioned, and it shows that they are building a 500 megawatt power plant in Weston. Why are we doing that, she asked. The Strategic Energy Assessment is on the web.

Ms. Overland said the next thing is four pages from the MAPP Load and Capability Report. What that shows is anticipated surplus generation. She said we don't know where we're shipping power because no one is doing any market assessments. And that is demonstrated in the Mesaba project which requires a power purchase agreement, a legislative mandate.

Ms. Overland said that the next thing is the MAPP additions for the regional plan. What's important about this is it talks about the Mesaba project and that you're going to need at least two or three transmission lines coming out of that. Ms. Overland stated that she can't get anybody to talk about transmission planning for the Mesaba project. Bob Evans said he would give her a number to call to talk to Excelsior.

Bob Evans said that 10 CFR part 1021 were the DOE's regulations for implementation of NEPA.

Ms. Overland said she also wanted to bring in Lignite Vision 21 from the MAPP report and that's important because Lignite 21 connects to the 345 and that's part of the WRAO 9a and 9b. It's moving on to Wisconsin incrementally. Then she has the actual forms from MAPP that lists the projects that are anticipated. It also notes that we have 2085 MVA as the capacity of that line. The rest of the power is Big Stone, another coal plant.

Ms. Overland said she has a Lignite 21 map showing the 345 line. Then a Wind on the Wires study showing the same thing. Then a table showing various MVAs for different types of conductors, verifying the 2085 capacity for the 345 kV line. The table is Exhibit 35 from the Public Utilities Commission record.

Ms. Overland then said we have the Mesaba bill and some Mesaba power point material. An exchange with Bob Evans occurred discussing where Mesaba might build transmission. Ms. Overland then said she had a transmission schedule for Mesaba to submit.

Ms. Overland then described documents from the Upper Great Plains Transmission Coalition, where a number of groups are advocating for Mesaba. Then some documents from the EQB record on the Arrowhead project, like a memorandum from the Pollution Control Agency. She said the Mesaba project may connect on the other side of the transformers.

Ms. Overland said that is essentially what she wanted to do, bring out for the record some information on the south western lines and the Mesaba project.

Ms. Overland said she wants to know where the market is for all the power, that we have a glut of electricity. What are we doing building all this transmission. Mr. Mitchell stated that there are going to be some forums where those questions can be addressed in more detail than we can do tonight.

Bill Neuman asked where the Mesaba line would go from Rush City. Mr. Evans said Red Rock, which is in Newport. Carol Overland asked if the subregional planning group knew about that and Bob Evans said Excelsior presented it to the group, in the last two to three months.

No more questions or comments were entered.

Mr. Mitchell reminded the attendees that written comments could be submitted until December 6 and that a report would go to the Board in January.

Meeting adjourned.