STATE OF MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Annual Power Plant Siting Act Hearing

REPORT TO THE COMMISSION

On or about November 21, 2016, the Minnesota Public Utilities Commission (PUC or Commission) requested that the Office of Administrative Hearings conduct, on its behalf, the 2016 Annual Hearing on Power Plant Siting and Transmission Lines Routing Programs, pursuant to Minn. Stat. § 216E.07 (2016). Administrative Law Judge Ann O'Reilly conducted the public hearing at 9:30 a.m. on December 20, 2016, at the Saint Paul offices of the Commission. The hearing record closed at 4:30 p.m. on January 20, 2017, following the published post-hearing public comment period.¹

The Annual Hearing has two key purposes. First, it is intended to advise the public of matters relating to the siting of large electric power generating plants and routing of high voltage transmission lines. Second, the Annual Hearing affords interested persons an opportunity to be heard regarding the Commission's activities, duties, and/or policies pursuant to the Power Plant Siting Act (PPSA).2

NOTICE OF THE ANNUAL HEARING

Minnesota Statutes section 216E.07 and Minnesota Rules part 7850.5400 (2015) require that the Commission hold a public hearing each year to afford interested persons an opportunity to be heard on any matter relating to the siting of large electric generating power plants and the routing of high-voltage transmission lines. At the meeting, the Commission must inform the public of the permits issued by the Commission in the past year.³ The Commission must provide at least 10 days but no more than 45 days notice of the annual meeting, along with a tentative agenda for the hearing.⁴ The hearing notice must be mailed to or served electronically on those persons who have requested notice, and must be published in *Environmental Quality* Board (EQB) Monitor and on the Commission's calendar.⁵

On December 5, 2016, the Commission served, by U.S. Mail or electronic mail,⁶ the Notice of the Power Plant Siting and Transmission Line Routing Program Annual

¹ See. Notice Of The Power Plant Siting And Transmission Line Routing Program Annual Hearing, (Dec. 5, 2016) (eDocket No. 201612-127043-01).

² See Minn. Stat. § 216E.07; Minn. R. 7850.5400, subp. 2.

³ *Id*.

⁴ *Id.*

⁶ Minn. Stat. § 216.17, subd. 2 (2016) permits service of notices by electronic mail.

Hearing (Notice of Hearing) on those persons who requested notice.⁷ The Notice of Hearing contained a tentative agenda for the hearing, as required by Minn. R. 7850.5400.⁸ On December 12, 2016, the *EQB Monitor* (an electronic newsletter issued by the Environmental Quality Board) published the Notice of Hearing.⁹ The Commission also posted the Notice of Hearing on the Commission's web calendar throughout notice and public comment periods.¹⁰

Staff of the Commission and the Department of Commerce attended the hearing and gave testimony. Approximately 15 members of the public attended the hearing. Six individuals gave oral testimony during the hearing, and three other individuals provided written comments. All comments received are summarized below.

INTRODUCTIONS AND COMMENTS FROM PUC AND DOC STAFF

A. Kevin George, Public Utilities Commission¹³

Kevin George, the Public Advisor at the Public Utilities Commission, explained that the Energy Facilities Permitting staff oversees the Power Plant Siting Act and the siting of projects. The staff is responsible for oversight of the regulation of power plants, high voltage transmission lines, solar generation facilities, wind generation facilities, and natural gas and petroleum pipelines. As part of the project review process, the Commission staff will hold public information hearings, perform environmental reviews, and conduct public hearings. The final decision is made by the Commission.

Mr. George also spoke on specific non-Power Plant Siting Act projects. Mr. George stated that no significant pipelines had been approved, although there has been work done on several pipelines.¹⁴ In Lincoln County, the Blazing Star and Red Pine Wind Projects had their first public hearing and will have more hearings in 2017.¹⁵ Mr. George also asked for feedback from the attendees about suggestions to increase public participation.¹⁶

B. David Birkholtz, Department of Commerce¹⁷

David, Birkholtz, Environmental Review Manager with the Minnesota Department of Commerce (DOC) Energy Environmental Review and Analysis Unit (EERA),

⁷ See Certificate of Service and Service List (Dec. 5, 2016) (eDocket No 201612-127043-02).

⁸ Exhibit (Ex.) 7.

⁹ Minnesota Environmental Quality Board Monitor, Vol. 40, No. 50 (Dec. 12, 2016).

¹⁰ See Public Utilities Commission Calendar, <u>www.trumba.com/calendars/mn-puc</u> (last visited on Jan. 23, 2017).

¹¹ Ex. 2.

¹² Public Hearing Transcript (Hearing Tr.) at 20-33, 39-87 (Dec. 20, 2016); Exs. 3, 5, 6; Comment by Rick and Cheryl Ramberg (Jan. 20, 2017) (eDocket No. 20171-128359-01); Comment by Leon Pleau (Dec. 13, 2016) (eDocket No. 20171-128359-01).

¹³ Hearing Tr. at 9-16; Ex. 1.

¹⁴ Hearing Tr. at 11.

¹⁵ *Id*. at 12.

¹⁶ *Id*. at 12-16.

¹⁷ *Id.* at 16-19.

explained that the EERA conducts environmental review required for proposed energy facilities in Minnesota and provides technical support to the Commission, as needed.¹⁸

Mr. Birkholtz presented the "Power Plant Siting Act 2016 Year in Review," a document describing the projects the Commission has permitted and what actions the EERA has taken throughout the year. In 2016, the EERA assisted the Commission in permitting nine projects (five transmission lines, two solar projects; and two power plants) and prepared four Environmental Assessments. In Birkholtz provided a list and description of three transmission line projects currently under review with applications accepted in 2016, five transmission line projects that were permitted in 2016, and one transmission line project application that was withdrawn. In addition, Mr. Birkholtz presented a list and description of four power plant projects that were permitted in 2016, two of which were solar projects. Mr. Birkholtz stated that the North Star Project is the largest solar installation in the Midwest.

SUMMARY OF PUBLIC HEARING TESTIMONY AND WRITTEN COMMENTS SUBMITTED

The following individuals provided testimony at the public hearing on December 20, 2016:

Cynthia Warzecha, Department of Natural Resources John Munter Tina Carey Kristen Eide-Tollefson Carol Overland Alan Muller

Written comments were received within the comment period ending at 4:30 p.m. on January 20, 2016, from the following individuals:

Rick and Cheryl Ramberg Leon Pleau

The written and oral comments received during the comment period are summarized below.

¹⁸ *Id.* at 17.

¹⁹ *Id.* at 17-18; Ex. 1.

²⁰ Ex. 1.

²¹ *Id*.

²² *Id.* See also, Hearing Tr. at 18.

²³ Hearing Tr. at 18.

A. Summary of Public Testimony

1. Cynthia Warzecha, Department of Natural Resources²⁴

Cynthia Warzecha, an energy planner for the Department of Natural Resources (DNR) explained the DNR's participation in the Power Plant Siting and Transmission Line Program (Program). Ms. Warzecha applauded the interagency coordination among the DNR, DOC, and other agencies regarding energy projects. Ms. Warzecha stated that the DNR continued to participate in the Interagency Energy Working Group, and continued coordination of a state study on the impacts of wind energy on land. Ms. Warzecha also described coordination with the Commission. Specifically, the DNR participated in the review of large transmission projects, assisted the DOC during the environmental impact statement (EIS) scoping process, and helped coordinate with wind developers. Ms. Warzecha also noted the production of a joint DOC and DNR wildlife survey document, which is listed in Exhibit 4.

Next, Ms. Warzecha described activities in relation to solar projects. She noted that the DNR assisted solar companies by developing seed mixes for their project sites and helped create plans to improve soils and provide pollinator habitat with prairie plantings. Additionally, the DNR published solar guidance that helps explain installation of prairie plantings.

Finally, Ms. Warzecha commented on a suggested change to the process for the DNR. Ms. Warzecha explained that the DNR was unable to receive a final EIS before the close of the Office of Administrative Hearings' comment period in a recent routing project (Great Northern Transmission Line).²⁵ As a result, the DNR had to use an exception period after the release of the Administrative Law Judge's Report to provide comments on the final EIS. In that case, a draft EIS was issued within the hearing comment period, but the final EIS was not completed until after the comment period closed.²⁶ The DNR requests that in the future, the Commission require the administrative law judge to hold the public comment period open until after the final EIS is issued.²⁷

2. Testimony from John Munter²⁸

John Munter, a resident of Warba, Minnesota, focused his comments on the potential danger presented when specific power plants are phased out because Minnesota will lose those energy sources and may not be able to site any more natural gas plants.²⁹ Mr. Munter argued that increasing natural gas consumption is dangerous because it contributes substantially to greenhouse gas emissions. Mr. Munter submitted Exhibit 3, a document written by Dr. Robert Howarth of Cornell University opining that

²⁴ Hearing Tr. at 33-39; Ex. 4.

²⁵ Hearing Tr. at 37-39; *In the Matter of the Request of Minnesota Power for a Route Permit for the Great Northern 500 kV Transmission Line Project in Roseau, Lake of the Woods, MPUC Docket No. E-015/TL-14-21.*

²⁶ Hearing Tr. at 37.

²⁷ *Id.* at 38-39.

²⁸ *Id.* at 20-27, 77-80.

²⁹ *Id.* at 22.

natural gas is worse than coal in terms of greenhouse gas emissions. Mr. Munter explained that this potential danger, combined with other climate changes, could cause significant harm to the environment in the next 20 years.³⁰

Mr. Munter advocated for a closer evaluation of pipelines because of the potential for methane leakage. Mr. Munter was critical of the emissions from fracking and the large amount of water needed for fracking. Mr. Munter is also concerned about pipelines being sited throughout Minnesota. Mr. Mutner is specifically concerned that leaks could cause permanent damage to the aquifers. Mr. Munter advocated against pipelines being sited to go through lakes and wild rice areas.³¹

Mr. Munter also supports funding for citizens to hire lawyers and expert witnesses to participate in the siting and routing process. Mr. Munter claimed that in the Sandpiper/Line 3 projects, the DNR and Minnesota Pollution Control Agency (MPCA) made a recommendation for an alternative route from the preferred routing of Enbridge.³² Mr. Munter claimed that the recommendation was not followed by the Administrative Law Judge, the PUC, or the DOC.³³

3. Testimony from Tina Carey³⁴

Tina Carey of North Branch, Minnesota, addressed some of the construction problems of the North Star Solar Project. Ms. Carey was frustrated that the project was placed in a neighborhood rather than an unpopulated area. Additionally, Ms. Carey noted that time restrictions on semi trucks between 10:00 p.m. and 7:00 a.m. were not followed. Ms. Carey was frustrated that all complaints were directed to the company, which she feels inadequately responded to citizens. She suggested all complaints go to the Commission or other government agency for oversight of the power company.

Additionally, Ms. Carey expressed concern over migrant workers living in the field with children in campers.⁴⁰ Ms. Carey noted that trash would accumulate for up to 10 days at a time. Ms. Carey also commented that a fire occurred at the project that was not mentioned in any of the filings or reviewed by the Commission.⁴¹ Ms. Carey was also troubled by the excessive traffic from semi trucks during the construction process. The last of Ms. Carey's concerns was the excessive noise.

³⁰ *Id.* at 22-23.

³¹ *Id*. at 26.

³² *Id*. at 78.

³³ *Id*. at 78.

³⁴ Id. at 27-33.

³⁵ In the Matter of North Star Solar PV LLC Combined Application for a Site Permit and Route Permit for the North Star Solar Electric Power Generating Plant and Associated High Voltage Transmission Line, MPUC Docket No. GS-15-33.

³⁶ Hearing Tr. at 28.

³⁷ *Id.*

³⁸ Id. at 28-29.

³⁹ *Id.* at 29.

⁴⁰ *Id.* at 28.

⁴¹ Id. at 29.

Ms. Carey argued that laws should be adopted to protect homeowners. Ms. Carey stated that the state did not provide adequate oversight of the project. Ms. Carey noted that Northstar bought the properties across the street and another company bought the property behind the neighborhood.⁴² As a result, Ms. Carey believes, landowners whose properties were not taken by eminent domain suffered irreparable damage and were left with significantly decreased property values.⁴³

4. Testimony from Kristen Eide-Tollefson⁴⁴

Kristen Eide-Tollefson is a citizen member of the Environmental Quality Board (EQB). She testified in her personal capacity, concentrating her testimony on public participation in energy infrastructure decisions. Ms. Eide-Tollefson pointed to the statute transferring authority to the Commission from the EQB to show that the purpose of this transfer was to facilitate greater public participation. Ms. Eide-Tollefson argued that public participation is important for two reasons. First, energy infrastructure is the most impactful type of human infrastructure. Ms. Eide-Tollefson contextualized this argument in terms of climate change, stating that the decisions made about energy infrastructure today will affect the timeline and scope of climate changes. Second, it is the public's role and responsibility to articulate the values that guide decision-making. Ms. Eide-Tollefson explained that agencies are dependent on the public perspective to ensure decisions are consistent with the public's values and priorities.

Ms. Eide-Tollefson was also critical of agencies not taking action on persistent concerns raised by citizens.⁴⁹ Ms. Eide-Tollefson suggested that agencies be required to demonstrate how they have responded to issues raised at the Annual Hearing.⁵⁰ Ms. Eide-Tollefson suggested that the Public Advisor to the Commission make a yearly report of responses to the previous year's testimony.⁵¹ Ms. Eide-Tollefson's last recommendation was that the Commission's report to the legislature should contain a summary of public concerns expressed at the Annual Hearing.⁵²

Ms. Eide-Tollefson stated that the current EQB citizen members are committed to support the EQB as a platform for the public voice and for the articulation of public values.⁵³ Next, Ms. Eide-Tollefson entered into the record by reference the EQB public comment record on the Commission's Sandpiper Pipeline proceedings.⁵⁴ Ms. Eide-Tollefson stated that, in her opinion, the record is the best she has seen at analyzing

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<sup>42</sup> Id. at 31.
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⁴³ *Id.* at 32.

⁴⁴ *Id.* at 39-47, 72-77; Ex. 5.

⁴⁵ Hearing Tr. at 72.

⁴⁶ *Id.* at 44.

⁴⁷ *Id.*; Ex. 5.

⁴⁸ Hearing Tr. at 44.

⁴⁹ *Id.* at 73.

⁵⁰ *Id.* at 74.

⁵¹ *Id.* at 75.

⁵² *Id*.

⁵³ *Id.* at 45.

⁵⁴ Id. at 45-46; Ex. 5; In the Matter of the Application of North Dakota Pipeline Company LLC for a Pipeline Routing Permit for the Sandpiper Pipeline Project in Minnesota, MPUC Docket No. CN-13-473, PPL-13-474.

and articulating the public concerns related to pipeline siting and routing.⁵⁵ Ms. Eide-Tollefson applauded the citizen involved in creating the record, the investment of the Commission, the EERA, EQB, and staff of state agencies involved in responding to public feedback. Ms. Eide-Tollefson stated that it is her hope that the record will be reviewed by the Commission in its review of the Line 3 Project.⁵⁶

5. Testimony from Carol Overland⁵⁷

Carol Overland is an attorney with Legalectric. Ms. Overland's comments covered many topics for the Commission to consider.

Ms. Overland complimented the Commission for the improvement of its notice process. Ms. Overland, however, expressed concern that wind and pipeline projects do not receive the same type of procedures and safeguards that are afforded to other power plant and high voltage transmission line projects.⁵⁸ Ms. Overland suggested that this omission could be corrected by a legislative change.⁵⁹ Ms. Overland supported Minnesota providing intervenor funding.⁶⁰ In addition, Ms. Overland explained that this funding could be used by citizens to pay attorneys to advocate on their behalf and that the funds could be used to pay for expert witnesses to testify on their behalf.⁶¹

Ms. Overland lamented the loss of institutional knowledge which she believes prevents government agencies from addressing common problems in other types of projects.⁶² Ms. Overland stated that wind projects, which are not covered under the PPSA, have the same problems that are brought up in PPSA annual hearings.⁶³

Ms. Overland presented a number of critiques of statutes and rules. Ms. Overland was critical of the lack of rulemaking to incorporate 2005 legislative changes (specifically chapters 7849 and 7850). Ms. Overland notes that there is no environmental review for wind projects. She suggested that the rules should incorporate Minn. Stat. § 216F (2016) into the PPSA. Ms. Overland also supports incorporating a "Buy the Farm" provision into laws that require companies to buy out property owners near wind, solar, and pipeline installations, something that currently exists for property owners living near other types of infrastructure under the PPSA. Ms. Overland brought attention to provisions in Minn. Stat. § 216E (2016) and in Minnesota Rules that limit the Commission from addressing need, size, type, and timing of a project in the routing docket if a certificate of need is granted. Ms. Overland stated that in projects where there is no certificate of need issued, the Commission should be addressing need.

⁵⁵ Hearing Tr. at 46.

⁵⁶ *Id.* at 47; Ex. 5.

⁵⁷ Hearing Tr. at 48-64, 80-87.

⁵⁸ *Id.* at 48.

⁵⁹ *Id.* at 49.

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⁶¹ *Id.* at 54-56.

⁶² *Id.* at 49-50.

⁶³ *Id.* at 50.

⁶⁴ *Id.* at 52-53.

Ms. Overland reminded the Commission of the importance of requiring copies of transcripts to be filed in public libraries in each county in which a project route passes to ensure public access to these documents which are not available on eDockets.⁶⁵

Ms. Overland was specifically concerned that ordinary citizens may not be allowed to participate as intervenors. Ms. Overland argues that intervenors have greater access to discovery and can help develop the record in the public interest. 66 In addition, Ms. Overland was critical of a trend to not offer to place witnesses at public hearings under oath. Ms. Overland noted that it has occurred that Commissioners gave less weight to testimony made at public hearings because it was not provided under oath. 67 Ms. Overland did not think that placing witnesses under oath would have a chilling effect on public comments. 68 Ms. Overland voiced her opinion that citizen task forces are currently ineffective. Ms. Overland believes that advisory task forces are influenced by the DOC rather than citizens. 69

Ms. Overland advocated for including more documents in the record. For example, Ms. Overland stated that a notice plan for certificates of need, notices of siting and routing, service lists, and landowner lists be included in all public filings. Ms Overland suggested that citizen comments need to be made more accessible and filed in small batches on eDockets. Ms. Overland praised the e-filing tool, but also noted that there are still barriers that prevent effective participation. Specifically, Ms. Overland stated that many people are not aware how to find documents and navigate the docket. Ms. Overland entered into the record Exhibit 6, which is a copy of the 2000 PPSA Annual Hearing where it was noted that there were problems with public participation. Ms. Overland stated that the hearing demonstrates the chronic problem of public participation and lack of Commission response to public concerns.

Fifth, Ms. Overland applauded the DNR for being active in the public comment process. Ms. Overland suggested that other agencies need to participate, specifically the Department of Health and the MPCA. Ms. Overland noted that both agencies had been active in a minor capacity in certain wind projects, but hopes that these agencies will provide more expertise and feedback to the Commission on all projects due to the effects of all power projects on the environment and human health. To

Ms. Overland echoed Ms. Warzecha's concerns about final EIS being completed before the expiration of the public comment period.

⁶⁵ *Id.* at 55.

⁶⁶ *Id.* at 50.

⁶⁷ *Id.* at 56.

⁶⁸ *Id.* at 57-58.

⁶⁹ *Id.* at 58.

⁷⁰ *Id.* at 60

⁷¹ *Id.* at 60-61.

⁷² *Id.* at 62-63.

⁷³ *Id.* at 83; Ex. 6.

⁷⁴ Hearing Tr. at 82-83.

⁷⁵ *Id.* at 59.

⁷⁶ *Id.* at 61-62.

Ms. Overland advocated for a review of wind projects based on the number of permits revoked or not reviewed. Ms. Overland stated that in transmission cases, there are dockets for withdrawn projects under the PPSA.⁷⁷

Ms. Overland's last suggestion (partially in jest) was that the Commission reinstate the informal practice of making the PPSA's annual hearing a potluck.⁷⁸

6. Testimony from Alan Muller⁷⁹

Alan Muller of Red Wing, Minnesota, had a number of comments and suggestions for the Commission. Mr. Muller suggested that reports from the administrative law judge include the public comments and recommendations from the previous year's annual hearing, as well as how the Commission has addressed these issues. Mr. Muller also suggested that the administrative law judge's report contain action items.

Next, Mr. Muller criticized Minnesota's energy policy. Mr. Muller believes that Minnesotans are being misled because they believe that certain energy projects, like natural gas, are reducing greenhouse gasses and fighting climate change. Thus, Mr. Muller suggested that information about projects include analysis of how the projects may impact the environment and Minnesota energy policy. Mr. Muller also stated that because of Minnesota's geographic position of being in the middle of energy sources and markets, Minnesota is under pressure to approve projects that have no benefit to Minnesota.⁸⁰

Mr. Muller called for more attention to the permitting process because none of the four power plants permitted released environmental impact statements. Mr. Muller was unsure if this a deliberate policy and called for a more in-depth examination.⁸¹

Mr. Muller had three comments on public participation. First, Mr. Muller echoed Ms. Overland's concerns about administrative law judges from the Office of Administrative Hearings not placing public commenters under oath if requested. Mr. Muller stated that an administrative law judge denied Mr. Muller's request to be placed under oath and was not satisfied by the explanation. Second, Mr. Muller was critical of potential intervenors being denied the chance to intervene. Third, Mr. Muller was critical of the EBQ's treatment of citizens at a meeting on a health matter. Mr. Muller said that the treatment was beneath any reasonable standard of courtesy and was profoundly offensive.⁸²

B. Summary of Additional Written Public Comments

The following is a summary of written comments submitted during the public comment period.

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⁷⁷ *Id.* at 63.

⁷⁸ *Id.* at 81.

⁷⁹ *Id.* at 64-71.

⁸⁰ *Id.* at 84.

⁸¹ *Id.* at 69.

⁸² *Id.* at 71.

1. Written Comments from Rick and Cheryl Ramberg⁸³

Rick and Cheryl Ramberg of North Branch, Minnesota, provided written comments related to the North Star Solar Project and the inconveniences related to construction. At The North Star Project accounts for 1200 acres across the street from their property. Additionally, a 40-acre solar garden was built adjacent to the Rambergs' backyard. The Rambergs commented that the construction of the North Star Project resulted in construction I-beams being pounded into the ground at hours before 6:30 a.m. and early evening hours, as well as a high volume of traffic from construction vehicles which increased the risk for accidents. The Rambergs tried to block the construction of the North Star Project and the solar garden, but were unsuccessful and were frustrated by the process. The Rambergs were also frustrated because they have been unable to sell their property due to the location of the solar fields.

2. Written Comments from Leon Pleau⁸⁵

Leon Pleau of North Branch, Minnesota, submitted written comments related to the visual impacts of the North Star Solar power plant. Mr. Pleau suggested that trees should be planted along County Road 72, Keystone Avenue, and 367th Street, where trees are not planted to mitigate the visual impact on local residents and travelers on these roads.

Dated: February 24, 2017

ANN C. O'REILLY Administrative Law Judge

Reported: Transcribed (Shaddix & Associates)

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⁸³ Comment by Rick and Cheryl Ramberg (Jan. 20, 2017) (eDocket No. 20171-128359-01).

⁸⁴ In the Matter of North Star Solar PV LLC Combined Application for a Site Permit and Route Permit for the North Star Solar Electric Power Generating Plant and Associated High Voltage Transmission Line, PUC Docket No. GS-15-33.

⁸⁵ Comment by Leon Pleau (Dec. 13, 2016) (eDocket No. 20171-128359-01).

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February 24, 2017

Re: In the Matter of the Annual Power Plant Siting Act Hearing

OAH 65-2500-34007 MPUC E999/M-16-18

To All Interested Parties:

Enclosed and served upon you is the Administrative Law Judge's **REPORT TO THE COMMISSION** in the above-entitled matter.

If you have any questions, please contact my legal assistant Cari Snaza at (651) 361-7906 or cari.snaza@state.mn.us, or facsimile at (651) 539-0310.

Sincerely,

ANN C. O'REILLY

Administrative Law Judge

ACO:klm Enclosure

cc: Docket Coordinator