

July 19, 2021

VIA EDOCKETS

Mr. Will Seuffert
Executive Secretary
Public Utilities Commission
121 Seventh Place East, Suite 350
Saint Paul, MN 55101-2147

RE: Comments and Recommendations on Proposed Permit Transfer
Docket No. ET2/TL-21-434

Mr. Seuffert:

These comments and recommendations address the joint request of Great River Energy and Nexus Line, LLC, for the "partial" transfer of the legacy construction permit for the existing \pm 400 kV DC high voltage transmission line, and associated converter station and other facilities.

If the Commission determines that Nexus will comply with the conditions of the construction permit, staff recommends approval of the permit transfer. As a reasonable condition of the permit transfer staff recommends the Commission order reflect that Section 2.4 of the permit would now apply to the perimeter of the entire site, whether owned by GRE or Nexus. Lastly, staff notes the order must be issued no later than August 31, 2021, to meet other regulatory and commercial milestones.

Staff is available to answer any questions the commission might have.

Sincerely,



Andrew Levi
Environmental Review Manager
Energy Environmental Review and Analysis

Enclosure

cc: Charley Bruce, Public Utilities Commission
Louise Miltich, Energy Environmental Review and Analysis



BEFORE THE PUBLIC UTILITIES COMMISSION

ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS COMMENTS AND RECOMMENDATIONS

Great River Energy and Nexus Line, LLC, Permit Transfer Request

Docket No. ET2/TL-21-434

Date: July 19, 2021

Staff: Andrew Levi | andrew.levi@state.mn.us | (651) 539-1840

Issues Addressed: These comments and recommendations address the joint request of Great River Energy and Nexus Line, LLC, for the “partial” transfer of the legacy construction permit for the existing \pm 400 kV DC high voltage transmission line, and associated converter station and other facilities.

Additional documents and information, including the permit transfer request, can be found on eDockets by searching “21” for year and “434” for number: <https://www.edockets.state.mn.us/EFiling/search.jsp>.

This document can be made available in alternative formats, that is, large print or audio, by calling (651) 539-1530 (voice).

In 1976, the Minnesota Environmental Quality Council issued a Construction Permit (permit) to Cooperative Power Association (CPA) and United Power Association (UPA) to construct “a \pm 400 kV dc high voltage transmission line (HVTL) . . . from the North Dakota border . . . to a converter station (Dickinson Substation) in . . . Wright County; a double circuit 345 kV ac HVTL from the Dickinson Substation to the existing Coon Creek Substation . . . in Anoka County; the Dickinson Substation; and associated facilities.” CPA and UPA would later merge to become Great River Energy (GRE) making GRE the “successor in interest” to the permit. As a result, GRE “assumed the rights and obligations under the permit” beginning in 1999.

On July 1, 2021, GRE petitioned the Public Utilities Commission to essentially subdivide the construction permit into two separate permits—one to apply solely to the \pm 400 kV DC HVTL, the DC converter station, and the DC associated facilities (collectively referred to as the “HVDC System”) and the other to apply to the double-circuit 345 kV AC HVTL, the Dickinson Substation, and the AC associated facilities (collectively referred to as the “Retained Facilities”). The permit would be subdivided as follows: the HVDC System to Nexus and the Retained Facilities to GRE. Applicable conditions of the permit would continue to apply to both the HVDC System and the Retained Facilities. On July 8, 2021, the Commission issued a notice regarding the proposed permit transfer (eDockets No. 20217-175919-01).

Regulatory Process and Procedure

Minnesota Rule 7850.5000 outlines the process to transfer a route permit. First, a permittee must provide certain information. This includes the “name of the existing permittee, the name and description of the entity to which the permit is to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer.” Second, the entity to which the permit is to be transferred must show it can comply with the conditions of the permit.

The Commission will approve a permit transfer if it determines the new permittee will comply with the conditions of the permit. Minnesota Rule 7850.5000 also allows the Commission to impose reasonable conditions on the permit transfer.

Analysis

Staff reviewed the information provided in the July 1, 2021, joint permit transfer request. Staff requested, received, and reviewed a trade secret version of the operations and maintenance plan referenced in the transfer request. Staff also asked questions of Nexus regarding their affiliation with Rainbow Energy Marketing Corp. These questions were adequately answered by their attorney.

Name of Existing Permittee

The current permit holder is GRE.

Name and Description of the Entity to which the Permit is to be Transferred

The permit would be transferred to Nexus. Nexus is owned by REMC Assets, LP, a North Dakota limited partnership, which is in turn owned by REMC Group, LLC, a North Dakota limited liability company. Nexus is an affiliate of Rainbow Energy Marketing Corp, a North Dakota-based asset management and energy trading company. Ultimately, Nexus has the same owners and executive team as Rainbow Energy Marketing Corp.

Reasons for the Transfer

GRE intends to sell the HVDC facilities.

Description of the Facilities Affected

The facilities affected by the sale include the \pm 400 kV DC HVTL, the DC converter station, and the DC associated facilities.

Proposed Effective Date of the Transfer

The applicants request that the permit transfer occur no later than August 31, 2021.

As part of the permit transfer request, GRE and Nexus suggest that Section 2.4 “should continue to apply to the perimeter of the entire site, whether owned by [GRE] or Nexus, and not artificial boundaries created by the bifurcation of the [p]ermit.” Staff finds this request appropriate.

Recommendation

If the Commission determines that Nexus will comply with the conditions of the construction permit, staff recommends approval of the permit transfer. Staff’s understands that, because this transfer would

apply to an existing facility, only an order is necessary—the Commission need not issue two separate permits. As a reasonable condition of the permit transfer staff recommends the Commission order reflect that Section 2.4 of the permit would now apply to the perimeter of the entire site, whether owned by GRE or Nexus. Lastly, staff notes the order must be issued no later than August 31, 2021, to meet other regulatory and commercial milestones.



*Andrew Levi, Environmental Review Manager
Energy Environmental Review and Analysis
Department of Commerce*

July 19, 2021

Date