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Division of Ecological and Water Resources Region 3 Headquarters 1200 Warner Road Saint Paul, MN 55106

July 10, 2023

Matt Langan Xcel Energy 414 Nicollet Mall, 414-6A

Minneapolis, MN 55401

Dear Matt Langan,

Thank you for engaging with the Department of Natural Resources (DNR) in early coordination during the development on the Minnesota Energy Connection double circuit 345 kV High Voltage Transmission Line (HVTL). This HVTL proposes to connect energy generating Sherco Solar facilities in Becker, MN southwest across the state to Lyon County. We appreciate your willingness to identify a route that minimizes impacts to natural resources. DNR respectfully submits the following comments for your consideration as you prepare to submit a route permit application to the Public Utilities Commission (PUC).

General Comments:

- Habitat fragmentation is one of the largest threats to wildlife as increasing development pressures push wildlife into what few natural areas remain intact. The DNR encourages the proposer to prioritize avoiding natural areas that would require vegetation and tree removal or ground disturbance in shoreland, prairies, wetlands, Minnesota Biological Sites of Biodiversity Significance, and DNR Native Plant Communities. Habitat preservation should also be prioritized near public lands, wildlife management areas (WMA), state parks and county parks.
- 2. The DNR recommends that impacts to MBS Sites of Biodiversity Significance and DNR Native Plant Communities with a Conservation Status Rank of S1-S3 be avoided to the greatest extent feasible. MBS Sites of Biodiversity Significance and DNR Native Plant Communities can be viewed using the Minnesota Conservation Explorer or downloaded from the MN Geospatial Commons. Xcel should use the NHIS Rare Features Data received under License Agreement 1058 to avoid impacts to known occurrences of state-listed endangered and threatened species and nearby habitat. To ensure compliance with state law regarding rare features, please request a Natural Heritage Review via the Minnesota Conservation Explorer. To ensure compliance with federal law, please conduct a federal regulatory review using the U.S. Fish & Wildlife Service's online Information for Planning and Consultation (IPaC) tool.

- 3. At this time in the coordination process, DNR has not received or reviewed plans for temporary or permanent access roads and construction staging areas. Once the routes have been established, further coordination with DNR regarding impacts to rare features and public waters may be necessary to review these additional impacts.
- 4. A DNR Water Appropriation Permit is required if the water pumped exceeds 10,000 gallons in a day, or one million gallons in one year. The DNR General Permit for Temporary Appropriation, with its lower permit application fee and reduced time for review, may be used for the dewatering if the dewatering volume is less than 50 million gallons and the time of the appropriation is less than one year.
- 5. Where the route crosses Public Water Wetlands, a utility license to cross is not required, but a public water work permit is and can be applied for through the Minnesota DNR Permitting and Reporting System.

REGION 3

Region 3 of the DNR includes the following counties in the proposed project area: Sterns, and Sherburne.

Mississippi River Crossing

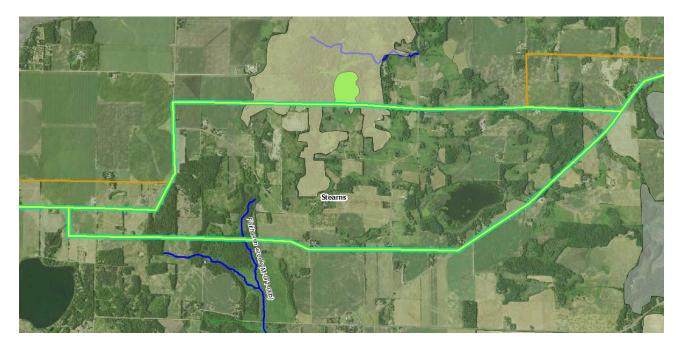
The DNR strongly prefers a route that utilizes existing crossings over the Mississippi River, especially within a wild and scenic river (WSR) district. Of the route options provided, the only existing crossing is within Wright County. We would prefer this alternative. We would also like to understand if continuing northwest along I-94 and connecting to the northern route alternative that avoids the trout stream and forest impacts in southern Stearns County would be feasible.

Xcel Energy is involved in the development of multiple HVTL projects right now that may need to cross the Mississippi River to connect to the Sherco Solar Substation. We suggest greater coordination across projects to co-locate as many crossings as possible, especially if a new crossing within the WSR is deemed necessary. Please coordinate further with DNR as these projects move forward to identify the least impactful solution for all projects currently in development.

Please be aware that in Sherburne County, most of the Mississippi River bank within the WSR district is also in a Bluff Impact Zone and may be subject to additional restrictions.

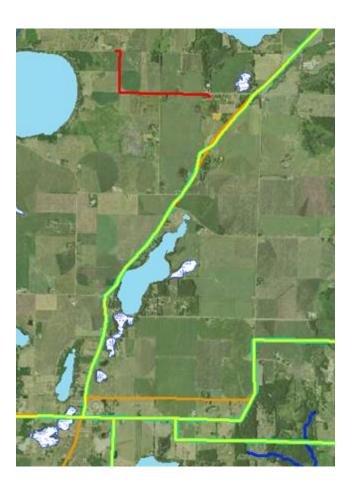
Stearns County

The proposed route alternatives below would cut new right-of-way (ROW) through forested areas further fragmenting what little intact forest remains in Stearns County, which is heavily dominated by agriculture. It is also important that tree canopy be maintained over cold water habitats, such as trout streams.



If the route must cross a designated trout stream, DNR would prefer the route alternative to the north that crosses Johnson Creek (M-073) following an existing road and bridge crossing. The previous alternative proposed in February 2023 continued to the southwest along the existing road. This new preferred route proposes to cut a new ROW through shoreland in a forested area that provides tree canopy and cover to a headwaters stream that flows into Johnson Creek, a designated trout stream. If the route cannot continue on the existing road, then we would prefer that it avoid fragmenting the forested area any further by cutting a corner below the road to the southeast through agricultural fields.





This potential route from the north closely follows Carnelian Lake (PW 73003800) and cuts through migratory flight paths between Murray Lake (PW73004400) and Carnelian Lake.

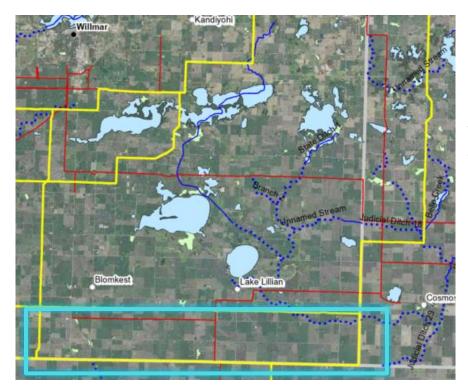
Would it be possible to follow 66th Ave south in order to connect to a western route rather than follow those two public water basins so closely?

We also do not support a new ROW cutting through Alice Hamm Wildlife Management Area and dissecting a public water wetland (73042900). We strongly prefer that any new ROW corridors utilize existing roads to the greatest degree possible to avoid habitat fragmentation and impacting public waters.



Region 4

Region 4 of the DNR includes the following counties in the proposed project area: Meeker, Kandiyohi, Chippewa, Renville, Yellow Medicine, Redwood, and Lyon Counties. Route options in this Region generally avoid special and rare plant and wildlife communities. For this reason, a county-by-county breakdown of potential impacts is not provided. Route placement preferences are identified below.

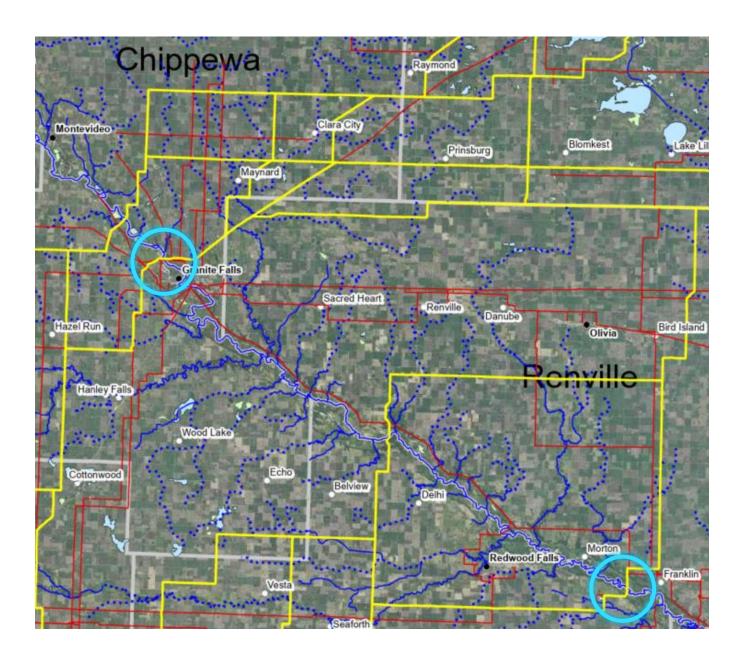


Kandiyohi County

Proposed routes in Kandiyohi County run adjacent to and intersect an area with high bird traffic among neighboring lakes. A route south of Lake Lillian (PW34007200), outlined in light blue, is preferred to limit impacts.

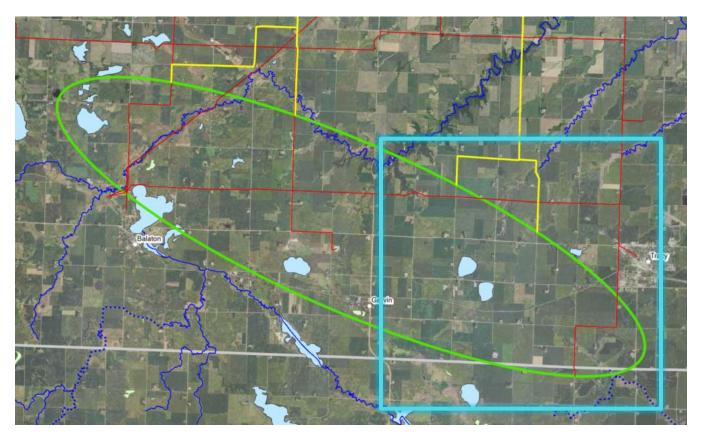
Minnesota River Crossing

The DNR strongly prefers routes that utilize existing crossings over the Minnesota River, especially within the wild and scenic river (WSR) district. Two potential crossings, circled in light blue, meet this criterion. There are areas of native prairie at all potential crossings and measures should be taken to avoid disturbing these areas.



Substation Placement

In order to reduce potential impacts to species of special concern, WMAs, and sites of biological significance the southeastern portion of the substation polygon, outlined in light blue, is preferred.



Thank you again for your ongoing coordination. Please let me know if you have any questions. Sincerely,

Melisoa Collins 18/ Haley Byron

Melissa Collins and Haley Byron

Regional Environmental Assessment Ecologist | Ecological and Water Resources

Minnesota Department of Natural Resources

CC: Cynthia Warzecha, DNR Energy Planner