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September 15, 2021



Mr. William Storm Environmental Review Manager Energy Environmental Review & Analysis Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101







RE: In the Matter of the Application of Xcel Energy for a Site Permit and Two Route Permits for the up to 460 MW Sherco Solar Energy Generating System and Associated kV Transmission Lines in Sherburne County, Minnesota **Environmental Assessment Scoping Comments**



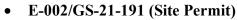
PUC Docket Nos.:



E-002/TL-21-189 (Route Permit for West 345 kV Transmission Line)



E-002/TL-21-190 (Route Permit for East 345 kV Transmission Line)







Please accept the following comments submitted on behalf of the City of Becker regarding the above-docketed matters. We appreciate the opportunity to participate and submit comments on the scoping of the Environmental Assessment for the Sherco Solar project.



I. **Introduction:**



The City of Becker, Minnesota ("the City") submits the following comments to the Minnesota Department of Commerce ("the Department" or "DOC") on the above-referenced dockets regarding the Sherco Solar project ("the Project"). Xcel Energy ("Xcel" or "the Company") has owned and operated energy generation facilities in and near our community since the early 1970s. As a result, we have a deep interest in the Sherco Solar Project docket due to its proposed location within our community, and our long-standing relationship with Xcel.

To reiterate a comment we have made several times previously, the City is not opposed to the Sherco Solar project as a whole. The site for the Project as proposed, however, presents significant challenges to the City and our local economy and planned future growth. For these reasons and others, the City requests that the Environmental Assessment process consider the issues specifically addressed below.

Minnesota law requires that the environmental assessment scoping decision identify and include, in pertinent part, any alternative sites or routes to be assessed, any specific potential impacts to be

addressed, and any other matters for inclusion.¹ The following factors are the most vital from the City's perspective for inclusion and consideration in the Environmental Assessment: (1) potential alternate parcels of land for solar panel siting in place of those located in closest proximity to the City (as more specifically identified below); (2) the impacts the location of the proposed Project site will have on the City's plans for economic development, including the utilization of land for other publicly-funded projects, the consistency, or lack thereof, with state statutory policy and goals for energy facility siting,² municipal growth and expansion³; and (3) a comprehensive consideration of local economic and tax benefits to the communities in and surrounding the Project's proposed footprint. These issues are addressed in turn below.

II. Potential human and environmental impacts that require consideration in the Environmental Assessment process:

A project the size of Sherco Solar will necessarily pose significant environmental and human impacts. As the Department scopes the Environmental Assessment as a part of this permitting process, the following considerations must be included to ensure a thorough analysis.

A. <u>Human impacts for consideration center around the detrimental impacts of the Project on</u> the City's economy and its ability to expand.

The City's concern with the proposed location for the Project centers on the fact that the Project footprint abuts the City's boundaries and encompasses areas planned for future business growth and development on state and locally-funded municipal infrastructure. This concern relates directly to the requirement that the environmental assessment must include "a discussion of the potential impacts of the proposed project and each alternative site or route *on the human* and natural *environment*."

While Xcel has stated that the Company and National Grid Renewables ("NGR") have worked actively to attract new economic opportunities to the City,⁵ the practical effect of the Project's currently-proposed site is that it limits the City's long-term economic prospects in which both the City and state have invested. Just last fall, the State awarded the City \$20.5 million in bonding money to the City "to acquire land, predesign, design, construct, furnish, and equip public infrastructure, including water, sanitary sewer, storm sewer and drainage systems, roads, and lighting for a business park in the city of Becker," on top of local infrastructure investments in this area.

⁴ Minn. R. 7850.3700, subp. 4.C. Emphasis added.

¹ Minn. R. 7850.3700, subp. 3.

² Minn. Stat. § 216E.02.

³ Minn. Stat. § 414.01.

⁵ Application for a Site Permit and Two Route Permits for the Sherco Solar Project, Northern States Power Co. d/b/a Xcel Energy, Inc., Sherburne County, Minnesota, PUC Docket Nos. E-002/GS-21-191, E-002/TL-21-190, E-002/TL-21-189, 10, 187 (Apr. 2021) (hereinafter "Xcel Sherco Solar 2021 Site and Route Application").

^{6 2020} Session Laws, Art. I, Sec. 21, subd. 9, available at https://www.revisor.mn.gov/bills/text.php?number=HF1&version=latest&session=ls91&session_year=2020&session_number=5; see also "Becker Receiving \$20.5 Million in State Bonding Money", Jim Maurice, WJON News (Oct. 19, 2020), available at https://wjon.com/becker-receiving-20-5-million-in-state-bonding-money.

The City has planned for and pursued the Becker Business Park in close proximity to the new state and locally-funded infrastructure mentioned above for years, with a renewed focus on diversifying the City's tax base through new business growth including in and surrounding the Business Park, beginning around the time Xcel began planning to decommission the Sherco coalfired units in 2015-2016. The City's planning efforts have included planning for the expansion of the Becker Business Park. Currently, the Project is slated to abut the boundary of the data center to be located in the Business Park, limiting full use of the state-supported municipal infrastructure and the anticipated resulting expansion of the Business Park over the course of the expected 35-year lifetime of the Project. These Project impacts on the human environment cultivated by the City and state have not been accounted for in Xcel's filing and must be considered in the Environmental Assessment.

Importantly, the municipal comprehensive planning process, in which cities plan for orderly extension of municipal utilities to serve future growth (among other issues), must account for and guide the future utilization and development of land outside of currently-existing city boundaries. Municipal long-range planning necessarily requires a broad assessment of land use in and around the city into the future, without being limited by current landowners' intentions (which have a way of changing to fit changing development pressures anticipated and facilitated by the cities' planning processes).

Furthermore, the Environmental Assessment needs to account for the economic loss that will result from the inclusion of the parcels abutting the City and in closest proximity to municipal infrastructure in the Project. For context, the City has prepared for a major data center to locate in its Business Park— a project that is anticipated to bring needed jobs, enhance the City's tax base and generate revenue for the local economy, not to mention provide new ratepayers for Xcel.⁹ This data center project is a core building block for the City's plan to transition its tax base from primarily coal power generation-based to a broader business-base. The City has planned to complement this important project with business-driven expansion in the vicinity thereof, taking advantage of the publicly funded infrastructure that will serve this area. Preparation for such development depends on the availability of "shovel-ready" development sites, frequently required by companies and site selectors — essentially meaning that the land is utility-equipped and ready to build on.¹⁰ Shovel-ready lots, however, require an immense amount of planning; a process the City was pursing prior to Xcel's initiation of the Project. Waiting until after it is "necessary" to

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⁷ See, e.g., "Becker 2040 Comprehensive Plan", City of Becker, Minnesota, 17, 20, 24, 87-89, 94-95, 117-121, 142-147, 170, **199-205** (July 6, 2021), available at http://www.ci.becker.mn.us/DocumentCenter/View/95/Becker-2040-Comprehensive-Plan-PDF; "2017 Aquifer Study, Becker, Minnesota, SEH No. BECKR 142470", Short Elliot Hendrickson, Inc., (Dec. 4, 2017), available at http://www.ci.becker.mn.us/DocumentCenter/View/1241/2017-AQUIFER-STUDY (evaluating groundwater resources for potential development in and around the City).

⁸ Xcel Sherco Solar 2021 Site and Route Application at 1.

⁹ See "Google looking at \$600M data center in Becker, Minn." Minnesota Public Radio News (Jan. 10, 2019), available at https://www.mprnews.org/story/2019/01/10/google-becker-data-center.

¹⁰ "Minnesota's Power Plant Communities: An Uncertain Future", Center for Energy and Environment, 13-17 (Feb. 2020) *available at* https://www.mncee.org/minnesotas-power-plant-communities-uncertain-future.

expand will likely deter new businesses from locating in Becker. While hampering ongoing efforts, hosting a 35-plus-year solar array on land being funded for shovel-readiness limits the City's ability to plan, expand, and effectively attract new business to the community. This loss in economic opportunity must be considered by the Department in the Environmental Assessment.

In light of the above concerns, the specific parcels that the City has identified as most inappropriate for inclusion in the Project are as follows:

East Site:

- Parcel I.D. No. 05-005-2400
- Parcel I.D. No. 05-005-3000

West Site:

- Parcel I.D. No. 20-134-1100
- Parcel I.D. No. 20-134-1400
- Parcel I.D. No. 20-134-4100

A map depicting these parcels in relation to the overall size of the project is attached for your reference.¹¹ The City also requests that a 100-foot setback from U.S. Highway 10 be required for any solar-related facilities to be located on Parcel No. 20-122-1400, to preserve the City's ability to install infrastructure as needed to serve areas outside of the Project footprint to the north and west thereof.

In addition, the Environmental Assessment needs to account for the underutilization of the public's significant investments in infrastructure to facilitate and serve the planned expansion area. The City's request to the legislature for bonding to fund the infrastructure needed for the Business Park was based on the anticipated need and potential for economic development; however, with the above-referenced parcels being utilized to host solar panels, for the foreseeable (or at least plannable) future, the municipal infrastructure in which the state and City have so heavily invested will not be fully utilized. Such underutilization of publicly-funded infrastructure frustrates the public policy goals of the state in promoting economic development, maximizing state investment in public infrastructure, and encouraging orderly urban or suburban growth and development on municipal infrastructure.

Finally, the scope of the Environmental Assessment needs to include Project impacts on long-term employment that economic development will provide as opposed to the short-term gains specific industries will see as a result of this Project. The Company's application touts this Project as a major economic gain for the community in bringing construction jobs and an increase in patronage to its local hotels and restaurants, ¹² while lauding its cooperation with the City to help develop the Business Park. ¹³ What Xcel's application fails to consider, however, is how that Business Park expansion may well be limited by its Project, if the footprint thereof is not modified to address the

¹¹ See Attachment 1: Solar Parcel Exclusion Map.

¹² Xcel Sherco Solar 2021 Site and Route Application at 91-95.

¹³ *Id.* at 187-188.

issues raised herein. Substituting temporary construction-induced employment and economic gains for more sustainable and broader-based long term economic development is an unfair trade – especially for a community losing a large employer and a huge portion of its tax base. ¹⁴

B. Environmental impacts require the consideration of the land use conversion, municipal growth, and the need for consistency with Minnesota's statutory goals and policies.

The public policy of the State of Minnesota, as evidenced by general laws adopted by the legislature in relation to both the Public Utilities Commission's ("PUC" or "the Commission") electric power facilities siting authority and the state's municipal boundary adjustments statutes, disfavor siting projects like Sherco Solar, which does not require municipal utility service and is thus a more appropriate land use in rural areas, adjacent to municipal boundaries and areas served by, or planned for service by, municipal utilities and infrastructure. The legislature, in establishing Commission's siting authority, pronounced that:

[It is the] policy of the state to locate large electric power facilities in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the commission shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.¹⁵

The state's municipal boundary adjustment enabling provisions contain the legislature's findings and goals in promoting and regulating municipal development. The legislature specifically found that "sound urban development and preservation of agricultural land and open spaces through land use planning is essential to the continued economic growth of this state," and that municipal government most efficiently provides governmental services in areas intensively developed for residential, commercial, industrial, and governmental purposes." Further, the legislature pronounced the goals:

(1) to provide for the extension of municipal government to areas which are developed or are in the process of being developed for intensive use for residential, commercial, industrial, institutional, and governmental purposes or are needed for such purposes; and

¹⁴ The City stands to lose as much as 75 percent of its property tax base with the decommissioning of the Sherco coal-fired units, and the Becker School District likewise stands to lose as much a 54 percent of its tax base. *See* "Minnesota's Power Plant Communities: An Uncertain Future", Center for Energy and Environment, 13 (Feb. 2020) *available at* https://www.mncee.org/minnesotas-power-plant-communities-uncertain-future. The Sherco Plant currently employs around 300 people full-time. *See* "In Becker, little shock over coal plant's early demise," Minnesota Public Radio News (May 28, 2019), *available at* https://www.mprnews.org/story/2019/05/28/becker-absorbs-news-of-sherco-coal-plant-early-closure. The Sherco Solar Project will in turn only employ a maximum of 24 people full-time. Xcel Sherco Solar 2021 Site and Route Application at 31.

¹⁵ Minn. Stat. § 216E.02 (emphasis added).

¹⁶Minn. Stat. § 414.01, subd. 1a (1)-(2).

- (2) to protect the stability of unincorporated areas which are used or developed for agricultural, open space, and rural residential purposes and are not presently needed for more intensive uses; and
- (3) to protect the integrity of land use planning in municipalities and unincorporated areas so that the public interest in efficient local government will be properly recognized and served.¹⁷

The public policy of the state therefore dictates that the land around the City should be developed consistent with municipal land use planning in order to facilitate sound urban development on municipal infrastructure. In other words, it is *not* in the best interests of the people of Minnesota, and certainly not in the best interests of the people of the City, to permit a large solar array immediately abutting the City on land that will be served by core municipal infrastructure. When conducting City planning, planners seek to facilitate the "highest and best use" for land. ¹⁸ The proposed footprint for the Project, which does not require municipal infrastructure and is more appropriate for rural areas unserved by the same, would prevent the highest and best use of the parcels identified above and is at striking odds with state policy to the extent it limits economic expansion in the vicinity of the City's Business Park and the infrastructure that will serve it.

It goes without saying that well-planned, higher-density land development served by core municipal infrastructure is beneficial for the environment, and that the contrary is harmful. Rural land does not need municipal infrastructure; solar panels do not need municipal infrastructure. Businesses, homes, and other properties developed at urban or suburban densities do. Thus, solar panels should not be permitted on property abutting infrastructure intended to serve existing or planned urban or suburban development; to do so would be to promote haphazard development patterns and inefficient use of resources.

As the Department is scoping the Environmental Assessment, the City requests that it evaluate the negative human and environmental impacts of the Project discussed above and its potential to frustrate the "highest and best" land use and public policy of the state regarding energy facility siting and municipal expansion.

III. Methods to minimize, mitigate, or avoid potential impacts of the proposed project:

Perhaps the greatest opportunity to determine effective strategies for mitigation of the negative impacts discussed above is through an analysis of alternative sites to those parcels specifically identified as most problematic in the previous section. Therefore, the Environmental Assessment must be scoped to evaluate alternative sites for the Project. Due to Xcel's application through the alternative siting process, ¹⁹ alternative sites and mitigation strategies for negative impacts were

¹⁷ Minn. Stat. § 414.01, subd. 1b(1)-(3).

¹⁸ "Highest and Best Use" is a planning term describing a concept that the most maximally productive, financially feasible, and permissible use is assigned to a specific plot of land.

¹⁹ Minn. Stat. § 216E.04; Minn. R. 7850.2900-.3900.

not adequately, if at all, considered and evaluated; an issue the City has raised in its past comments.²⁰ Specific concerns and suggestions for the Department's consideration follow.

It appears to the City that there are several potential alternative sites that could replace any generating capacity lost from the parcels identified as most concerning to the City above, were they not to be permitted in the Project. First, the City calls the Department's attention to a notice it received from NGR, dated January 15, 2021, in which NGR identified an additional area proposed for solar generation to the west of the western site at issue in this proceeding, closer to the City of Clear Lake (the "Clear Lake" site). ²¹ The Clear Lake site contemplated in this notice is contains approximately 900 acres, far more than enough to offset any lost generation from the parcels located closest to the City identified above.

Second, at least one landowner with whom Xcel/NGR are working with to host solar panels in the project has indicated that in public comments to the Commission that it had preferred to lease a plot of less productive farm land it owns for solar panel development to Xcel and NGR, but that that area was apparently rejected by Xcel as being too far from existing transmission infrastructure.²²

Finally, a review of the individual landowners of record that have agreed to host solar panels within the Project footprint proposed by Xcel revealed that some of these landowners own additional land in the vicinity of the contemplated Clear Lake site, but at significant distance from the City's boundaries. While Xcel has argued that its siting options are limited by having to work with "willing landowners," it would appear to the City that there are other parcels of land owned by some of these same "willing" owners that could be evaluated for their potential to provide replacement or future solar generation capacity as an alternative to the parcels identified as most concerning by the City above. Specifically, the following parcels appear to be under common ownership with parcels located within the Project footprint proposed by Xcel:

- Parcel I.D. No. 20-212-1115
- Parcel I.D. No. 20-212-3100
- Parcel I.D. No. 20-212-4000
- Parcel I.D. No. 20-467-0010
- Parcel I.D. No. 20-212-2005
- Parcel I.D. No. 20-201-3105
- Parcel I.D. No. 20-211-1100

²⁰ See "City of Becker Comments, In the Matter of the Application of Xcel Energy for a Site Permit and Two Route Permits for the up to 460 MW Sherco Solar Energy Generating System and Associated kV Transmission Lines in Sherburne County, Minnesota, PUC Docket Nos.: E-002/TL-21-189 (Route Permit for West 345 kV Transmission Line); E-002/TL-21-190 (Route Permit for East 345 kV Transmission Line; E-002/GS-21-191 (Site Permit) (May 18, 2021). These comments are herein incorporated by reference.

²¹ See Attachment 2: NGR Letter to City of Becker (Jan. 15, 2021).

²² See R.D. Offutt Farms Public Comment Letter, PUC Docket No. E-002/GS-21-191 (Site Permit), E-002/TL-21-190 (Route Permit for East 345 kV Transmission Line), E-002/TL-21-189 (Route Permit for West 345 kV Transmission Line), E002/M-20-891 (Xcel Energy's Petition for Approval of the Sherco Solar Project) (May 17, 2021).

²³ See Xcel Sherco Solar 2021 Site and Route Application at 14, 43, 169, 188.

- Parcel I.D. No. 20-202-4400
- Parcel I.D. No. 20-202-4100

A map depicting these parcels in relation to the contemplated Clear Lake site is also attached for your reference.²⁴ The City requests that the Department scope the Environmental Assessment of this Project to include evaluation of the Clear Lake site and the additional parcels depicted on the map appended hereto as potential alternatives to the parcels identified as most concerning by the City in the previous section.

IV. Missing or otherwise mischaracterized data or other information in the applications:

For years now, Xcel has planned to decommission the Sherco coal-fired units hosted in the City of Becker. While the City supports transitioning to cleaner sources of energy, the financial impact of such a major transition and the communities left in the wake of the transition is a notable and important impact for consideration. The City stands to lose as much as 75 percent of its property tax base with the decommissioning of the Sherco coal-fired units, and the Becker School District likewise stands to lose as much a 54 percent of its tax base. These are not insignificant losses, and furthermore, these are not *temporary* losses.

Conversely, the planned Project, as highlighted by Xcel in its representations and analyses made in its application, would only result in temporary gains for the local hospitality and food industries, while limiting the City's long-term economic prospects. From the City's perspective, it is not a fair trade on the economic front – as aforementioned, the City would be effectively landlocked by the Project if it is constructed on its currently proposed footprint, with a still-diminished tax base, and unable to maximize the full economic potential of existing and planned municipal infrastructure in this area. Nowhere in the application are these economic costs (and loss of opportunities for growth to the community) accounted for or evaluated.

The impending loss of tax revenues from the Sherco plant's decommissioning²⁷ would make the negative impacts of the Project addressed herein more acutely felt by the City and its taxpayers, which it must be noted will see minimal tax benefit from the Project.²⁸ All in all, Xcel's portrayal of this Project as a runaway, beneficial success for virtually all involved belies the serious harm it threatens to inflict on the City's future economic prospects.²⁹ In the application, Xcel notes minor

²⁴ See Attachment 3: Common Landowner Parcels Map.

²⁵ See, e.g., Upper Midwest Integrated Resource Plan 2020-2034, Northern States Power Company Docket No. E-002/RP-19-368, Xcel Energy, 4 (July 1, 2019).

²⁶ See "Minnesota's Power Plant Communities: An Uncertain Future", Center for Energy and Environment, 13 (Feb. 2020) available at https://www.mncee.org/minnesotas-power-plant-communities-uncertain-future.

²⁷ Upper Midwest Integrated Resource Plan 2020-2034, Northern States Power Company Docket No. E-002/RP-19-368, Xcel Energy, 74 (July 1, 2019).; Upper Midwest Integrated Resource Plan 2020-2034, Reply Comments, Northern States Power Company Docket No. E-002/RP-19-368, Xcel Energy, 15 (June 25, 2021).

²⁸ Xcel Sherco Solar 2021 Site and Route Application at 91, 94. This is important to note as, while not the "highest and best use" of the land in (or as noted, abutting) City boundaries, Xcel portrays this Project as a net benefit for local communities; a major reason being tax revenue. This clearly is not the case for all local communities.

²⁹ Upper Midwest Integrated Resource Plan 2020-2034, Northern States Power Company Docket No. E-002/RP-19-368, Xcel Energy, 87 (July 1, 2019).

inconveniences that the project will pose, ³⁰ not many of which are pertinent to the harm now facing the City. Consequently, Xcel has suggested no meaningful mitigation strategies; certainly none that address the negative impacts of the Project as proposed and as summarized herein. In fact, Xcel notes that the only "unavoidable impacts" that will result from the Project are "changes to existing aesthetics of landscape (from agrarian to solar facility), which will be visible from local roadways and parcels," and "changes in land use and vegetation from agricultural land of predominately corn and beans to a solar facility with native prairie beneficial habitat underneath and around the Project Footprint." The impacts the City will face, however, if the Project goes forward as proposed, are not addressed or attempted to be mitigated here; Xcel disregards them, and if not mitigated, they will be unavoidable.

Lastly, Xcel's application and features of the Project design, most notably its proposed oversizing of the East and West high voltage transmission lines, suggests a potential future expansion of the Project could be forthcoming.³² While any additions would certainly be subject to Commission and Department approval, the Project design signals that the negative impacts of the Project raised in the City's comments here and in the past could expand along with the Project in the near future. The City therefore requests that the Project's potential for expansion – and where that potential expansion might occur—should be explored by the Department and such intentions and findings disclosed to the public consistent with trade secret rules.

V. Conclusion:

As the Commission has found previously in the above-referenced dockets, Xcel's representation and the overall consideration of the issues raised herein, potential mitigation measures, and alternatives need not be comprehensive in order for Xcel's application for site and route permits to be complete. The failure to include the preceding concerns raised herein, though, constitute glaring omissions, and environmental review presents the first opportunity for the Department of Commerce to ensure that the important issues and the proposed alternative site locations presented herein are evaluated in the public process. ³³ We appreciate the opportunity to raise these concerns, and ask the Department to consider and include them in its scoping of environmental review for this project. In addition, we are also requesting that the Commission convene a Citizen's Advisory Task Force to assist in the scoping of this matter; this request has been filed separately. ³⁴

³⁰ See, e.g., Xcel Sherco Solar 2021 Site and Route Application at 14, 93-94, 114-116, 187-188.

³¹ Xcel Sherco Solar 2021 Site and Route Application at 178.

³² In the application, Xcel notes that it plans to construct both the East and West high voltage transmission lines to "support an additional circuit in the future," and specifically notes its intent to explore expansion opportunities. *See* Xcel Sherco Solar 2021 Site and Route Application at 38, 49, 188.

³³ Order Accepting Application as Complete and Authorizing Use of the Alternative Review Process, In the Matter of the Application of Xcel Energy for a Site Permit for the up to 460 MW Sherco Solar Project in Sherburne County, Docket No. E-002/GS-21-191; In the Matter of the Application of Xcel Energy for a Route Permit for the East 345 kV Transmission Line for the Sherco Solar Project in Sherburne County, Docket No. E-002/TL-21-190; In the Matter of the Application of Xcel Energy for a Route Permit for the West 345 kV Transmission Line for the Sherco Solar Project in Sherburne County, Docket No. E-002/TL-21-189 Minnesota Public Utilities Commission, 5 (Aug. 11, 2021).

³⁴ City of Becker Request for a Citizen Advisory Task Force (Sept. 15, 2021).

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Sherco Solar – Environmental Assessment Scoping Comments

If the Commission has any questions, please do not hesitate to contact me at tbertram@cci.becker.mn.us or our legal representatives in this matter, Robert Scott at rtscott@flaherty-hood.com and Gretel Lee at glee@flaherty-hood.com.

Sincerely,

Tracy Bertram

Mayor

City of Becker, Minnesota