

MEMO

Date: April 13, 2022

To: Katherine Blauvelt, Assistant Commissioner

Through: Louise Miltich, Supervisor EERA

From: William Cole Storm, Environmental Review Manager
EERA, (651) 539-1844

Subject: [Environmental Assessment Scoping Decision for the Duluth Loop Reliability Project](#)
[PUC Docket No. E015/CN-21-140, and E015/TL-21-141](#)

Action Required

The signature of the Assistant Commissioner is requested on the attached Environmental Assessment (EA) Scoping Decision. Once signed, Department of Commerce, Energy Environmental Review and Analysis (EERA) staff will file the Scoping Decision in eDockets, the electronic docket system of the Commission and begin preparing the EA.

Background

On October 21, 2021, Minnesota Power (Applicant) submitted a Certificate of Need (CN) Application and a high voltage transmission line (HVTL) Route Permit Application (RPA) to the Minnesota Public Utilities Commission (Commission). The RPA was submitted under the alternative review process (Minnesota Statute 216E.04; Minnesota Rule 7850.2800-3900). The stated purpose for the Duluth Loop Project is to replace the system support once provided by coal-fired baseload generators located along Minnesota's North Shore by addressing severe voltage stability concerns, relieving transmission line overloads, and enhancing the reliability of Duluth-area transmission sources.

Minnesota Power believes in order to maintain a continuous supply of safe and reliable electricity while replacing the support once provided by these local coal-fired generators, the Duluth area transmission system must be upgraded. To accomplish this, Minnesota Power is proposing that the transmission system in the area be reconstructed, reconfigured, and improved to enhance system stability and reliability. The Duluth Loop Project includes: (1) construction of about 14 miles of new 115 kilo volt (kV) transmission line between the Ridgeview, Haines Road, and Hilltop Substations; (2) construction of a new approximately one-mile extension connecting an existing 230 kV transmission line to the Arrowhead Substation; (3) upgrades to the Ridgeview, Hilltop, Haines Road, and Arrowhead substations; and (4) reconfiguration, rebuild, and upgrade to existing transmission lines and communications infrastructure in the Project area.

Schedule

Please review and provide a signature by April 22, 2022. If you require any changes or have any questions, please contact staff as soon as possible. The EA is scheduled to be completed in August 2022.



In the Matter of the Application of
Minnesota Power for a HVTL Route Permit
for the Duluth Loop Reliability Project in St.
Louis County
PUC Docket No. E015/CN-21-140, and
E015/TL-21-141

ENVIRONMENTAL ASSESSMENT SCOPING DECISION

The above matter has come before the Assistant Commissioner of the Department of Commerce (Department) for a decision on the scope of the Environmental Assessment (EA) to be prepared for Minnesota Power's Duluth Loop Reliability Project in St. Louis County.

Introduction and Background

On October 21, 2021, Minnesota Power (Applicant) submitted a Certificate of Need (CN) Application and a high voltage transmission line (HVTL) Route Permit Application (RPA) to the Minnesota Public Utilities Commission (Commission).¹ The RPA was submitted under the alternative review process (Minnesota Statute 216E.04; Minnesota Rule 7850.2800-3900).

Project Purpose and Description

In the RPA the stated purpose for the Duluth Loop Reliability Project is to replace the system support once provided by coal-fired baseload generators located along Minnesota's North Shore by addressing severe voltage stability concerns, relieving transmission line overloads, and enhancing the reliability of Duluth-area transmission sources.²

The RPA continues, noting that the transmission system in the Duluth area has historically been supported by several coal-fired baseload generators located along Minnesota's North Shore, which have for decades contributed to the reliability of the transmission system by delivering power to the local area and providing system support. The applicant indicates that the transition away from reliance on coal to increasingly lower carbon sources of energy, has led to an increased reliance on the transmission system to deliver replacement power and system support to the Duluth area and along the North Shore.³

Minnesota Power believes in order to maintain a continuous supply of safe and reliable electricity while replacing the support once provided by these local coal-fired generators, the Duluth area transmission system must be upgraded. To accomplish this, Minnesota Power is proposing that the transmission system in the area be reconstructed, reconfigured, and improved to enhance system stability and reliability.⁴

¹ Minnesota Power Duluth Loop Combined Application, p. 1-1. October 21, 2021. eDocket No. 202110-179004.

² Ibid.

³ Ibid.

⁴ Ibid.

The Duluth Loop Reliability Project includes: (1) construction of about 14 miles of new 115 kV transmission line between the Ridgeview, Haines Road, and Hilltop Substations; (2) construction of a new approximately one-mile extension connecting an existing 230 kV transmission line to the Arrowhead Substation; (3) upgrades to the Ridgeview, Hilltop, Haines Road, and Arrowhead substations; and (4) reconfiguration, rebuild, and upgrade to existing transmission lines and communications infrastructure in the Project area.⁵

Regulatory Process and Procedures (Certificate of Need)

A CN is required for all “large energy facilities,”⁶ unless the facility falls within a statutory exemption from the CN requirements. Through the CN proceedings the applicant must demonstrate using a number of factors prescribed in the rules that the proposed facility is in the best interest of the state’s citizens. The applicant must also demonstrate there is not a more prudent and reasonable way than the proposed project to address the stated goals.

The Duluth Loop Project’s transmission lines each meet the definition of a large energy facility and are without an exemption, thus, the granting of a CN is required prior to issuance of a HVTL Route Permit.

A portion of the combined application filed by Minnesota Power on October 21, 2021, is intended to satisfy the informational requirements contained in Minnesota Rule 7849.0220 in the consideration of a CN for the Duluth Loop Reliability Project.⁷

Application and Acceptance

The Commission must determine if an application for a CN is complete; the Commission must notify the applicant within 30 days of the receipt of an application if the application is not substantially complete. On notification, the applicant may correct any deficiency and may resubmit the application. If the revised application is substantially complete, the date of its submission is considered the application date.⁸ In addition to deciding if the application is complete, the Commission will typically determine the type of hearing (contested case or informal) to be used. Once the application is determined to be complete, the Minnesota Department of Commerce (Department) will initiate the environmental review process.

Environmental Review

CN applications are subject to environmental review; in such a proceeding EERA staff must prepare an environmental report (ER) for the project.⁹ The report contains “*information on the human and environmental impacts of the [project] associated with the size, type, and timing of the project, system configurations, and voltage.*”¹⁰ The ER also contains information on alternatives to the project, as well as mitigation measures.

⁵ Minnesota Power Duluth Loop Combined Application, p. 2-1. October 21, 2021. eDocket No. 202110-179004.

⁶ Minn. Stat. 216B.243, subdivision. 2; Minn. Stat. 216B.2421, subdivision. 2 (1 and 2).

⁷ Minnesota Power Duluth Loop Combined Application, Appendix A. October 21, 2021. eDocket No. 202110-179004.

⁸ Minn. R. 7849.0200, subpart. 5.

⁹ Minn. R. 7849.1200.

¹⁰ Ibid.

If an applicant for a CN applies for a HVTL route permit concurrently, or prior to scoping, EERA may elect to prepare an Environmental Assessment (EA) in lieu of an ER. If so, the EA must include the content required by Minnesota Rule 7849.1500.

Public Hearing

If it is determined that a contested case is not warranted, then the Commission will initiate an informal process. This informal process will include at least one public hearing that may be overseen by an Administrative Law Judge (ALJ) from the Office of Administrative Hearings (OAH). At the conclusion of this informal process the ALJ will produce a report.

A contested case hearing is warranted if there are disputed issues of material fact; in such a case, the Commission must request an ALJ from the OAH. The duties of the ALJ during these proceedings are described in Minnesota Rule 1400.5500. Once the OAH assigns an ALJ for a contested case hearing the parties will first meet at a pre-hearing conference. At this prehearing conference, the parties will discuss procedural issues including an intervention deadline for requesting formal party status, discovery, locations of public and evidentiary hearings and a schedule for a hearing.

If the HVTL route permitting process and CN determination are proceeding concurrently, the Commission may order that a joint hearing be held to consider both routing and need.¹¹

At the conclusion of the evidentiary hearing, public hearing, and comment period the ALJ produces a report.

Final Decision

The Commission has 12 months to approve or deny a CN from the date the application is filed.¹²

On December 14, 2021, the Commission issued an Order on the application of Minnesota Power for a CN for the Duluth Loop Reliability Project; the Commission determined that 1) the Applicants' petition was substantially complete and 2) the Commission will evaluate the petition using the Commission's comment (informal) process.

Regulatory Process and Procedures (HVTL Route Permit)

The Duluth Loop Reliability Project requires a HVTL route permit from the Commission;¹³ the Project qualifies for review under the alternative permitting process authorized by Minnesota Statutes § 216E.04, subd. 2(3) and Minnesota Rules 7850.2800, Subp. 1(C) because the 115 kV portion of the Project is a high voltage transmission line between 100 and 200 kV and the 230 kV portion of the Project is less than five miles in length.

¹¹ Minn. Stat. 216B.243, subdivision. 4 (stating that unless a joint hearing is not feasible or more efficient, or otherwise not in the public interest, a joint hearing shall be held).

¹² Minn. Stat. 216B.243, subdivision. 5; Application at page 4 (the applicant anticipates the site permit decision to be made in summer 2020).

¹³ Minn. Stat. 216E.03, subdivision. 1 and 2.

Applicants must provide the commission with written notice of their intent to file an application under the alternative permitting process,¹⁴ which was provided on March 22, 2021.¹⁵

Application and Acceptance

Route permit applications must provide specific information.¹⁶ This includes, but is not limited to, information about the applicant, descriptions of the project and site, and discussion of potential human and environmental impacts and possible mitigation measures.¹⁷ Under the alternative permitting process an applicant is not required to propose alternative sites or routes; however, if alternatives were evaluated and rejected, the application must describe these and the reasons for rejecting them.¹⁸

Upon receiving a HVTL route permit application, the Commission may accept it as complete, reject it and advise the applicant of its deficiencies, or accept it as complete but require the applicant submit additional information.¹⁹

Once the Commission determines an application is complete, the formal environmental review process can begin.

Public Advisor

Upon acceptance of a RPA the Commission must designate a public advisor.²⁰ The public advisor answers questions about the permitting process but cannot provide legal advice or act as an advocate for any person.

Advisory Task Force

The Commission may appoint an advisory task force to aid in the environmental review process.²¹ An advisory task force assists EERA staff in identifying additional routes or particular impacts to evaluate in the EA prepared for the project.²² If appointed, an advisory task force must include certain local government representatives.²³ The advisory task force expires upon completion of its charge or issuance of the scoping decision.²⁴

Appointment of an advisory task force is not required at the time of *Application Acceptance*; in the event no advisory task force is appointed citizens may request one be created.²⁵ If such a

¹⁴ Minn. R. 7850.2800, subpart. 2.

¹⁵ Minnesota Power, Notice of Intent to File Site and Route Permits Under the Alternative Process, August 18, 2021. eDocket No. 20218-177245-01.

¹⁶ Minn. Stat. 216E.04, subdivision. 3; Minn. R. 7850.3100.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Minn. R. 7850.3200.

²⁰ Minn. R. 7850.3400.

²¹ Minn. Stat. 216E.08, subdivision. 1; Minn. R. 7850.3600, subpart 1.

²² Minn. R. 7850.2400, subpart 3.

²³ Minn. Stat. 216E.08, subdivision. 1.

²⁴ Minn. R. 7850.2400, subpart 4.

²⁵ Minn. R. 7850.2400, at subpart 2.

request is made, the commission must make this determination at its next scheduled agenda meeting.²⁶

The decision whether to appoint an advisory task force, does not need to be made at the time of application acceptance; however, a decision should be made as soon as practicable to ensure an advisory task force could complete its charge prior to issuance of the scoping decision.

Environmental Review

Route permit applications are also subject to environmental review. The alternative permitting process requires completion of an EA, which is prepared by EERA staff.²⁷ An EA contains an overview of the resources affected by the project and discusses potential human and environmental impacts and mitigation measures.²⁸ Under the alternative permitting process an EA is the only required state environmental review document.²⁹

EERA conducts necessary public scoping meetings in conjunction with a public comment period to inform the content of the EA (i.e., Scoping).³⁰ The Commissioner of the Department or a designee determines the scope of the EA,³¹ and may include alternative routes suggested during the scoping process if they would aid the Commission in making a permit decision.³²

Public Hearing

The alternative permitting process requires a public hearing be held in the project area upon completion of the EA³³ in accordance with the procedures outlined in Minnesota Rule 7850.3800, subpart 3.

The hearing is typically presided over by an ALJ from the OAH. The Commission may request that the ALJ provide solely a summary of public testimony. Alternately, the Commission may request that the ALJ provide a full report with findings of fact, conclusions of law, and recommendations regarding the project. (This hearing is not a contested case hearing and is not conducted under OAH Rule 1405).

Final Decision

The Commission is required to make a HVTL route permit decision within six months from the date an application is accepted.³⁴ This time limit may be extended up to three months for just cause or upon agreement of the applicant.³⁵

²⁶ Minn. R. 7850.2400, at subpart 2.

²⁷ Minn. Stat. 216E.04, subdivision 5; Minn. R. 7850.3700, subpart 1.

²⁸ Minn. Stat. 216E.04, subdivision 5; Minn. R. 7850.3700, subpart 4.

²⁹ Minn. Stat. 216E.04, subdivision 5.

³⁰ Minn. R. 7850.3700, subpart 2.

³¹ Id. at subpart 3.

³² Id. at subpart 2.

³³ Minn. R. 7850.3800, subpart 1.

³⁴ Minn. R. 7850.3900, subpart 1.

³⁵ Ibid.

On December 14, 2021, the Commission issued an Order on the application of Minnesota Power for a HVTL Route Permit for the Duluth Loop Reliability Project; the following disposition was made: 1) Accepted the HVTL Route Permit Application for the Duluth Loop Reliability Project as substantially complete, 2) take no action on an advisory task force, and 3) request a full ALJ report with recommendations for the project's public hearing.

Scoping Summary

On January 10, 2022, Commission and EERA staff sent notice of the place, date and time of the Public Information and Scoping meetings to local government units and those persons on the Project contact/general list.³⁶

Commission staff and EERA staff jointly held a Public Information and EA Scoping meeting at the AAD Shrine Meeting and Event Center in Hermantown on January 26, 2022. A remote-access meeting (Webex) was held on January 27, 2022. The purpose of the meetings was to provide information to the public about the proposed Project, to answer questions, and to allow the public an opportunity to suggest alternatives and impacts (i.e., scope) that should be considered during preparation of the environmental review document. A court reporter was present at the meetings to document oral statements.

EERA also used the services of MetroQuest,³⁷ an on-line survey service provider, to gather comments on the proposed Project.

Scoping Comments

Thirteen people attended the in-person public information and scoping meeting, while three people attended the remote meeting. The comment period closed on February 4, 2022. Four public comments were received, and one comment letter was received from state agencies.³⁸

Comments received included statements of support for or opposition to the proposed HVTL project as well as to specific concerns or perceived impacts. In preparing the Scoping Decision recommendation, EERA staff considered all comments to the extent practicable. An identification number was assigned to each originator of a comment, including those expressed orally at the public meeting (**Table 1**). For individuals who submitted comments containing multiple points, sequential numbers were assigned to each commenter's distinct point; for example, Comment 9-4 refers to the 4th comment by the commenter assigned as number 9.

After reviewing and analyzing the comments received, a table summarizing individuals' comments and issues raised was developed (**Table 2**).

The court reporter record from the public meetings, as well as scanned images (pdf) of the original written comments received, were posted on the EERA webpage and filed in the dockets.

³⁶ Notice of Public Information/Scoping Meeting, January 10, 2022, eDocket no. [20221-181338-01](#).

³⁷ [Home | MetroQuest](#).

³⁸ Public Scoping Comments through February 4, 2022, Close of Comment Period (Oral and Written Comments), eDocket No. [20222-182651-02](#).

Table 1: Scoping Commenters

Commenter Number	Commenter Name	Commenter Agency or Organization
Oral Commenter – Public Meetings		
1	Lisa Neitzel	Private Citizen
2	Grant Forsyth	Zoning Administrator, Town of Midway
3	Michael Koppy	Private Citizen – Hermantown Volunteer Coordinator of Trails
4	Kevin Sleen	Private Citizen
5	Jeff Richtman	Private Citizen
6	Sarah Yokel	Private Citizen
7	Dan Belden	Western Lakes Superior Sanitary District
8	John Bodell	Private Citizen
9	Fred Schmitz	Private Citizen
10	Allen Widell	Private Citizen
Written Commenter		
11	Cindy Lee	Private Citizen
(1)	Lisa Neitzel	Private Citizen
12	Dwight Morrison	Private Citizen - Co-chair of Citizens Committee for Environmental Concerns
13	Kris Liljeblad	Private Citizen - Northridge Estates Association
14	Stacy Kotch Egstad	Minnesota Department of Transportation
15	Via MetroQuest Survey	MN Dept of Commerce - MetroQuest Studio (participants are anonymous)

Table 2: Summary of Comments

Comment Number	Summary of Issues
1-1	Ms. Neitzel expressed concern regarding the impacts of the proposed project, along Line 71 south of Mogie Lake, on the many varieties of wildlife that live on or near their 38-acre parcel adjacent to Mogie Lake. Additional concerns included potential effect EMF may have on their daughter, who she stated is extremely sensitive to overhead power lines; Ms. Neitzel requested that an alternative route segment (see discussion below) be considered for inclusion in the scope of the EA in an effort to mitigate these concerns.
2-1	Mr. Forsyth expressed concern about a section of the existing Line 98 (proposed thermal upgrade) where it parallels St. Louis River Road that may have an impact on nearby Kingsbury Creek (sedimentation, vegetation clearing, use of herbicides). Mr. Forsyth notes that Kingsbury Creek is an impaired trout stream and given the “soft” soils he requested that any new structures be placed at least 300 feet from the ordinary high-water mark.

3-1	Mr. Koppy was concerned about how the proposed project may impact the use and enjoyment of the Rocky Run Trail (west of Lavaque Road) as the realignment shifts the line slightly to the north.
4-1	Mr. Sleen lives along Hermantown Road (Section 21, T150N, R15W) west of where the current HVTL (Line 57, circa 1950s) parallels the Midway River (a designated trout stream). He expressed concern about the impact the proposal to shift this existing line (along with the new Line 176) away from the river onto his property will have on property values and ability to develop.
5-1	Mr. Richtman asked whether the means of vegetation control (mechanical or herbicides) the utility uses on easement through private property would be covered in the EA and whether it can be dictated in the HVTL Route Permit. Mr. Richtman also asked for clarification of how ROW widths differ between double-circuit and paralleling.
6-1	Ms. Yokel asked if the existing easement will be released back to the landowner on those parcels where the lines are being removed and relocated.
7-1	Mr. Belden was concerned and sought clarification on the placement of structures relative to the sanitary district's large wastewater interceptor (Highway 53 and Haines Road).
8-1	Mr. Bodell sought clarification on whether the proposed lines on his property were to be parallel or double circuit.
9-1	Mr. Schmitz sought clarification on whether the Duluth Bible Church property was along any of the proposed project routes.
10-1	Mr. Widell asked for clarification on the type (H-frame or mono-pole) structures were planned along a specific section of the project.
11-1	Ms. Lee owns 10 acres at the end of W. Morgan St. in Duluth which currently has a power line that cuts through the corner of her property; she had two questions; 1) How much wider would the new ROW be, and 2) are landowners being compensated for use of additional land?
12-1	Mr. Morrison expressed opposition to the proposed project based on the following points (12-1 through 12-3). "The most important environmental concern with MP&L power generation, is to reduce the reliance on carbon-based fuel. This 'carbon reduction' will have a positive impact on the environment in the long term. This project is not a way to reduce carbon-based power generation because it ultimately utilizes purchase of power from the existing grid that is produced by carbon-based fuels. The way to reduce the dependence on power from coal burning plants is to substitute clean energy in the form of 'wind' and 'solar'. The MP&L project will purchase power from the existing 'carbon generated' power grid that is not an environmentally sound process! This project misses the real opportunity to substitute clean 'wind' and 'solar' power generation for 'coal' based generation".
12-2	"Any new energy production and use needs to utilize non-carbon-based generation to be environmentally sound. This 'reliability' project is pictured a eliminating dependence on carbon based generation because of the closing of three (3) Coal Fired Plants by MP&L. But it does not because it substitutes new power through the new transmission lines that is purchased from existing 'carbon' based generation

	plants. This 'Reliability Project' is a great opportunity to replace 'coal' based generation with 'wind' and 'solar' production. Instead, it simplistically uses the existing 'carbon based' grid through new high-power lines".
12-3	"This project to construct new high power connection lines, misses the opportunity to develop environmentally sound 'carbon free' power generation to replace existing 'coal' fired plants. We now have a chance for a comparative estimate of the cost for a 'reliability' alternative via purchase of new power, compared to the development of 'wind' and 'solar' alternatives. Replacing the 'coal' generation with environmentally sound 'wind' and/or 'solar' alternatives will result in carbon free power generation. In place of buying power from the 'carbon' based grid, now we have the real opportunity to support true 'carbon free' power generation. This new power generating alternative can also be a paying process by selling the new 'solar' and/or 'wind' power to the grid when it is not needed locally".
13-1	Mr. Liljeblad, commenting on behalf of the Northridge Estates Association (NEA), stated that they are an affected property owner within the shared segment of Line 56 and Line 19 west of the Ridgeview Substation, between Howard Gnesen and Rice Lake Roads, which is the proposed route of a new 115 kV transmission line. Mr. Liljeblad summarized their concerns as: 1) "Our NEA acreage is dedicated in perpetuity to the Minnesota Land Trust which strictly restricts possible uses and must be considered in your EA and your location decision-making".
13-2	2) "To minimize impacts, maximum effort should be made to restrict the footprint of the new 115 kV line to the right of way containing the existing Line 56 and Line 19".
13-3	3) "The East Branch of Chester Creek, a designated trout stream, crosses the existing power line adjacent to NEA's property. Potential impacts and mitigations should be carefully considered to preserve and enhance this treasured resource".
13-4	4) "Management of vegetation under these power lines in the future should include greater efforts to eradicate invasive species, especially buckthorn, and to benefit wildlife".
14-1	Ms. Egstad, from MnDOT noted that its fundamental interest is to ensure that the EA identifies and quantifies, to the extent possible, any impacts the proposed high voltage transmission line may have on the safety of the transportation system, the effectiveness of the operations or maintenance of the state trunk highway system and any additional costs that may be imposed on the state trunk highway fund as a result of the location of the proposed HVTL. MnDOT stated that the Applicant has proactively consulted with them during the planning phase of this route; Appendix M in the Application correctly reflect discussion topics, areas of concern, and key factors associated with the proposed HVTL crossing of Minnesota Trunk Highway 53. MnDOT continues, that the Applicant has a thorough understanding of the challenges presented in crossing TH 53 in this area. Additionally, Ms. Egstad added, since these discussions new challenges to the placement of this line have been revealed with the Miller Creek Meandering Project; while the HVTL crossing in this area is still feasible from MnDOT's perspective, further discussions with the Applicant are required on the following:

	<ul style="list-style-type: none">• Pole placement – the specifics of where the northeast pole, relative to TH 53, can safely be constructed will need to be agreed upon between the DNR, the Applicant, and MnDOT.• Construction/Permanent Access – the safest point of access for the same northeast pole is still undetermined as the surrounding area presents several access challenges. Because MnDOT will allow temporary access for construction but not permanent access, the Applicant may need to acquire other landowner approvals for both temporary and permanent access to this part of the project area.
15-1	One Metroquest survey respondent indicated they are interested in how this might affect the trail systems in Hermantown, specifically behind Fichtner Field.
15-2	One Metroquest survey respondent asked whether the Project would affect the public trails (Hermantown Missing Link Trail).

Proposed Alternatives

The process for individuals to request that specific alternative routes, alternative route segments, and/or alignment modifications be included in the scope of the environmental review document was discussed at the EA scoping meetings.

As covered during the EA scoping meeting, to be considered for inclusion in EERA's *Scoping Decision* recommendation to the Department Commissioner, alternative routes, route segments, or modifications to the alignment must meet an initial screening. This initial screening requires that all requests must:

1. Be submitted during the scoping comment period.
2. Describe the specific impact being mitigated.
3. Be specific and identifiable.
4. Meet the stated need for the project.

One alternative route segment (Neitzel Alternative Route Segment) was submitted for consideration by Lisa Neitzel during the EA scoping comment period. Ms. Neitzel expressed concerns about the impact that the proposed line would have on her daughter's health (EMF) and on the abundant wildlife in the area.

The Neitzel residence is located on the south side of Mogie Lake and is approximately 500 feet north of the current Line 71 conductor; the proposed new line (Line 176) would be double circuited with the existing 71 Line on new structures within the existing 71 Line ROW.

The Neitzel Alternative Route Segment would move the existing Line 71 and the new proposed Line 176 south approximately 700 feet to run parallel along the north side of the existing Line 98.

Applicant Comments

Pursuant to Minn. Rule 7850.3700, subpart 2(B), applicants have the right to review proposed alternatives and submit reply comments.

On February 23, 2022, Minnesota Power filed a reply to comments, questions, and the request for the EA to include the Neitzel Alternative Route Segment that were submitted during the scoping comment period.³⁹

Minnesota Power stated in their response comment that they had previously evaluated the Neitzel Alternative Route Segment during the route development process prior to filing its CN and RPA; that this route alternative was rejected due to the need for additional right-of-way and greater impacts to homes and buildings as compared to the Proposed 115 kV Route.

However, Minnesota Power did reanalyze the Neitzel Alternative Route Segment and compare it to the corresponding portion of the Proposed 115 kV Route. The analysis found that there are four homes within the right-of-way of the Neitzel Alternative Route Segment that could potentially be displaced if this alternative route segment is selected. Additionally, the Neitzel Alternative Route Segment would place the transmission line closer to more residences than the same segment of the Proposed 115 kV Route. The Neitzel Alternative is also slightly longer than this segment of the Proposed 115 kV Route.

The analysis found that while the wetland acreage within the Proposed 115 kV Route is greater than that of the Neitzel Alternative Route Segment, these are existing impacts to these wetlands as the Proposed 115 kV Route follows the existing ROW of 71 Line through this area.

Based on their analysis, Minnesota Power continues to support the Proposed 115 kV Route as they believe it best satisfies the routing criteria set forth in Minnesota statute and rule and urge the Department not to include the Neitzel Alternative Route Segment in the EA scope.

EERA Staff Analysis

EERA provides technical expertise and assistance to the Commission.⁴⁰ EERA and the Commission work cooperatively, but function independently to meet their respective statutory responsibilities.

The scoping process for environmental review in Minnesota is designed to identify and analyze "only those potentially significant issues relevant to the proposed project" and alternatives to the project.⁴¹ The following recommendation for the scope of the EA covers those items required under Minnesota Rule 7850.3700 subpart 4 – *Content of Environmental Assessment*.

In addition to the generic categories found in the *Factors Considered*⁴², the EA will address specific concerns raised in the scoping comments received.

³⁹ Minnesota Power Reply Comment EA Scoping, February 23, 2022, eDocket No. 20222-1831103-02.

⁴⁰ Minn. Stat. 216E.03, subdivision 11.

⁴¹ Minnesota Rule 4410.2100, Subpart 1.

⁴² Minnesota Rule 7850.4100.

EERA staff is not recommending any alternative routes, alternative route segments, and/or alignment modifications be included in the *Scoping Decision*. Regarding the Neitzel Alternative Route Segment, EERA concurs with Minnesota Power's conclusions. EERA would add, that in addition to Minnesota Power's analysis, given the distance from the existing Line 71 (and therefore from the new, proposed double-circuit Line 71/176) to the Neitzel residence, potential impacts from EMF are expected to be negligible.

The following issues will not be included in EERA's scoping decision recommendation:

- The impacts of specific energy sources, such as carbon outputs from coal-generated facilities.
- The manner in which landowners are compensated for transmission rights-of-way easements.

Public Utilities Commission Action

On April 7, 2022, the Commission met concerning the review of EERA's *EA Scoping Summary* for the Duluth Loop Reliability Project docket. The Commission concurred with EERA staff and elected to take no action on the EA Scope.

SCOPING DECISION

HAVING REVIEWED THE MATTER, consulted with EERA staff, and in accordance with Minnesota Rule 7850.2500, I hereby make the following scoping decision:

MATTERS TO BE ADDRESSED

The issues outlined below will be identified and described in the EA for the proposed Duluth Loop Reliability Project. The EA will describe the Project and the human and environmental resources along the HVTL routes. The EA will also provide information on the potential impacts of the proposed project as they relate to the topics outlined in this scoping decision, including possible mitigation for identified impacts, identification of irretrievable commitment of resources, and permits from other government entities that may be required for construction of the project.

The EA will include a description and analysis of the human and environmental impacts of the proposed project and alternatives to the project that would have otherwise been required by Minnesota Rule 7849.1500 in an environmental report.

I. GENERAL DESCRIPTION OF THE PROJECT

- A. Project Description
- B. Project Purpose
- C. Route Description
 1. Route Width
 2. Right-of-Way
- D. Project Costs

II. REGULATORY FRAMEWORK

- A. Certificate of Need
- B. High Voltage Transmission Line Route Permit
- C. Environmental Review Process
- D. Other Permits and Approvals

III. ENGINEERING AND DESIGN

- A. Transmission Line Structures
 - 1. Paralleling and Double-Circuiting
- B. Transmission Line Conductors

IV. CONSTRUCTION

- A. Right-of-Way Acquisition
- B. Construction
- C. Restoration
- D. Damage Compensation
- E. Operation and Maintenance

V. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES

The EA will include a discussion of the human and environmental resources potentially impacted by the proposed project. Potential impacts, both positive and negative, of the project and each alternative will be described. Based on the impacts identified, the EA will describe mitigation measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EA will describe any unavoidable impacts resulting from implementation of the proposed project.

Data and analyses in the EA will be commensurate with the importance of potential impacts and the relevance of the information to consideration of the need for mitigation measures.⁴³ EERA staff will consider the relationship between the cost of data and analyses and the relevance and importance of the information in determining the level of detail of information to be prepared for the EA. Less important material may be summarized, consolidated, or simply referenced.

If relevant information cannot be obtained within timelines prescribed by statute and rule, or if the costs of obtaining such information is excessive, or the means to obtain it is not known, EERA staff will include in the EA a statement that such information is incomplete or unavailable and the relevance of the information in evaluating potential impacts.⁴⁴

- A. Description of the Environmental Setting
- B. Socioeconomics/Environmental Justice
- C. Human Settlements
 - 1. Noise
 - 2. Aesthetics
 - 3. Displacement

⁴³ Minnesota Rule 4410.2300.

⁴⁴ Minnesota Rule 4410.2500.

-
- 4. Property Values
 - 5. Zoning and Land Use Compatibility
Minnesota Land Trust
 - 6. Public Services
 - a) Roads and Highways
 - b) Utilities
Wastewater interceptor,
 - c) Emergency Services
 - 7. Electronic Interference
 - a) Radio
 - b) Television
 - c) Wireless Phone / Internet Services
 - D. Public Health and Safety
 - 1. Electric and Magnetic Fields
 - 2. Implantable Medical Devices
 - 3. Stray Voltage
 - 4. Induced Voltage
 - 5. Air Quality/GHG-Climate Change
 - E. Land Based Economies
 - 1. Agriculture
 - a) Compaction
 - b) Tile Damage
 - c) Aerial Spraying
 - d) GPS Systems
 - 2. Forestry
 - 3. Mining
 - 4. Recreation and Tourism
Rocky Run Trail,
 - F. Archaeological and Historic Resources
 - G. Natural Environment
 - 1. Water Resources
 - a) Surface Waters
Kingsbury Creek, Chester Creek, Miller Creek Meandering Project
 - b) Groundwater
 - c) Wetlands
 - 2. Soils
 - 3. Flora
Vegetation Management
 - 4. Fauna
 - H. Threatened / Endangered / Rare and Unique Natural Resources
 - I. Electric System Reliability
 - J. Operation and Maintenance Costs that are Design Dependent
 - K. Adverse Impacts that Cannot be Avoided
 - L. Irreversible and Irretrievable Commitments of Resources

VI. ALTERNATIVES TO THE PROPOSED TRANSMISSION LINE PROJECT

The EA, in accordance with Minnesota Rule 7849.1500, will describe and analyze the feasibility of the following system alternatives, and the human and environmental impacts and potential mitigation measures associated with each:

- A. No-build Alternative
- B. Demand Side Management
- C. Purchased Power
- D. Transmission Line of a Different Size
 - 1. Higher and Lower Voltage Lines
- E. Upgrading of Existing Facilities
 - 1. Reconductoring of Existing Lines
 - 2. Double-Circuiting of Existing Lines
- F. Generation Rather Than Transmission

VII. IDENTIFICATION OF PERMITS

The EA will include a list and description of permits from other government entities that may be required for the proposed project.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL IMPACT STATEMENT

The EA will not consider the following:

- A. Any route, route segment, or alignment alternative not specifically identified for study in this scoping decision.
- B. Any system alternative (an alternative to the proposed transmission line project) not specifically identified for study in this scoping decision.
- C. Potential impacts of specific energy sources.
- D. The manner in which landowners are paid for transmission line right-of-way easements.

SCHEDULE

The EA is anticipated to be completed and available in August 2022. Public hearings will be held in the project area after issuance of the EA and are anticipated to occur in August 2022.

Signed this 21st day of April, 2022

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



Katherine Blauvelt, Assistant Commissioner