

## **Draft Scoping Decision**

Mankato to Mississippi River Transmission Project

Docket Nos. CN-22-532/TL-23-157

Greetings:

The attached document is the draft scoping decision for the Mankato to Mississippi River Transmission (MMRT) Project (project). The project is proposed by Xcel Energy (applicant) and would be located in portions of Blue Earth, Le Sueur, Waseca, Rice, Dodge, Olmstead, Goodhue, Winona, and Wabasha counties in Minnesota. The draft scoping decision describes the issues and alternatives that will be studied by the Department of Commerce (Commerce) when preparing the environmental impact statement (EIS) for the project. This document was developed by Commerce on behalf of the Public Utilities Commission (Commission). The Commission is the responsible governmental unit for the project and will ultimately determine the scope of the EIS.

Minnesota Rule Chapter 7850 outlines the EIS process. The purpose of an EIS is “to provide information for governmental units, the proposer of the project, and other persons to evaluate proposed projects which have the potential for significant environmental effects, to consider alternatives to the proposed projects, and to explore methods for reducing adverse environmental effects.”

Scoping is the first step in the development of the EIS. The scoping process has two primary purposes: (1) to gather public input as to the issues and alternatives to study in the EIS and (2) to focus the EIS on those issues and alternatives that will aid in the Commission’s decision on a route permit for the project.

In addition to identifying issues and alternatives, the scoping decision also provides a proposed outline for the EIS and a tentative schedule for the environmental review process. The scoping decision is provided as a draft so you can have a say in what will be studied in the EIS. You can use the draft scoping decision to help focus your comments. For example, is there anything missing from the draft scoping decision that should be studied or anything that is not currently proposed to be studied that should? Is anything included that does not need to be studied in greater detail? Feedback about specific issues is useful. For those resources that are of particular interest to you, what is it about those resources that should be studied? Pointing out the EIS should study compaction when discussing soils is just one example.

At the conclusion of the scoping process, the Commission will take your comments into account when it makes a final decision on the scope of the EIS, that is, when it identifies those issues and alternatives that will be studied in the EIS.

If you have questions or need additional information, please don’t hesitate to contact Commerce’s Energy Environmental Review and Analysis staff or the Commission’s Public Advisor:

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Docket No. CN-22-532/TL-23-157

The above matter is before the Public Utilities Commission (Commission) for a decision on the scope of the environmental impact statement (EIS) to be prepared for the Mankato to Mississippi River Transmission (MMRT) Project (project) proposed by Xcel Energy (applicant) to be located in portions of Blue Earth, Le Sueur, Waseca, Rice, Dodge, Olmstead, Goodhue, Winona, and Wabasha counties in Minnesota.<sup>1</sup> This scoping decision identifies topics that will be analyzed in the EIS.

### **Project Description**

Xcel Energy is proposing to construct and operate approximately 130 miles of new 345 kV transmission line (Segments 1, 2, and 3), and approximately 20 miles of 161 kV transmission line (Segment 4).

Segment 1 – Approximately 48 to 54 miles of new 345 kV transmission line from the existing Wilmarth Substation in Mankato to a point near the existing West Faribault Substation. Xcel has proposed a north and south route that would primarily be double circuited with existing transmission lines, and some shorter route segments are being considered for Segment 1.

Segment 2 – Approximately 34 to 42 miles of new 345 kV transmission line to be constructed and operated from a point near the existing West Faribault Substation to the existing North Rochester Substation near Pine Island. The Segment 2 north route alternative would partially be double circuited with existing transmission lines, and the Segment 2 south route alternative would almost entirely be constructed in a new transmission corridor.

Segment 3 – Approximately 43 miles of new 345 kV transmission line will be constructed in place of an existing 161 kV, creating a double circuited 345 kV from the existing North Rochester Substation near Pine Island to the Mississippi River near Kellogg, Minnesota. Segment 3 consists of one proposed route, as this segment was permitted by the Commission as part of the CapX2020 Hampton – La Crosse Project<sup>2</sup>.

Segment 4 – Approximately 20 to 24 miles of a newly constructed 161 kV transmission line from the existing North Rochester Substation southeast to a connection point with the existing 161 kV Chester transmission line. Two route alternative have been proposed, the east route would follow existing transmission line corridors and the Highway 52 right of way for the majority of the line, and the west route alternative follows road rights of way, property lines, and existing transmission line corridors.

Xcel Energy has generally requested a route width of 1,000 feet and a final right-of-way (ROW) width of 150 feet for the new 345 kV transmission line and 100 foot ROW for the new 161 kV transmission lines.

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<sup>1</sup> Xcel Energy. April 2, 2024. *Application for a Certificate of Need and Route Permit for the Mankato – Mississippi River Transmission Project*, eDocket Nos. [20244-204917-19](#) (Cover Letter), [20244-204917-17](#) (Combined Application and Appendices A-F), [20244-204917-15](#) (Appendices G-J), [20244-204917-13](#) (Appendix K 1), [20244-204917-11](#) (Appendix K 2), [20244-204917-09](#) (Appendix K 3), [20244-204917-07](#) (Appendix L), [20244-204917-05](#) (Appendix M 1), [20244-204917-03](#) (Appendix M 2), [20244-204917-01](#) (Appendix M 3), [20244-204916-18](#) (Appendix N), [20244-204916-16](#) (Appendix O 1), [20244-204916-14](#) (Appendix O 2), [20244-204916-04](#) (Appendices P-S), and [20244-204916-02](#) (Appendices T-W) (hereinafter “Application”).

<sup>2</sup> Docket No. E002/TL-09-1448.

The project will include modifications to the existing Wilmarth and North Rochester Substations, and possible modifications to the existing Eastwood Substation depending on the route selected.<sup>3</sup>

The applicant has requested wider route widths in areas around project substations, line segments with routing constraints and at locations where route options come together.

The Minnesota Energy Connection Project is a result of Xcel Energy's approved 2020-2034 Upper Midwest Integrated Resource Plan (Docket No. 19-368).

### **Project Purpose**

The proposed Mankato to Mississippi River Transmission Project is needed to provide reliable, resilient, and cost-effective delivery of energy as the generation mix shifts from aging coal-fired generation plants to more new renewable energy sources.<sup>4</sup>

The current 345 kV transmission system experiences congestion and overloading in southern Minnesota, while renewable energy generation facilities in southwest Minnesota and northwest Iowa are producing high outputs. The project will strengthen existing outlets for renewable energy generation and provide additional transmission capacity toward Wisconsin and areas to the south. The project will help to reduce transmission congestion, reduce thermal loading, and improved transfer voltage stability.

### **Regulatory Background**

The applicants' proposed project requires two separate approvals from the Commission – a certificate of need (CN) and route permit. On April 2, 2024, Northern States Power Company, doing business as Xcel Energy filed a joint application for a certificate of need (CN) and a route permit (RP) to construct and operate the Mankato – Mississippi River Transmission Project (project), and accepted as complete by the Commission on June 26, 2024.

Department of Commerce, Energy Environmental Review and Analysis (EERA) staff is responsible for conducting environmental review for CN and route permit applications submitted to the Commission.<sup>5</sup> As two concurrent environmental reviews are required – one for the CN application and one for the route permit application – the Department has elected to combine the environmental review for the two applications.<sup>6</sup> An EIS will be prepared to meet the requirements of both review processes.

### **Scoping Process**

Scoping is the first step in the development of the EIS for the project. The scoping process has two primary purposes: (1) to gather public input as to the impacts, mitigation measures, and alternatives to study in the EIS, and (2) to focus the EIS on those impacts, mitigation measures, and alternatives that will aid in the Commission's decisions on the CN and route permit applications.

EERA staff gathered input on the scope of the EIS through seven public meetings and an associated comment period. This scoping decision identifies the impacts and mitigation measures that will be analyzed in the EIS, including route alternatives for the project. Additionally, this scoping decision identifies alternatives to the project itself that will be analyzed in the EIS.

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<sup>3</sup> Application, page 6.

<sup>4</sup> Application, page 5.

<sup>5</sup> Minnesota Rule 7849.1200; Minnesota Rule 7850.2500.

<sup>6</sup> Minnesota Rule 7849.1900.

## Scoping Process Summary

[To be included after completion of the scoping process.]

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Having reviewed the matter, and in accordance with Minnesota Rule 7850.2500, the Commission hereby makes the following scoping decision:

### MATTERS TO BE ADDRESSED

The issues outlined below will be analyzed in the EIS for the proposed Mankato to Mississippi River Transmission Project. The EIS will describe the project and the human and environmental resources of the project area. It will provide information on the potential impacts of the project as they relate to the topics outlined in this scoping decision, including possible mitigation measures. It will identify impacts that cannot be avoided and irretrievable commitments of resources, as well as permits from other government entities that may be required for the project. The EIS will discuss the relative merits of the route alternatives studied in the EIS using the routing factors found in Minnesota Rule 7850.4100.

The EIS 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 for a certificate of need. This includes evaluating matters of size, type, and timing that would not normally be included in an EIS for a route permit application.

The issues outlined below will be analyzed in the EIS. This outline is not intended to serve as a table of contents for the document itself.

#### 1.0 Project Information

Purpose  
Description  
Location  
Route Width and Right-of-Way Requirements  
Engineering and Design  
Construction  
Operation and Maintenance  
Cost and Accessibility  
Schedule

#### 2.0 Regulatory Framework

Certificate of Need  
Route Permit  
Environmental Review Process  
Other Permits or Approvals

#### 3.0 Affected Environment, Potential Impacts, and Mitigative Measures

The EIS will include a discussion of the human and environmental resources potentially impacted by the proposed project and the route alternatives described herein (Section VI). Potential impacts, both

positive and negative, of the project and each alternative will be described. Based on the impacts identified, the EIS will describe mitigation measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EIS will describe any unavoidable impacts resulting from implementation of the proposed project.

Data and analyses in the EIS will be commensurate with the importance of potential impacts and the relevance of the information to consideration of the need for mitigation measures.<sup>7</sup> 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 EIS. 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 EIS a statement that such information is incomplete or unavailable and the relevance of the information in evaluating potential impacts.<sup>8</sup>

The EIS will discuss the following resources and potential impacts in the EIS.

### 3.1 Human Settlements

Aesthetics  
Cultural Resources  
Current and Future Land Use and Zoning  
Displacement  
Electronic Interference  
Environmental Justice  
Noise  
Populated Areas  
Public Health and Safety (including electric and magnetic fields; stray and induced voltage)  
Public Services and Infrastructure (including right-of-way sharing)  
Recreation  
Socioeconomics (including property values)  
Zoning

### 3.2 Economies

Agriculture  
Forestry  
Mining  
Tourism

### 3.3 Archaeological and Historic Resources

### 3.4 Natural Environment

Air  
Climate Change  
Geology

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<sup>7</sup> Minnesota Rule 4410.2300.

<sup>8</sup> Minnesota Rule 4410.2500.

Public and Designated Lands  
Rare and Unique Resources  
Soils  
Vegetation  
Water Resources  
Wetlands  
Wildlife and their Habitats

#### 4.0 Unavoidable Impacts

#### 5.0 Irreversible and Irretrievable Commitments of Resources

#### 6.0 Cumulative Potential Effects

### **ROUTE ALTERNATIVES TO BE EVALUATED**

The EIS will evaluate the route and alternatives proposed by the applicant in its route permit application.

In addition, the following routes and alternative route segments will be evaluated in the EIS...

*[Description here of any route alternatives proposed during scoping and approved for inclusion in the scoping decision by the Commission]*

### **ALTERNATIVES TO THE PROPOSED PROJECT**

The EIS, 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
- E. Upgrading of Existing Facilities
- F. Generation Rather Than Transmission
- G. Use of Renewable Energy Sources

### **IDENTIFICATION OF PERMITS**

The EIS will include a list and description of permits from other governmental agencies that may be required for the project.

### **ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL IMPACT STATEMENT**

The EIS will not consider the following:

- A. Any route 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. The way landowners are paid for transmission line right-of-way easements.
- D. Of the alternatives proposed during the scoping process to mitigate potential impacts of the project, the following will not be included for further study in the EIS.

## **SCHEDULE**

Upon issuance of the EIS scoping decision, preparation of the draft EIS will begin. Once the draft EIS is complete, it will be issued for public review and comment. The draft EIS public meetings and a written comment period will occur concurrently with public hearings for the proposed project conducted by an administrative law judge (ALJ). Interested persons will have an opportunity to speak at the hearings, present evidence, ask questions, and submit comments.

Substantive comments on the draft EIS will be responded to and included in a final EIS. The ALJ will submit a report to the Commission containing findings, conclusions, and a recommendation on the adequacy of the final EIS and on the route permit for the proposed transmission line project.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024

STATE OF MINNESOTA  
Department of Commerce

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Michelle Gransee, Deputy Commissioner

[Map or maps to be inserted on the following pages.]