

Draft Agricultural Impact Mitigation Plan

***DRAFT* AGRICULTURAL IMPACT MITIGATION PLAN**
MINNESOTA ENERGY CONNECTION PROJECT

**MPUC Docket Nos. E002 /CN-22-131
& E002/TL-22-132**

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Northern States Power Company



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Minneapolis, MN 55401**

1 INTRODUCTION

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company) developed this Agricultural Impact Mitigation Plan (AIMP) with the Minnesota Department of Agriculture (MNDOA). The Company is seeking a Certificate of Need and Route Permit from the Minnesota Public Utilities Commission to construct the Minnesota Energy Connection Project between Sherburne and Lyon Counties, Minnesota (Project). The AIMP identifies measures Xcel Energy will take during construction to avoid, mitigate, minimize, repair, or provide compensation for impacts on Agricultural Land. The AIMP and its provisions will be implemented during construction and restoration activities that Xcel Energy undertakes for the Project prior to filing notice of completion of construction with the Minnesota Public Utilities Commission.

Capitalized words and other defined terms have the meanings given to them in this AIMP and its appendix. Use of “Landowner” in this AIMP may be construed to read “Landowner and/or Tenant.”

This AIMP and its construction standards and policies apply only to construction activities occurring on privately owned Agricultural Land. If agricultural tile is encountered, whether on Non-Agricultural Land or Agricultural Land, Xcel Energy will implement construction standards relating to the repair of tile on Agricultural Lands discussed further in this AIMP. Portions of this AIMP that identify standards and policies as they apply to Organic Agricultural Land apply only to the types of lands defined in the National Organic Program Rules (7 C.F.R. Parts 205.100; 205.101, and 205.202). Further, construction standards and policies identified in this AIMP can be modified through Easement or other agreement between the Company and the Landowner of Agricultural Land, as appropriate. In such case, the Easement or other agreement will control.

2 GENERALLY

The mitigative actions set forth in this AIMP are subject to negotiation and approval or change by the Landowner of Agricultural Land, so long as such changes are negotiated with and acceptable to Xcel Energy. Mitigative actions will be executed by Xcel Energy employees or by qualified contractors retained by Xcel Energy, unless otherwise specified or agreed upon by the Landowner. Xcel Energy and the Landowner may agree that certain activities will be performed by the Landowner.

Unless otherwise specified in this AIMP or in an Easement or other agreement negotiated between the Company and the Landowner, construction standards and policies or mitigative actions will be implemented within 90 days after completion of

Final Clean-up activities on Agricultural Land. Weather conditions, or other circumstances identified by mutual agreement between the Landowner and Xcel Energy, may delay implementation of mitigative actions after final clean-up. Where Xcel Energy determines it is practicable, Xcel Energy may make temporary repairs to minimize impacts or interference with the Landowner's access to the subject Agricultural Land or to comply with Federal or State permits and regulations.

Xcel Energy or its contractors will implement the construction standards and policies or mitigative actions identified within this AIMP so long as such activities do not conflict with any applicable Federal or State rules, regulations, permits, licenses, approvals, or conditions obtained by the Company for the Project. Should any activity within this AIMP be determined to be unenforceable or prohibited due to Federal or State rules, regulations, permits, licenses, approvals, or conditions, Xcel Energy will inform the Landowner and will identify a reasonable alternative activity.

Prior to Right-of-Way preparation or construction, Xcel Energy will make a good faith effort to provide each Landowner with contact information, including a phone number and address that can be used to contact Xcel Energy regarding any impacts to Agricultural Land or other construction-related concern or question. Xcel Energy will provide updated information to the Landowner within a reasonable time of any change to Xcel Energy's contacts.

2.1 CONSTRUCTION STANDARDS

2.1.1 Mitigative Actions

Xcel Energy will reasonably restore and/or compensate the Landowner, as appropriate, for damages caused by Xcel Energy as a result of transmission line construction, and as outlined in this AIMP. Xcel Energy will decide whether to restore land and/or compensate the Landowner after a discussion with the Landowner.

2.1.2 Advance Notice of Access

Xcel Energy will make good faith efforts to provide notice to the Landowner in advance of the commencement of initial construction activities on Agricultural Land. Notice may include personal contact, email, letter, or telephone contact.

2.1.3 Environmental / Agricultural Inspector

Xcel Energy will hire an Environmental/Agricultural Inspector to monitor compliance with this AIMP and other permit conditions/regulatory requirements.

The Environmental/Agricultural Inspector will audit the Company's compliance with this AIMP. If the Environmental /Agriculture Inspector observes a significant non-

compliant activity it will be reported to Xcel Energy immediately. The MDA may also instruct the Environmental/Agriculture Inspector to report non-compliant activities to the MDA. If after reviewing the non-compliant activity and if judgement is made that continuing the activity will cause damage to the environment or agricultural land, Xcel Energy would issue a stop work order.

2.1.4 Pole Placement

During the design of the Project, Xcel Energy's engineering, real estate, and permitting staff will seek input from the Landowner, as practicable, to address pole placement issues. Prior to construction, the land rights agents will review the planned pole locations with the Landowner when requested to do so by the Landowner.

2.1.5 Agricultural Tile

Xcel Energy will contact an affected Landowner for his/her knowledge of tile locations prior to installation of the transmission line. Xcel Energy will attempt to identify tile if the Landowner does not know if tile is located at the proposed pole location(s). Tile that is damaged, cut, or removed as a result of Xcel Energy's location efforts will be promptly repaired.

If tile is damaged by Project construction, the tile will be repaired with materials of the same quality as that which was damaged. If tiles on or adjacent to the transmission line construction area are adversely affected by construction, Xcel Energy will take such actions as are necessary to restore the tile function, including the relocation, reconfiguration, and replacement of the existing tile. Xcel Energy will correct tile repairs, as needed, after completion of the transmission line construction, provided the repairs were made by Xcel Energy or their agents or designees.

The affected Landowner may elect to negotiate a fair settlement with Xcel Energy for the Landowner to undertake the responsibility for repair, relocation, reconfiguration, or replacement of damaged tile. In the event the Landowner chooses to undertake the responsibility for repair, relocation, reconfiguration, or replacement of the damaged tile, Xcel Energy will have no further liability for the identified damaged tile.

The following standards and policies apply to the tile repairs completed by Xcel Energy, unless otherwise agreed to by the Landowner and Xcel Energy:

1. Tiles will be repaired with materials of the same or better quality as that which was damaged.
2. If water is flowing through a damaged tile, temporary repairs will be promptly installed and maintained until such time that permanent repairs can be made.

3. Xcel Energy will make efforts to complete permanent tile repairs within a reasonable timeframe after Final Clean-up, taking into account weather and soil conditions.
4. Following completion of the Final Clean-up and damage settlement, Xcel Energy will be responsible for correcting and repairing tile breaks, or other damages to tile systems that are discovered on the Right-of-Way to the extent that such breaks are the result of Project construction. These damages are usually discovered after the first significant rain event. Xcel Energy will provide the Landowner with contact information should tile damage issues be identified after Final Clean-up. The Company will not be responsible for tile repairs performed by the Landowner.

Xcel Energy will be responsible for repairing areas as necessary to properly drain wet areas along the Right-of-Way caused by the construction of the Project.

2.1.6 Soil Compaction/Rutting

Xcel Energy will repair damage incurred due to compaction, ruts, erosion, and/or washing of soil caused by Project construction. If, by mutual agreement, the Landowner repairs such damage, Xcel Energy will reimburse the Landowner for the reasonable cost of labor and the use of equipment to repair damage incurred due to compaction, ruts, erosion, and/or washing of soil caused by transmission line construction. Xcel Energy will make such payments within a reasonable period of time following completion of project construction and after receiving a statement substantiating the Landowner's repair costs.

If there is a dispute between the Landowner and Xcel Energy as to what areas need to be ripped or chiseled, the depth at which compacted areas should be ripped or chiseled, or the necessity for, or rates of, lime, fertilizer, and organic material application, Xcel Energy will consult with the Environmental/Agricultural Inspector prior to making a final decision.

2.1.7 Excess Soil and Rocks

Excess soil and rock will be removed from the site unless otherwise requested by the Landowner. After Final Clean-up and restoration of Agricultural Lands, Xcel Energy will make good faith efforts to obtain written acknowledgement of completion of such activities from the Landowner.

2.1.8 Construction Debris

Xcel Energy will promptly remove construction-related debris and material which is not an integral part of the transmission line from the Landowner's property at the Company's cost. Such material may include excess construction materials or litter generated by the construction crews. Xcel Energy, on behalf of the Company, will pay for the reasonable cost of repairs to the Landowner's equipment if the equipment is damaged by materials or debris Xcel Energy left on the property during construction.

2.1.9 Procedures for Determination of Damages and Compensation

Xcel Energy will maintain a procedure for processing Landowner claims for construction-related damages, including but not limited to crop damages. The procedure is intended to standardize and minimize Landowner concerns regarding the recovery of damages, to provide a degree of certainty and predictability for the Landowner and the Company, and to foster good relationships among the Company and Landowner over the long term. A copy of the procedure will be provided to the Landowner during Easement acquisition negotiations.

Damage claim negotiations between Xcel Energy and any affected Landowner will be voluntary in nature. Xcel Energy will offer to compensate Landowners according to the terms of Xcel Energy's damage claim policy in effect at the time the Easement is executed and recorded. The compensation offered is only an offer to settle, and the offer shall not be introduced in any proceeding brought by the Landowner to establish the amount of damages Xcel Energy must pay on behalf of the Company.

2.1.10 Soil Conservation Practices

Soil conservation practices such as terraces and grassed waterways which are damaged by the transmission line's construction will be restored to their pre-construction condition as near as possible. Xcel Energy will attempt to work with the Landowner to identify and document the pre-construction conditions of these features.

2.1.11 Irrigation

If the transmission line and/or temporary work areas intersect an operational (or soon to be operational) spray irrigation system, Xcel Energy will work with the Landowner to establish an acceptable amount of time the irrigation system may be out of service.

If, as a result of the transmission line construction activities, an irrigation system interruption results in crop damages either on the Right-of-Way or off the Right-of-Way, the Landowner will be compensated for resulting crop loss.

If it is feasible and mutually acceptable to Xcel Energy and the Landowner, temporary measures will be implemented to allow an irrigation system to continue to operate across land on which the transmission line is also being constructed. Xcel Energy will not allow an irrigation system to continue operation across land on which the transmission line is also being constructed if Xcel Energy determines that such operation would be unsafe.

2.1.12 Access Routes/ Temporary Roads

The location of access routes to be used for construction purposes will be discussed with the Landowner.

- A. The access routes will be designed to not impede proper drainage and will be built to mitigate soil erosion on or near the temporary roads.
- B. If grading is required to create a temporary road, these temporary roads may be left intact through mutual agreement of the Landowner and Xcel Energy unless otherwise restricted by Federal, State, or local regulations.
- C. If a temporary road is to be removed, the Agricultural Land upon which the temporary road is constructed will be returned to its previous use and restored to equivalent condition as existed prior to construction.

2.2 ORGANIC FARMS

This section identifies mitigation measures that apply specifically to farms that are Organic Certified or farms that are in active transition to become Organic Certified and is intended to address the unique management and certification requirements of these operations. This section supplements and is in addition to all other protections provided in this AIMP.

The provisions of this section will only apply to Organic Agricultural Land for which the Landowner has provided to Xcel Energy a true, correct and current version of the Organic System Plan within 60 days after the signing of the Easement or 60 days after the first contact by Xcel Energy after the Commission issues a Route Permit, whichever occurs first.

2.2.1 Organic System Plan

The Company recognizes the importance of the individualized Organic System Plan to the Organic Certification process. Xcel Energy will work with the Landowner, the Landowner's Certifying Agent, and/or a mutually acceptable third-party organic consultant to identify site-specific construction practices that will minimize the potential for Decertification as a result of construction activities. Possible practices

may include, but are not limited to: equipment cleaning, planting a deep-rooted cover crop in lieu of mechanical decompaction, applications of composted manure or rock phosphate, preventing the introduction of disease vectors from tobacco use, restoration and replacement of beneficial bird and insect habitat, maintenance of organic buffer zones, use of organic seeds for any cover crop, or similar measures. The Company recognizes that Organic System Plans are proprietary in nature and will respect the need for confidentiality.

2.2.2 Prohibited Substances

Xcel Energy will avoid the application of Prohibited Substances onto Organic Agricultural Land. No herbicides, pesticides, fertilizers or seed will be applied to Organic Agricultural Land unless requested and approved by the Landowner. Likewise, Xcel Energy will avoid refueling, fuel or lubricant storage, or routine equipment maintenance on Organic Agricultural Land. Equipment will be checked prior to entry to make sure that fuel, hydraulic and lubrication systems are in good working order before working on Organic Agricultural Land. If Prohibited Substances are used on land adjacent to Organic Agricultural Land, these substances will be used in such a way as to prevent them from entering Organic Agricultural Land.

2.2.3 Temporary Road Impacts

Topsoil and Subsoil layers that are removed during construction on Organic Agricultural Land for temporary road impacts will be stored separately and replaced in the proper sequence after the transmission line is installed. Unless otherwise specified in the site-specific plan described above, Xcel Energy will not use this soil for other purposes, including creating access ramps at road crossings. No Topsoil or Subsoil (other than incidental amounts) may be removed from Organic Agricultural Land. Likewise, Organic Agricultural Land will not be used for storage of soil from non-Organic Agricultural Land.

2.2.4 Erosion Control

On Organic Agricultural Land, Xcel Energy will, to the extent feasible, implement erosion control methods consistent with the Landowner's Organic System Plan. On land adjacent to Organic Agricultural Land, Xcel Energy's erosion control procedures will be designed so that sediment from adjacent non-Organic Agricultural Land will not flow along the Right-of-Way and be deposited on Organic Agricultural Land. Treated lumber, non-organic hay bales, non-approved metal fence posts, etc. will not be used for erosion control on Organic Agricultural Land.

2.2.5 Weed Control

On Organic Agricultural Land, if Xcel Energy determines weed control is necessary during construction activities, Xcel Energy will, to the extent feasible, implement weed control methods consistent with the Landowner's Organic System Plan. Prohibited Substances will not be used for weed control within 50 feet of posted Organic Agricultural Land.

2.2.6 Monitoring

In addition to the responsibilities of the Environmental/Agricultural Inspector described in the AIMP, the following will apply:

- A. The Environmental/Agricultural Inspector will monitor construction and restoration activities on Organic Agricultural Land for compliance with the provisions of this section and will document any activities that may result in Decertification.
- B. Instances of non-compliance will be documented according to Independent Organic Inspectors Association protocol consistent with the Landowner's Organic System Plan, and will be made available to the MDA, the Landowner, the Landowner's Certifying Agent, and to the Company.

2.2.7 Compensation for Construction Damages

The settlement of damages will be based on crop yield and/or crop quality determination and the need for additional restoration measures. Xcel Energy will first work with the Landowner of Organic Agricultural Land to determine crop yield. In the event Xcel Energy and the Landowner of Organic Agricultural Land cannot determine crop yield, at Xcel Energy's expense, a mutually agreed upon professional agronomist will make crop yield determinations, and the MDA Fruit and Vegetable Inspection Unit will make crop quality determinations. If the crop yield and/or crop quality determinations indicate the need for soil testing, the testing will be conducted by a commercial laboratory that is properly certified to conduct the necessary tests and is mutually agreeable to Xcel Energy and the Landowner. Field work for soil testing will be conducted by a professional soil scientist or professional engineer licensed by the State of Minnesota. Xcel Energy will be responsible for the cost of sampling, testing and additional restoration activities, if needed. Additional restoration activities will be completed according to the terms of its damage claim policy in effect at the time the Easement is executed and recorded.

2.2.8 Compensation for Damages Due to Decertification

Should any portion of Organic Agricultural Land be Decertified as a result of construction activities, Xcel Energy will pay damages for crops and/or livestock within the area impacted by the lost Certification equal to the full difference between the market value of conventional crops and/or livestock and the market value of the organic crops and/or livestock lost for three years or the period of time necessary for the Landowner or Tenant to regain Certification, whichever comes first. The market value of the crop will be determined as set forth in the damage claim policy. At the request of Xcel Energy, the Landowner shall provide verification of its loss of Organic Certification through the accredited certifying agent prior to any compensation for organic crop loss being paid.

2.3 DEFINITIONS

Agricultural Land	Land that is actively managed for cropland, hay land, or pasture, and land in government set-aside programs.
Environmental / Agricultural Inspector	Inspector retained by the Company responsible for overall project compliance with permit conditions and commitments made in this document.
Certifying Agent	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
Cropland	Land actively managed for growing row crops, small grains, or hay.
Decertified or Decertification	Loss of Organic Certification.
Easement	The agreement(s) and/or interest in privately owned Agricultural Land held by the Company by virtue of which it has the right to construct, operate, and maintain the transmission line and associated facilities together with such other rights and obligations as may be set forth in such agreement.
Final Clean-up	Transmission line activity that occurs after the power line has been constructed. Final Clean-up activities may include removal of construction debris, de-compaction of soil as required, removal of temporary erosion control structures, final grading, and restoration of fences and required reseeding. Once Final Clean-up is finished, Landowner will be contacted to settle all damage issues and will be provided a form to sign acknowledging final construction settlement.
The Company	Northern States Power Company, doing business as Xcel Energy. May also include agents and contractors of Northern States Power Company, doing business as Xcel Energy, where appropriate.
Landowner	Person(s), or their representatives, holding legal title to Agricultural Land on the transmission line route from whom the Company is seeking, or has obtained, a temporary or permanent Easement. "Landowner" includes Tenant, if any.
Non-Agricultural Land	Any land that is not "Agricultural Land" as defined above.

Organic Agricultural Land	Farms or portions thereof described in 7 CFR Parts 205.100, 205.202, and 205.101.
Organic Buffer Zone	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
Organic Certification or Organic Certified	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.100 and 7 CFR Part 205.101.
Organic System Plan	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
Prohibited Substance	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.600 through 7 CFR 205.605 using the criteria provided in 7 USC 6517 and 7 USC 6518.
Right-of-Way	The Land included in permanent and temporary Easements which the Company acquires for the purpose of constructing, operating and maintaining the transmission line and associated facilities.
Subsoil	Soil that is not Topsoil and located immediately below Topsoil.
Tenant	Any Person(s) lawfully renting or sharing land for agricultural production which makes up the “Right-of-Way” as defined in this AIMP.
Tile	Artificial subsurface drainage system.
Topsoil	The uppermost horizon (layer) of the soil, typically with the darkest color and highest content of organic matter.