

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF THE APPLICATION OF
XCEL ENERGY FOR A CERTIFICATE OF
NEED FOR TWO GEN-TIE LINES FROM
SHERBURNE COUNTY TO LYON COUNTY,
MINNESOTA

MPUC Docket No. E002/CN-22-131

NOTICE PLAN PETITION

Public Comments on this Notice Plan Petition can be submitted to the Minnesota Public Utilities Commission until 4:30 P.M. on May 23, 2022.

Replies to Comments can be submitted to the Minnesota Public Utilities Commission until 4:30 P.M. on June 13, 2022.

The Commission's address is: Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St Paul, MN 55101-2147

I. INTRODUCTION

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), submits this Notice Plan Petition for approval by the Minnesota Public Utilities Commission (Commission) pursuant to Minnesota Rule 7829.2550.

The Company intends to submit applications for a Certificate of Need and a Route Permit for two generation tie lines (Gen-Ties) from the Sherburne County Generating Plant Substation (Sherco Substation) to a substation in Lyon County, Minnesota (the Project or the Minnesota Energy Connection (or, MN Energy Connection)). The Project consists of two approximately 120- to 140-mile 345 kilovolt (kV) transmission lines connecting the Sherco Substation in Becker, Minnesota, and a new substation in Lyon County, Minnesota. A map showing the end points of the line and existing transmission facilities in the area is provided in **Figure 1**.

Xcel Energy is committed to delivering clean, reliable and safe electricity service to customers. The Project is part of Xcel Energy's recently approved Upper Midwest Integrated Resource Plan (IRP), which will reduce carbon emissions more than 85% from 2005 levels by 2030 and help to achieve the Company's vision to deliver 100% carbon-free electricity by 2050. We will achieve these goals by retiring coal plants in the Upper Midwest, including the three Sherco units totaling 2,000 megawatts (MW) of coal-fired generation, and adding significant amounts of renewable energy. Connecting the new renewable energy to the Sherco Substation enables Xcel Energy to reuse our valuable and existing transmission interconnection rights. To retain these interconnection rights, Xcel Energy must own the replacement generation and meet certain milestones associated with the replacement resources following the retirement of the Sherco units on deadlines dictated by the Midcontinent Independent System Operator, Inc. (MISO). The Project will support the interconnection of resources replacing Sherco Units 1 and 3.

	Unit 1	Unit 2	Unit 3
Capacity	720 MW	710 MW	566.4 ¹
Replacement Generation Request Submitted to MISO ²	2025	2022	2029
Commercial Operation Date of Replacement Facility ³	2029	2026	2033
Retirement Date	2026	2023	2030

In connection with the Company’s 2016-2030 IRP, the Commission approved the Company’s plan to retire Sherco Units 1 and 2 in 2026 and 2023, respectively; and, in the Company’s most recent IRP proceeding, the Commission directed Xcel Energy to retire Sherco Unit 3 by 2030.⁴ The Commission further approved the Company’s acquisition, by 2026, of 720 MW of Company-owned solar resources to reuse Sherco Unit 2’s interconnection rights—which will not require the Project to be interconnected—and 600 MW of solar resources unconstrained by interconnection location or ownership.⁵

The Commission also approved Xcel Energy’s procurement of 600 MW of solar and 2,150 MW of wind, or an equivalent amount of energy and capacity from a combination of wind, solar and/or storage between 2027 and 2032.⁶ A significant portion of these acquisitions will maximize the use of the Project, and the Commission ordered the Company to begin a proceeding to obtain a Certificate of Need and Route Permit for the Project.

¹ This percentage represents Xcel Energy’s 59 percent ownership of Sherco Unit 3 (876 MW). The remaining capacity is owned by Southern Minnesota Municipal Power Agency.

² The request for a replacement facility must be submitted to MISO at least one year prior to the date that the Existing Generating Facility will cease operation. MISO Tariff Attach. X § 3.7.1(ii).

³ The expected commercial operation date for a replacement facility must be within three years of the date that the existing facility ceases operation. MISO Tariff Attach. X § 3.3.1.

⁴ *Order Approving Plan with Modification and Establishing Requirements for Future Resource Plan Filings*, Docket No. E-002/RP-15-21 (January 11, 2017), Ordering ¶ 7; *Order Approving Plan with Modifications and Establishing Requirements for Future Filings*, Docket No. E-002/RP-19-368, Ordering ¶ 2.A.4 (April 15, 2022) (IRP Order).

⁵ IRP Order at Ordering ¶ 2.A.5.

⁶ IRP Order at Ordering ¶ 2.A.8.

The Project proposed in this filing (and the generation resources that connect to it) is needed to enable full reutilization of the Company's interconnection rights at Sherco, which amounts to approximately 1,300 MW for Sherco Units 1 and 3. The Company plans to place the Project in-service in late 2027 or early 2028.

Re-using the Sherco connection meets federal requirements to use or surrender our right to connect energy to the grid at the substation, and our plan will save customers money compared to building entirely new infrastructure or acquiring renewable projects elsewhere in the region, which would require significant and prohibitively expensive transmission upgrades. The Project will also enable Xcel Energy to avoid the generation interconnection process at MISO that typically takes years to complete. Simply put, reusing the interconnection rights will save Xcel Energy customers money by maximizing the benefits and reuse of our existing infrastructure to connect new generation as we continue to add renewable energy.

The Project will make it possible to build thousands of megawatts of new renewable energy in southern and southwestern Minnesota, and create new jobs in construction and operations in the communities in which the new renewable energy and the Project are located. New wind and solar farms will also bring new property tax revenue and lease payments to landowners.

Minnesota Rule 7829.2550 requires a Notice Plan to be submitted for review by the Commission at least three months before filing a Certificate of Need application for any high voltage transmission line under Minnesota Statutes Section 216B.2421. The Company therefore submits this Notice Plan for the Commission's approval.

II. NOTICE PLAN PROPOSAL

This Notice Plan is prepared as an initial step in the Certificate of Need regulatory process. Preparation of a Notice Plan, and its review and approval by the Commission, will ensure that interested persons are aware of the proceeding and have the opportunity to participate. The area proposed to be included in notices under this proposal (Notice Area) is depicted in **Figure 1**.

The Company currently anticipates submitting its Certificate of Need Application later this year. The Company currently anticipates submitting a Route Permit application in the 2023-2024 timeframe. The first step in the routing process will involve routing studies and public outreach. This outreach will include open houses, mailed and published public meeting invitations and a project website.

This Notice Plan includes the following proposed direct mail and publication notices:

Direct Mail Notice:

Attachment A presents a letter that will be mailed to landowners, residents, local units of government, elected officials, tribal contacts and agencies in and around the Notice Area.

Mailing Lists

Landowners - Minnesota Rule 7829.2550, Subpart 3(A), requires an applicant for a Certificate of Need to provide direct mail notice to all landowners reasonably likely to be affected by the proposed transmission lines. The Company will compile landowner names and addresses within the Notice Area using tax records.

Non-Landowner Residents - Minnesota Rule 7829.2550, Subpart 3(B), requires an applicant for a Certificate of Need to provide direct mail notice to all mailing addresses in the area that are likely to be affected by proposed transmission lines. Xcel Energy will obtain a list of mailing addresses in the Notice Area from a bulk mailing company and remove addresses common to the landowner list.

Tribal Governments - Minnesota Rule 7829.2550, Subpart 3(C) requires an applicant for a Certificate of Need for a high voltage transmission line to provide direct mail notice to tribal governments whose jurisdictions are reasonably likely to be affected by the proposed transmission lines. The Company has assembled a list of tribal governments and additional tribal government officials in the Notice Area (included in **Attachment B**).

Government Officials- Minnesota Rule 7829.2550, Subpart 3(C), requires an applicant to provide direct mail notice to governments of towns, cities, home rule charter cities, and counties whose jurisdictions are reasonably likely to be affected by the proposed transmission lines. Xcel Energy proposes to provide direct mail notice to lead administration personnel in the towns, cities, home rule charter cities and counties within the Notice Area. The notice will also be provided to those State Senators and State Representatives whose districts are within the Notice Area. A complete list of government recipients is included in **Attachment B**.

Newspaper Notice:

Minnesota Rule 7829.2550, Subpart 3(D), requires an applicant to publish notice in newspapers in the areas that may be affected by proposed transmission lines. The proposed notice text is provided in **Attachment C**. The Company proposes to place notice advertisements in the newspapers also identified in **Attachment C**.

In addition to the Notice Plan newspaper notice requirement, Minnesota Rule 7829.2500, Subpart 5, requires that, after a Certificate of Need application is filed, an applicant publish newspaper notice of the filing in a newspaper of general circulation throughout the state. Under the proposed Notice Plan, the Company will publish newspaper notice of the Certificate of Need proceeding shortly before a Certificate of Need application is filed in newspapers of local, regional, and statewide circulation. Given that the Company proposes to file a notice shortly before filing, the Company requests a variance of Rule 7829.2500, Subpart 5, to remove the additional newspaper notice requirement to publish notice in a statewide newspaper shortly after the Certificate of Need application is submitted.

The Commission shall grant a variance pursuant to Minnesota Rule 7829.3200 when it determines that the following requirements are met:

- A. enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- B. granting the variance would not adversely affect the public interest; and
- C. granting the variance would not conflict with standards imposed by law.

Here, all three factors are met. The rule would be an excessive burden because it requires duplicate notice and associated expense without a corresponding benefit. The public will be notified by notices in other newspapers and therefore the public interest would not be adversely affected. Granting the variance would not conflict with any legal standards. Accordingly, a variance is warranted.

A. Notice Content

Minnesota Rule 7829.2550, Subpart 4, requires notice packets to include several pieces of information including: a map; right-of-way requirements and statement of intent to acquire property rights; notice that the transmission lines cannot be constructed unless the Commission certifies that it is needed; Commission contact information; utility website information; a statement that the Minnesota Department of Commerce, Energy Environmental Review and Analysis (EERA) will prepare an environmental report; an explanation of how to get on the Project's mailing list; and a list of applicable regulatory laws and rules. As shown in the Example Landowner Notice (**Attachment A**), the Company's notice mailing will include these requirements.

The notice letter will serve three purposes: 1) to introduce and explain the need for and location of the proposed Project; 2) to encourage potentially-affected persons to participate in the regulatory process; and 3) to provide contact information for Project personnel and regulatory agencies so citizens and officials may obtain additional information about the Project and the regulatory process. The map that will be included with the notice letter will include the required endpoints and existing transmission line facilities in the area. The map will also identify counties, municipalities, and major roadways to aid in orientation.

B. Distribution of Notice Plan Filing

As required under Minnesota Rule 7829.2550, Subpart 1, this Notice Plan filing has been sent to the EERA, the Office of the Attorney General – Residential Utilities Division, and to those parties listed on the “General List of Persons Interested in Power Plants and Transmission Lines.” In addition, copies have been mailed to each city and county within the Notice Area.

III. CONCLUSION

Xcel Energy respectfully requests that the Commission: (1) approve this Notice Plan prepared in advance of our Certificate of Need application to construct the Project and (2) grant the variance from duplicative newspaper notice requirements under Minnesota Rule 7829.2500, Subpart 5.

Dated: May 2, 2022

Northern States Power Company

Utility Employees Responsible for Filing	Xcel Energy Bria Shea 612 330 6064 Shea.E.Bria@xcelenergy.com
Utility Attorneys Responsible for Filing	Mara Ascheman 612 210 4605 Mara.K.Ascheman@xcelenergy.com

Attachment A: Example Notice Letter

_____, 2022

RE: Notice of Certificate of Need Application for Two Generation Tie (Gen-Tie) Lines from Sherburne County to Lyon County, Minnesota

MPUC Docket No. E002/CN-22-131

This letter is intended to notify you of a proposed transmission line project and to provide the following information:

1. Project location and a description of the need for the Project;
2. A description of how you can participate in the regulatory process; and
3. Contact information to get additional information and to sign up for email and mailing lists.

Northern States Power Company, doing business as Xcel Energy, is proposing to construct two 120- to 140-mile 345 kilovolt (kV) transmission lines between Xcel Energy's existing Sherburne County Substation at the Sherburne County Generating Station Substation (Sherco Substation) in Becker, Minnesota, and a new substation in Lyon County, Minnesota (the Project).

This notice is being provided to you because you fall into one of the categories listed below as they relate to the area shown in the attached "Notice Area" map.

- Landowners with property within the Notice Area;
- Residents living within the Notice Area;
- Local units of government in and around the Notice Area;
- State elected officials; and
- Government agencies and offices.

Why is the Project needed?

Xcel Energy is committed to delivering clean, reliable, and safe electricity service to customers. We are pursuing a plan that will reduce carbon emissions by over 85% from 2005 levels by 2030 and achieve our vision to deliver 100% carbon-free electricity by 2050. We will achieve these goals by retiring coal plants in the Upper Midwest, including the Sherco Units 1 and 3, totaling approximately 1,300 megawatts of coal-fired generation, and adding significant amounts of renewable energy.

In connection with the Company's 2016-2030 Integrated Resource Plan (IRP), the Commission approved the Company's plan to retire Sherco Units 1 and 2 in 2026 and 2023, respectively; and, in the Company's most recent IRP proceeding, the Commission directed Xcel Energy to retire Sherco Unit 3 by 2030. The Commission further approved Xcel Energy's procurement of 600 MW of solar and 2,150 MW of wind, or an equivalent amount of energy and capacity from a combination of wind, solar and/or storage between 2027 and 2032. A significant portion of these acquisitions will maximize the use of the Project and the Sherco interconnection rights, and the Commission ordered the Company to begin a proceeding to obtain a Certificate of Need and Route Permit for the Project.

We plan to use the proposed transmission lines to connect renewable energy-rich areas in southern and southwestern Minnesota and deliver that carbon-free, renewable energy to our customers throughout the Upper Midwest. Re-using this transmission connection meets federal requirements to use or surrender our right to connect energy to the grid at the substation, and our plan will save customers money compared to building entirely new infrastructure or acquiring renewable projects elsewhere in the region, which would require significant expensive transmission upgrades. Simply put, re-using the substation interconnection rights will save our customers money by maximizing the benefits and reuse of our existing infrastructure to connect new generation as we continue to add renewable energy.

The Project will make it possible to build thousands of megawatts of new renewable energy in southern and southwestern Minnesota, and create new jobs in construction and operations in the communities in which the new renewable energy and transmission lines are located. New wind and solar farms will also bring new property tax revenue and lease payments to landowners.

Further information on the Project need is available on the Project website:

www.xcelenergy.com/MNEnergyConnection

What is the regulatory process for the Project?

Before we can construct the Project, the Commission must determine whether the Project is needed in a Certificate of Need proceeding. If the Commission determines that the Project is needed, it will determine where the Project should be constructed

through a Route Permit proceeding. Xcel Energy will begin public outreach efforts this fall to inform the route development process and anticipates filing a route permit application in the 2023-2024 timeframe.

The Certificate of Need process is governed by Minnesota law, including Minnesota Statutes Section 216B.243, and Minnesota Rules Chapters 7829 and 7849, specifically Rules 7849.0010 to 7849.0400 and 7849.1000 to 7849.2100. A copy of the Certificate of Need application, once submitted, can be obtained by visiting the Commission’s website at www.puc.state.mn.us in Docket No. E002/CN-22-131.

As part of the Certificate of Need process, Minnesota Department of Commerce, Energy Environmental Review and Analysis (EERA) will prepare an environmental report as required by Minnesota Rule 7849.1200.

As noted, the Commission must also grant a Route Permit for the Project before it can be constructed. The routing of the Project is governed by Minnesota law, including Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850. A copy of the Route Permit application, once submitted, will be available at the Commission’s website in Docket No. E002/TL-22-132.

The Commission will not make these determinations until it has completed a thorough process that encourages public involvement and analyzes the impacts of the Project and various route alternatives. This process includes preparation of an Environmental Impact Statement (EIS) by EERA staff.

Major Certificate of Need Process Steps and Summary Schedule

Step	Approximate Date
Certificate of Need Application submitted to Commission	Summer 2022
Informational and Scoping Meetings, generally to provide feedback on what should be evaluated in environmental review (public meeting and comment)	Fall 2022
Public Hearings (public meeting and comment period)	Summer 2023
Evidentiary Hearings	Summer 2023
Commission Decision	End of 2023

How will Xcel Energy acquire right-of-way necessary for the Project?

Before beginning construction, Xcel Energy will acquire property rights for the right-of-way, typically through an easement that will be negotiated with the landowner for each parcel. The typical right-of-way for a transmission line of 345 kV voltage is 150-feet wide.

How can I obtain additional information about the Project?

To subscribe to the Project's Certificate of Need docket and to receive email notifications when information is filed in that docket, please visit www.puc.state.mn.us, click on the "Subscribe to a Docket" button, enter your email address and select "Docket Number" from the Type of Subscriptions dropdown box, then select "22" from the first Docket number drop down box and enter "131" in the second box before clicking on the "Add to List" button. You must then click the "Save" button at the bottom of the page to confirm your subscription to the Project's Certificate of Need docket. These same steps can be followed to subscribe to the Project Route Permit docket (TL-22-132).

To be placed on the Project Certificate of Need mailing list (MPUC Docket E002/CN-22-131), mail, fax, or email Robin Benson at Minnesota Public Utilities Commission, 121 7th Place E., Suite 350, St. Paul, MN 55101-2147, Fax: 651-297-7073 or robin.benson@state.mn.us.

If you have questions about the state regulatory process, you may contact the Minnesota state regulatory staff listed below:

Minnesota Public Utilities Commission

Bret Eknes

121 7th Place East, Suite 350

St. Paul, Minnesota 55101

651.296.7124

800.657.3782

bret.eknes@state.mn.us

www.puc.state.mn.us

Minnesota Department of Commerce EERA

Stephen Rakow

Minnesota Department of Commerce

85 7th Place E, Suite 280

St. Paul, MN 55101

Stephen.rakow@state.mn.us

651-539-1833

Project phone and e-mail addresses are:

Project Phone Number - 888-292-4714

Project e-mail address - MNEnergyConnection@xcelenergy.com

How do I learn more about other transmission projects and the transmission planning process in Minnesota?

Minnesota statutes (Minnesota Statutes Section 216B.2425) require that each electric transmission owning utility in the state file a biennial transmission planning report with the Commission in the fall of odd years. These reports provide an excellent source of background information on the transmission planning process used by utilities in the state of Minnesota and information about other transmission line projects. The 2021 Biennial Transmission Planning Report is available at: www.minnelectrans.com.