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\$1.7 billion power line project crisscrossing Minnesota is OK'd

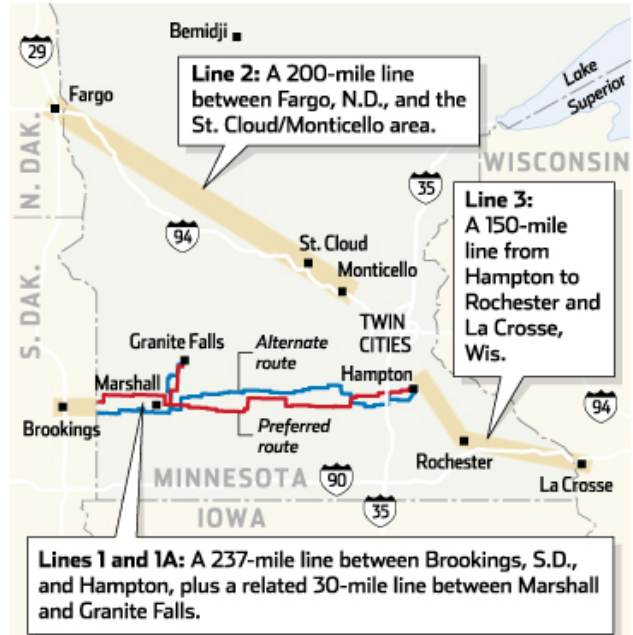
After 5 years of debate, PUC gives go-ahead for three transmission lines in state

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New lines get green light

Xcel Energy, Great River Energy and nine other regional utilities can move forward with plans to build three high-voltage transmission lines across Minnesota, regulators said Thursday. Cost: \$1.7 billion. Up next: determining routes.

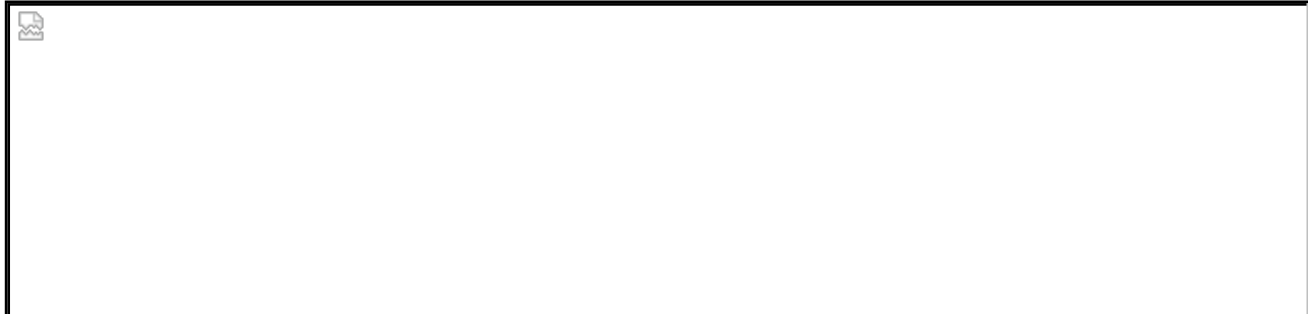


Source: Xcel Energy, Great River Energy PIONEER PRESS

Minnesota regulators approved plans Thursday for a group of utilities to build three long-distance, high-voltage transmission lines — with the condition that one line carry wind energy.

The Public Utilities Commission granted a certificate of need for the \$1.7 billion CapX 2020 project, which involves erecting three 345-kilovolt lines that will crisscross the state to meet the area's growing energy needs over the coming decade.

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"It's a great day for us. We've been working five years on this," said CapX 2020 chairman Will Kaul.

A group of 11 regional utilities led by Xcel Energy and Great River Energy in the Twin Cities has been pushing the project:

A 200-mile line between Fargo, N.D., and the St. Cloud-Monticello area.

A 150-mile line from a substation in the small town of Hampton in southern Dakota County to Rochester and La Crosse, Wis.

A 230-mile line between Brookings, S.D., and Hampton.

CapX 2020 officials have said the Brookings-to-Hampton line would be ideal for delivering wind energy from southwestern Minnesota, home to the wind-riven Buffalo Ridge area, where several wind turbines are being built.

But while the utilities argued that the new lines could help them meet Minnesota's renewable-energy mandates by harnessing wind power, they did not want to be required to use the Brookings-to-Hampton line for wind energy.

However, the PUC voted 3-2 to impose conditions on the utilities to sign agreements with wind developers as they develop the Brookings line. Chairman David Boyd and Commissioner Betsy Wergin voted no, saying they did not think the conditions were necessary.

Renewable-energy advocates and environmentalists had pushed for a requirement for renewable energy to be carried on all three lines. On Thursday, they agreed to a last-minute compromise reached during the hearings.

"We certainly wanted more ... but we think this is a balanced decision," said Beth Soholt, executive director of Wind on the Wires, a nonprofit advocacy group



A 1.5 megawatt wind turbine that is part of the Fenton Wind Project in southwestern Minnesota. (Pioneer Press file: She LaRose-Chiglo)

based in St. Paul.

The CapX group will meet to decide whether to ask the PUC to lift the conditions, Kaul said.

The project's costs would be picked up by ratepayers, and the CapX 2020 group said more large transmission projects are likely. Some of the same utilities in CapX 2020 already have proposed another 345-kilovolt line to deliver more wind power. It would stretch from Granite Falls to Shakopee and cost \$460 million.

Experts estimate the utilities would have to harness nearly triple their present wind capacity to meet a state mandate to generate 25 percent of their energy from renewable resources by 2025.

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The PUC board unanimously refused to allow testimony that energy demand is dropping and the large transmission lines might not be necessary. The evidence came to light this year after an administrative judge closed testimony on the proposal.

But the opposition group Citizens Energy Task Force still questions whether the Hampton-to-La Crosse line and the Fargo-to-St. Cloud lines are necessary, said Paula Maccabee, an attorney for the group.

Some line opponents argue that none of the CapX 2020 lines is needed and that they perpetuate an antiquated approach to energy.

The utilities instead should build smaller generation projects using renewable resources and "smart grid" technologies that would allow them to get by with spending only a few hundred million dollars on existing infrastructure, instead of nearly \$2 billion on new lines, said George Crocker, executive director of the North American Water Office.

"What they're doing is making a massively expensive investment in an old-paradigm technology," Crocker said.

But now that the commission has ruled on the question of need, battles are likely to focus on determining the routes for the lines before construction can begin.

Unhappy landowners along the proposed route for one of the lines told commissioners that the state's eminent domain laws governing land-taking must be changed by the Legislature to ensure they get a fair price for their land.

The present rules give utilities more power than

municipalities when it comes to taking land, said Bev Topp, a Lakeville resident who lives near the proposed Brookings-to-Hampton line and is the founder of the Citizens Energy Task Force.

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