1.1 PURPOSE AND NEED FOR THE PROPOSED ACTION

1.1.1 Description of Proposal Area and Proposed Action

Dairyland Power Cooperative (Dairyland) is a not-for-profit generation and transmission cooperative headquartered in La Crosse, Wisconsin, that may request financial assistance from the U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS) for its anticipated 11% ownership interest in the construction of a proposed transmission project in southeastern Minnesota and southwestern Wisconsin (Proposal). The Proposal is one of several transmission projects in the Upper Midwest, collectively known as CapX2020, which have been proposed by a group of utilities (Applicants). Dairyland is participating in the Proposal with other CapX utilities: Northern States Power Company, a Minnesota corporation (NSPM), and Northern States Power Company, a Wisconsin Corporation (NSPW) (collectively, Xcel Energy), Southern Minnesota Municipal Power Agency (SMMPA), Rochester Public Utilities (RPU) and WPPI Energy, Inc. (WPPI).

Dairyland anticipates that RUS financing may be requested to rebuild its **60-year old, 39-mile long** North La Crosse – Alma 161 kV line (Q1) which is located in the Proposal area (Q1 Rebuild). The rebuild is needed to address the age and degraded condition of the transmission structures and conductors**, regardless of whether or not it is rebuilt with the Proposal**. **The Draft EIS noted that,** if the new 345 kV line can be co-located with a portion of the Q1 on the existing route, the costs of rebuilding the Q1 will be included in the Proposal costs. **Under RUS' preferred alternative, as described in this Final EIS, 26 miles of Dairyland's 161 kV Q1 Line would be rebuilt as part of the Proposal. Dairyland is considering alternatives for the remaining 13 miles of the Q1 161 kV Line, from Trempealeau to Holmen. Because, under RUS' preferred alternative, the same alternatives for the Q1 161 kV Line from Trempealeau to Holmen are available if the route is further evaluated now or later, and because the Q1 Rebuild is on a slightly different schedule than the Proposal, evaluation of alternatives for the Q1 161 kV Line from Trempealeau to Holmen is not included in this Final EIS. Dairyland may apply for financial assistance for rebuilding the remaining portion of the Q1 161 kV Line, from Trempealeau to Holmen. If so, at**

that time, RUS will assess the impacts of the alternatives routes, using the information included in Appendix L of the Draft EIS (which is not included in the Final EIS).

Dairyland's costs to participate in the Proposal will be approximately $40 to $50 million depending on the route selected. The alternatives evaluated in detail in this Draft EIS for the Hampton – Rochester – La Crosse (HRL) Transmission System Improvement Project (Proposal) are shown in Figure 1-1.

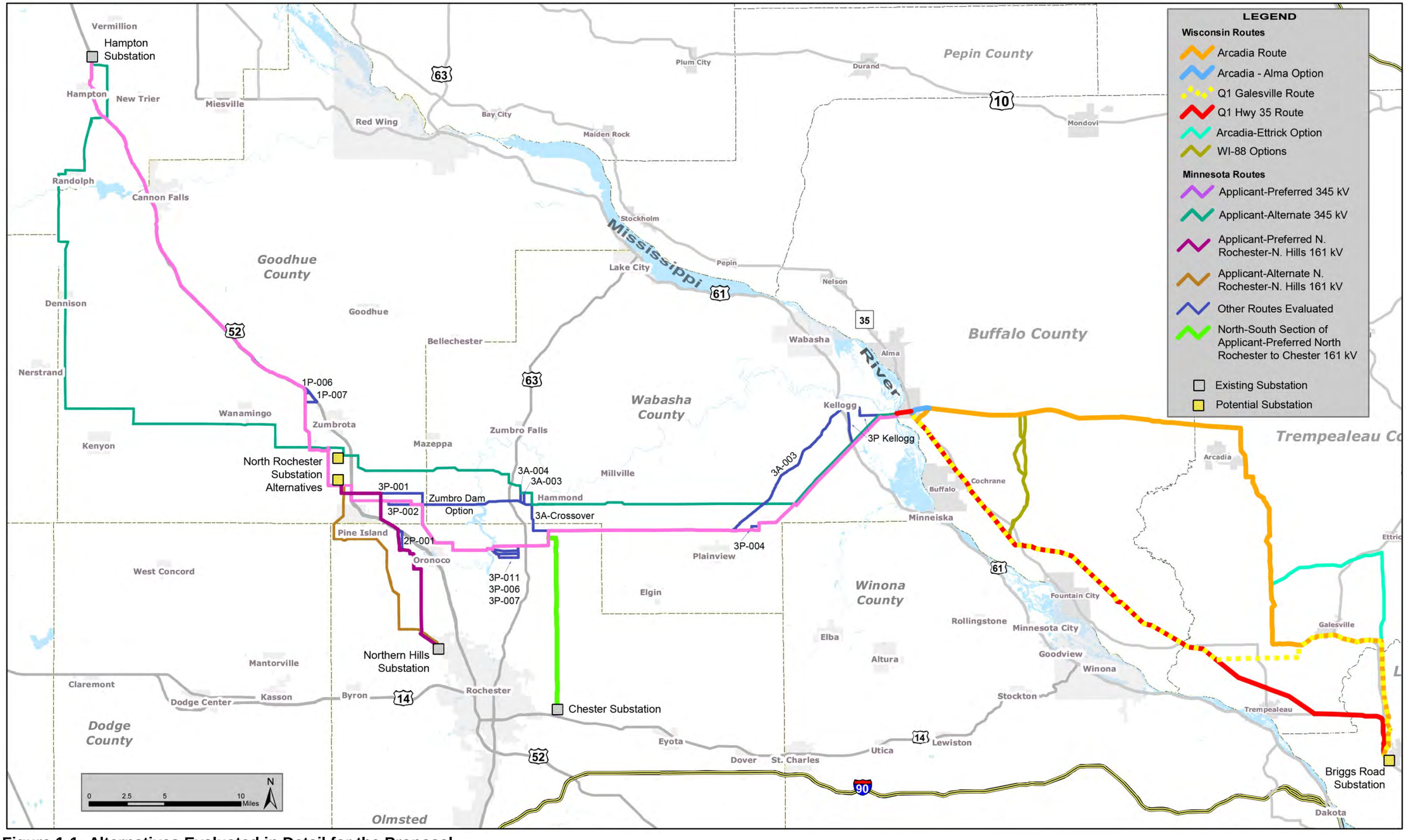

Figure 1-1: Alternatives Evaluated in Detail for the Proposal.

The Proposal consists of the following (Figure 1-1):

- A new 345 kV transmission line from the Hampton Substation near Hampton, Minnesota, to a proposed North Rochester Substation to be located between Zumbrota and Pine Island, Minnesota.
- A new 345 kV transmission line from the proposed North Rochester Substation across the Mississippi River near Alma, Wisconsin.
- A new 345 kV line from Alma, Wisconsin to a new substation proposed in the north La Crosse, Wisconsin area (Briggs Road Substation).
- A new 161 kV transmission line between the proposed North Rochester Substation and the existing Northern Hills Substation, located in northwest Rochester, Minnesota.
- A new 161-kV transmission line between the proposed North Rochester Substation and the existing Chester Substation, located east of Rochester.

The total length of the proposed 345 kV transmission line is approximately 124 to 148 miles, depending on the route, and the approximate length of the 161 kV lines is 44 to 49 miles, depending on the routes. Substation construction and modification is also included as part of the Proposal.

Xcel Energy has been granted a CON for the 161 kV line between North Rochester and Chester (Chester Line). Xcel Energy (as Northern States Power Company) filed a permit application for the Chester Line in September 2011 (Northern States Power Company 2011).

The 345 kV transmission line is proposed to be built on single shaft steel poles to reduce land use impacts. The poles are proposed to have a brown weathering-steel finish and to be placed approximately 700 to 1,000 feet apart. In limited circumstances multiple pole specialty structures may be used. Typically, a 150-foot-wide right-of-way (ROW) will be needed for the 345-kV line.

1.1.1.1 Estimated Schedule

The estimated schedule for permitting and construction of the Proposal is outlined below.

- Minnesota Certificate of Need – completed May 2009.
- Minnesota Route Permit – completed April 2012.

- Wisconsin Certificate of Public Convenience and Necessity – estimated June 2012.
- Federal Record of Decision on EIS – estimated fall 2012.
- Pre-Construction Activities – estimated second quarter 2012 to third quarter 2012.
- Construction - estimated fall 2012 to fourth quarter 2015.
- Proposal Completion – estimated fourth quarter 2015.

1.1.2 Purpose of and Need for Dairyland's Action

The purpose of the Proposal is to: (1) Improve community reliability of the transmission system in Rochester, Winona, La Crosse, and the surrounding areas, which includes areas served by Dairyland; (2) Improve the regional reliability of the transmission system; and (3) Increase generation outlet capacity (including renewable generation sources).

This section addresses each of these purposes for the Proposal, following a discussion of electric system reliability and planning, including responsible parties and Dairyland's responsibilities and resources.

1.1.2.1 Electric System Reliability and Planning

Electricity is critical in modern-day North America. Our jobs, transportation, healthcare system, schools – essentially our entire economy and social system depend on it reliably being readily available every day. Electricity is a highly perishable commodity; except for as-yet small-scale batteries, it cannot be stored like water or gas, so it must be generated as needed, and supply must be kept in balance with demand. Additionally, unlike water or gas, electricity follows the path of least resistance and cannot be routed in a specific direction. Thus, getting electricity as needed to 334 million people on some 211,000 miles of transmission lines (plus millions of miles of low-voltage distribution lines that lead to customers) requires enormous planning, cooperation, coordination and 24-hour per day real-time monitoring and control (NERC 2011a).

Over the last several years in the U.S., changes in federal policy have resulted in a shift of responsibility for transmission reliability toward large regional planning organizations. The intended result of this shift is more efficient use of electric energy resources.

Utilities, state governments and other planning entities work with the regional planning organizations, whose authority is derived through national energy policy legislation.

Reliability Corporations

In the U.S., regional and national corporations responsible for ensuring the reliability of the electricity system operate under the Department of Energy's (DOE) Federal Energy Regulatory Commission (FERC) and have the authority to develop and enforce reliability standards. These standards are in place to ensure system reliability, which is defined by the DOE's Energy Information Administration (EIA) as "a measure of the ability of the system to continue operation while some lines or generators are out of service. Reliability deals with the performance of the system under stress" (EIA 2011a). The "system" as it is used here refers to the Bulk-Power System, which consists of both generation and transmission components. It does not, however, include the low-voltage distribution lines that deliver electricity to consumers.[8]

Before the passage of the Energy Policy Act of 2005 (EPAct2005[9]), reliability organizations and standards existed; however, they were strictly voluntary. EPAct2005 Section 215 required the creation of an Electric Reliability Organization (ERO) with authority to establish, approve and enforce mandatory electricity reliability standards, subject to review and approval by the FERC. In 2006, the FERC established rules for certification of the ERO and procedures for establishment, approval and enforcement of reliability standards.[10] Enforceable standards are intended to increase reliability over the previous voluntary standards – in announcing issuance of the final rules, then-FERC chairman Joseph Kelliner noted that the last three major regional blackouts "were all caused in part by violations of voluntary, unenforceable reliability standards" (FERC 2006a).

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[8] FERC regulations (18 CFR 39.1) define "Bulk Power System" and "reliable operation." **Reliable Operation** means "operating the elements of the Bulk-Power System within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such a system will not occur as a result of a sudden disturbance, including a Cybersecurity incident, or unanticipated failure of system elements. The **Bulk-Power System** means the "facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof), and electric energy from generating facilities needed to maintain transmission system reliability. The term does not include facilities used in the local distribution of electric energy."

[9] Pub. L. 109-58

[10] 18 CFR 39 (Docket No. RM05-30-000; Order No. 672)

In 2006, the North American Electric Reliability Corporation (NERC), a pre-existing voluntary reliability organization, was certified as the ERO in the United States. The authority and certification granted to the NERC also included a provision for the newly-certified ERO to delegate certain authority to regional entities for the purpose of proposing and enforcing reliability standards in particular regions of the country (FERC 2006b). Regional entities with FERC-delegated authority, which had also been existing voluntary reliability organizations, are shown in Figure 1-2. These formerly-voluntary organizations now have authority, under FERC regulations, to enforce the standards established in the EPAct2005.

NERC Reliability Standards – NERC reliability standards apply to all owners, users and operators of the bulk power system, which includes the electric generation and transmission system in North America. The reliability standards are developed by NERC and approved by FERC.[11] Any state may take action to ensure the "safety, adequacy and reliability of electric service within that state, as long as such action is not inconsistent with any Reliability Standard."[12] Among the many reliability standards NERC has developed are sets of standards for transmission operations and transmission planning.[13]

The Midwest Reliability Organization (MRO) – The MRO's current primary function is to monitor and enforce the NERC Reliability Standards. The MRO has delegated much of its transmission reliability responsibility to two Reliability Coordinators (RCs). NERC guidelines require that each regional reliability organization establish one or more RCs to "continuously assess transmission reliability and coordinate emergency operations among the operating entities within the region and across the regional boundaries" (MRO 2010, p. 3). The designated RCs within the MRO are the Midwest Independent Transmission System Operator (MISO) for the U.S. and SaskPower for Canada (MRO 2010, p. 3). Thus, the bulk of the responsibility regarding transmission within the U.S. portion of the MRO lies with the Midwest ISO.

[11] 18 CFR 40.2
[12] 18 CFR 39.12
[13] These standards are available at: http://www.nerc.com/page.php?cid=2%7C20

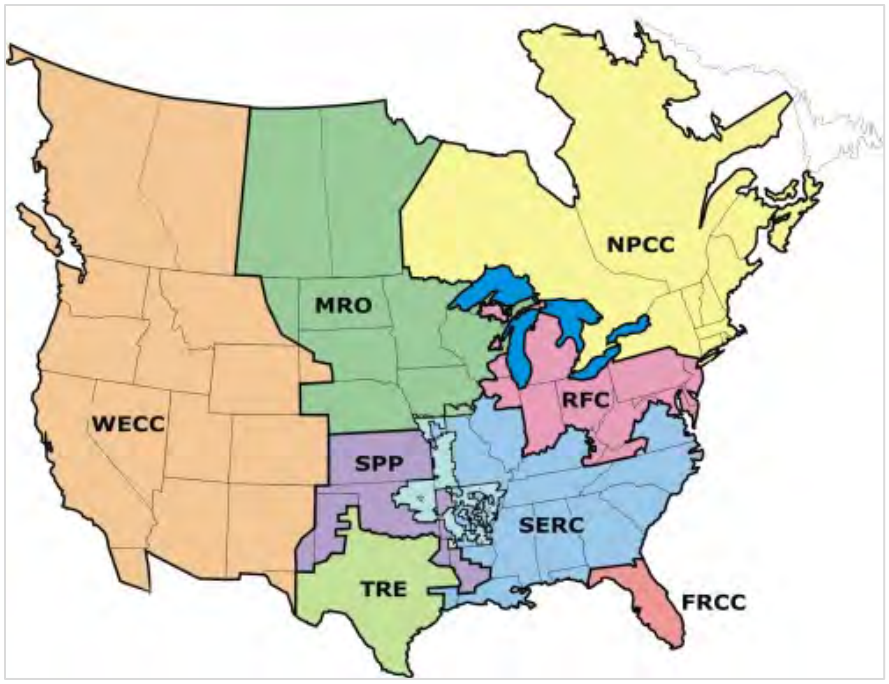

Figure 1-2: NERC Reliability Regions
Source: NERC 2010.

MISO – As the RC for the MRO within the U.S., MISO is responsible for developing the procedures, processes and practices for electric reliability within the MRO's U.S. jurisdiction (MRO 2010, p. 3). MISO's role as an RC means that it is responsible for producing and maintaining an updated Reliability Plan – a document that describes how MISO meets the requirements of NERC Transmission Operating Standards (MISO 2011a).

In addition to its RC responsibility under the MRO, MISO is a FERC-approved Regional Transmission Organization (RTO), the first and largest in the U.S. and one of the largest in the world (MISO 2011a, 2011b, INFORMS 2011).[14,15] FERC establishes RTOs for the purpose of "promoting efficiency and reliability in the operation and planning of the electric transmission grid and ensuring non-discrimination in the provision of electric transmission services."[16] RTOs are essentially responsible for the transmission systems within their areas (Figure 1-3). RTO responsibility includes pricing, reliability assurance,

[14] INFORMS: Institute for Operations Research and the Management of Science
[15] FERC regulations for RTOs are at 18 CFR 35.34
[16] 18 CFR 35.34(a)

and determining when and how new generators can have access to the system.[17] Each individual RTO is responsible for coordinating with the adjacent RTOs. RTOs are also responsible for designing and administering a FERC-approved tariff, which is a published volume of rate schedules and general terms and conditions under which a product or service will be supplied (EIA 2011a).

Figure 1-3: Regional Transmission Organizations
Source: FERC 2011.

RTOs are also responsible for "planning, and for directing or arranging, necessary transmission expansions, additions, and upgrades that will enable it to provide efficient, reliable and non-discriminatory transmission services and coordinate such efforts with the appropriate state authorities."[18] MISO presents the results of its planning in annual transmission expansion plans (MTEPs). Transmission projects up for consideration are classified as follows:

- Projects in review and conceptual projects (Appendix C in the MTEP).
- Projects with documented need and effectiveness (MTEP Appendix B).
- Projects approved by MISO Board of Directors, or recommended for approval (MTEP Appendix A).

[17] 18 CFR 35.34(k)
[18] 18 CFR 35.34(k)(7)

In its 2010 *Long-Term Reliability Assessment*, NERC reported that the MISO 2010 MTEP focuses on reliability and efficient electricity expansion for the next ten years and confirms that MISO complies with all NERC Transmission Planning Standards. Their efforts continue to be "focused on identifying issues and opportunities related to the strengthening of the transmission grid, developing alternatives to be considered, and evaluating those options to determine if there is an effective solution among them. The objective is to identify projects that:

- Ensure reliability of the transmission system.
- Provide economic benefit, such as allowing increased efficiency in market operations (i.e., reducing cost of energy production and/or the price paid by the load).
- Enable achievement of public policy objectives such as the integration of renewable resources.
- Address other issues or goals identified through the stakeholder input process." (NERC 2010, p. 89).

Other Reliability and Planning Parties

Local and regional utility companies are responsible for developing their own plans and coordinating them with MISO and other entities.

Minnesota Planning – In Minnesota, utilities are required to periodically submit integrated resource plans (IRPs) that describe their options in meeting customers' needs over a 15-year period.[19] Dairyland submitted its most recent IRP in 2011 (Dairyland 2011b). The IRP process primarily addresses generation; however, planned transmission upgrades are presented and briefly summarized. The Minnesota Public Utilities Commission (PUC) also has a comprehensive transmission planning process. Every other year, utilities in Minnesota (Minnesota Transmission Owners [MTOs]) are required to submit a transmission projects report to the PUC that identifies present and reasonably foreseeable future inadequacies in the transmission system, and alternatives for addressing each inadequacy, including non-transmission alternatives.[20] The reports are subject to public review and PUC approval, and are also reviewed by the Minnesota Department of Commerce (MDC 2011a, p. 2). The plan review provides

[19] Minnesota Administrative Rules (Minn. Rules) ch. 7843
[20] Minnesota Statutes (Minn. Stat.) 216B.2425, Minn. Rules ch. 7848

a forum for the PUC and the MDC to help ensure that NERC standards are being met in Minnesota (MDC 2011a, p. 2).

When a party wants to construct new transmission facilities, it must apply to the PUC for a Certificate of Need (CON). The Minnesota CON process is discussed in more detail in Section 1.2.3.1.

Wisconsin Planning – The Public Service Commission of Wisconsin (PSC) is required by state law[21] to prepare a biennial Strategic Energy Assessment (SEA) that "evaluates the adequacy and reliability of Wisconsin's current and future electrical capacity and supply" (PSC 2011a, p. 1). In its most recent SEA the PSC notes that "transmission planning is becoming more and more regional, or 'big picture' in scope," and devotes almost all of its transmission discussion to descriptions of regional planning, most notably MISO's planning (PSC 2011a, pp. 22-24). The PSC also summarizes the recent DOE National Renewable Energy Laboratory (NREL) *Eastern Wind Integration and Transmission Study* (NREL 2011) and notes that while it does not have a formal position on the NREL report, it is presented "to communicate that significant transmission planning is occurring in response to federal and state energy policy developments" (PSC 2011a).

Regarding reliability, the PSC states that "the ability to deliver power reliably to local substations and the ability to import power from, or export to, other regions, are both important functions in proving adequate, reliable service to customers" (PSC 2011a, p. 22).

[21] Wisconsin Statute (Wis. Stat.) 196.491

1.1.2.2 Dairyland Responsibilities and Resources

Dairyland is a not-for-profit generation and transmission electric cooperative that is owned by, and provides the wholesale power requirements for, 25 separate distribution cooperatives in southern Minnesota, western Wisconsin, northern Iowa, and northern Illinois. Dairyland also provides wholesale power requirements for 16 municipal utilities in Wisconsin, Minnesota, and Iowa. Dairyland does not provide retail electric service directly to any consumers; however, its member cooperatives and the municipal utilities it supplies provide service to approximately 600,000 consumer members. Dairyland owns or has under contract generating units totaling approximately 1,192 MW, and it owns approximately 3,144 miles of transmission lines (Dairyland 2010, FERC 2010). The approximate location of Dairyland's service area is shown in Figure 1-4.

Figure 1-4: Dairyland Service Area
Sources: Dairyland 2010, NationalAtlas.gov

1.1.2.3 Purpose of and Need for Dairyland's Action

As stated at the beginning of Section 1.1.2, the Proposal will address community and regional needs in Dairyland's service area and provide generation outlet support.

The purpose for and need of the Proposal were presented in detail in Section 2 of the AES (Dairyland 2009b), which was approved and accepted by RUS. The AES is incorporated by reference into this EIS, with minor changes as noted herein. The AES presents and discusses the detailed engineering studies that have been done, beginning in 2005, which identified the need for the Proposal. The AES was provided to the public and agencies during the federal scoping process; comments on the AES were included in the overall scoping comments, which are in the Scoping Report (Appendix B). Comments received during scoping are summarized, along with responses, in Appendix C.

Since the AES was published in 2009, Dairyland experienced a record peak demand in 2010 of 916 MW and a new record peak in the summer of 2011 of 979 MW (Xcel et al. 2011b, p. 29).

The discussion below focuses on MISO's evaluation of the Proposal, which was the result of transmission planning conducted jointly among the CapX participants, including Dairyland.

As discussed in Section 1.1.2.1, MISO is responsible for the reliability of the transmission system in the area where the Proposal is located, and is responsible for planning, and for directing or arranging, transmission expansions to ensure the reliability of the transmission system. **The discussions in Section 1.1.2.1 describe the three major components of the need for the Proposal (community reliability, regional reliability and generation outlet) based primarily on information from MISO's planning reports.** However, MISO does not construct transmission facilities. That responsibility lies with transmission owners (such as Dairyland). Transmission owners are obligated under their Transmission Owner's Agreement with MISO, to "make a good faith effort to design, certify, and build" the facilities included in the MTEP that have been approved by MISO Board (MISO 2008, p. 25). Dairyland is a MISO Transmission owner (MISO 2010a, p. 16). The Proposal was submitted to MISO and has been approved by MISO Board of Directors (MISO 2010a, p. 19 and Appendix A). Dairyland has determined that 11% ownership would be proportional to the benefits it would receive from the Proposal.

Community Reliability

MISO discussed the Proposal (as the HRL Project) in its 2006 MTEP and noted that it worked closely with the CapX 2020 group during the development of the CapX 2020 plans "to meet the longer-term load serving needs of the area and to coordinate these plans with other expansion concepts in Wisconsin and Iowa" (MISO 2006, p. 13). In its 2007 MTEP, MISO identified the Proposal as an "Appendix B" project (one with documented need and effectiveness, as discussed in Section 1.1.2.1) based on community reliability. According to the 2007 MTEP, the Proposal is needed to resolve

NERC Standard issues in Rochester and La Crosse related to "multiple Category B events" and "multiple Category C events" (MISO 2007, p. 10).

> *The fundamental purpose of the interconnected transmission systems is to move electric power from areas of generation to areas of customer demand (load).*
>
> *Source: NERC*

Category A, B, C and D events are defined in the NERC transmission planning standard, TPL-001-1, Table 1 (NERC 2011b). Under Category A conditions, all facilities are in service. Category B refers to an event that results in the loss of a single transmission element, and Category C refers to an event that results in the loss of two or more elements. A Category D event is more serious and can lead to cascading losses, which are the equivalent of the "domino effect" in transmission, and can lead to widespread blackouts. Under the NERC Standard TPL-001-1, MISO is required to act to ensure that the network can deliver electricity "at all demand levels over the range of forecast system demands, under the conditions defined in Category A…" (NERC 2011b, p. 1).

Details of the reliability concerns in the Rochester and La Crosse areas are delineated in the direct testimony of Jeffrey Webb on behalf of MISO, included in the PUC administrative hearings for the CON proceedings (Webb 2008 pp. 26-31).[22] **(More details, including maps and tables, are included in the AES, Section 2.3 (Dairyland 2009b, pp. 2-6 to 2-24). Two of the figures from the AES, showing the Rochester and La Crosse areas discussed below, are included as Figure 1-5 and Figure 1-6.**

<u>Rochester Area.</u> In his testimony Webb summarized the 2011 peak period scenarios modeled by MISO, which were based on a projected 2011 peak of 492 MW for the Rochester area. The Rochester area is supplied by three 161 kV lines and supported by 181 MW of installed generation, much of which is old and likely to be retired in the not-too-distant future. However, even with all local generation operating, the modeling resulted in numerous overload conditions in the 161 kV

[22] At the time of his testimony in 2008, Webb was Director of Expansion Planning for MISO. He has also served on the NERC Planning Standards Committee, in which capacity he participated in development of NERC Reliability Standards related to transmission planning (Webb 2008, pp. 2 and 3).

lines for various combinations of facility forced outages (Webb 2008 p. 27). If any of the generation facilities were not available, the overloads would be more severe (Webb 2008 p. 28).

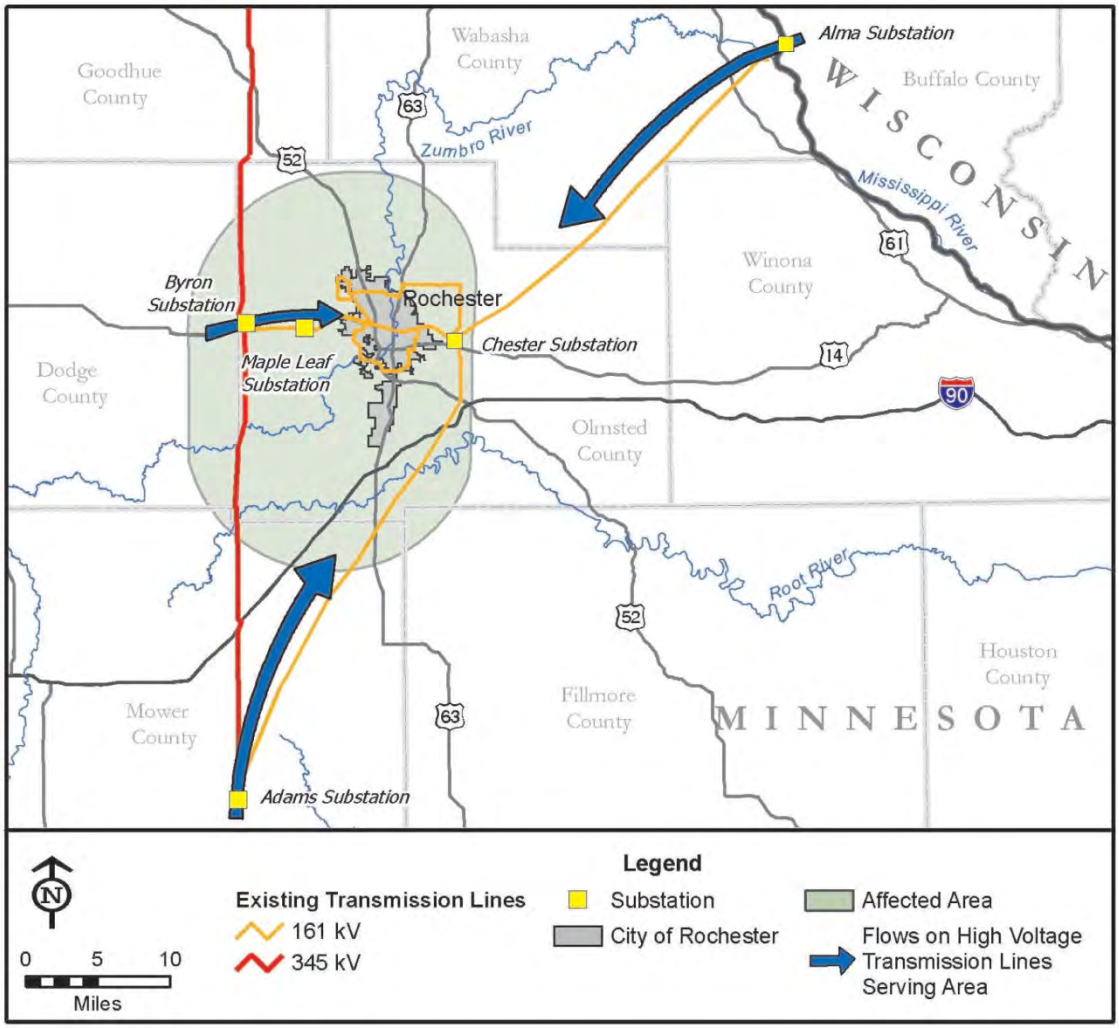

Figure 1-5: Affected Rochester Area and Flows on High Voltage Transmission Lines Serving Area
Source: Dairyland 2009b, Figure 2-3

<u>La Crosse Area.</u> The La Crosse area is supplied primarily by four 161 kV lines. The AES reported that the transmission system could potentially be supported by operating two 70 MW fuel oil-fired peaking units located at French Island (Units 3 and 4), which is within the city of La Crosse (Dairyland 2009b, pp.; 2-17 to 2-20). Since the units are within the city, they would not be contributing to the loads on the 161 kV lines that supply the city from the outside (Figure 1-6). However, Unit 3 is currently inactive and would need major repairs to be operable and Unit 4 is

operated only 5 to 10 hours per year (Beuning 2012a, p. 3; Hubbuch 2012). MISO reports that Unit 4 "cannot be relied upon under NERC standards and approved MISO business practices to be the only generator available to mitigate a serious contingency in the La Crosse area" (Webb 2012 p. 6). Even though reliance on a single unit is inconsistent with MISO practices, MISO did assess whether or not the modeled overload conditions at La Crosse would be resolved by operation of Unit 4, and only 2 of 11 were (Webb 2012 p. 3).

For the 2011 summer peak modeling MISO found numerous overload conditions in the 161 kV lines with the French Island peaking units (Units 3 and 4) off (Webb 2008 pp. 29-30). In a brief entered into the PSC docket for the CPCN application in 2012, MISO summarized the results of its updated modeling based on an MTEP 2011 projected peak load level of 500 MW. The following is from the MISO brief (MISO 2012 p. 3):

> **At that peak load level [500 MW], with two critical outages, line overloading (thermal) and low voltages would be severe over a wide area. Under such conditions, service interruptions would be a risk to public health and safety as well as economic harm to the community. The study showed that a 345kV project that ties centrally into the Lacrosse area system would very effectively mitigate these problems. The 345 kV project will support area load growth for many years, and will provide continued reliable loading levels even as significantly more new wind generation comes onto the grid in support of regional renewable energy mandates. Other alternatives do not derive all these benefits. The MISO technical studies and project approval assumed the termination point of the 345 kV project to be at the North La Crosse substation.**

Records for peak demand were set by MISO, Dairyland and Xcel in 2011 (Xcel et al. 2011b p. 29).

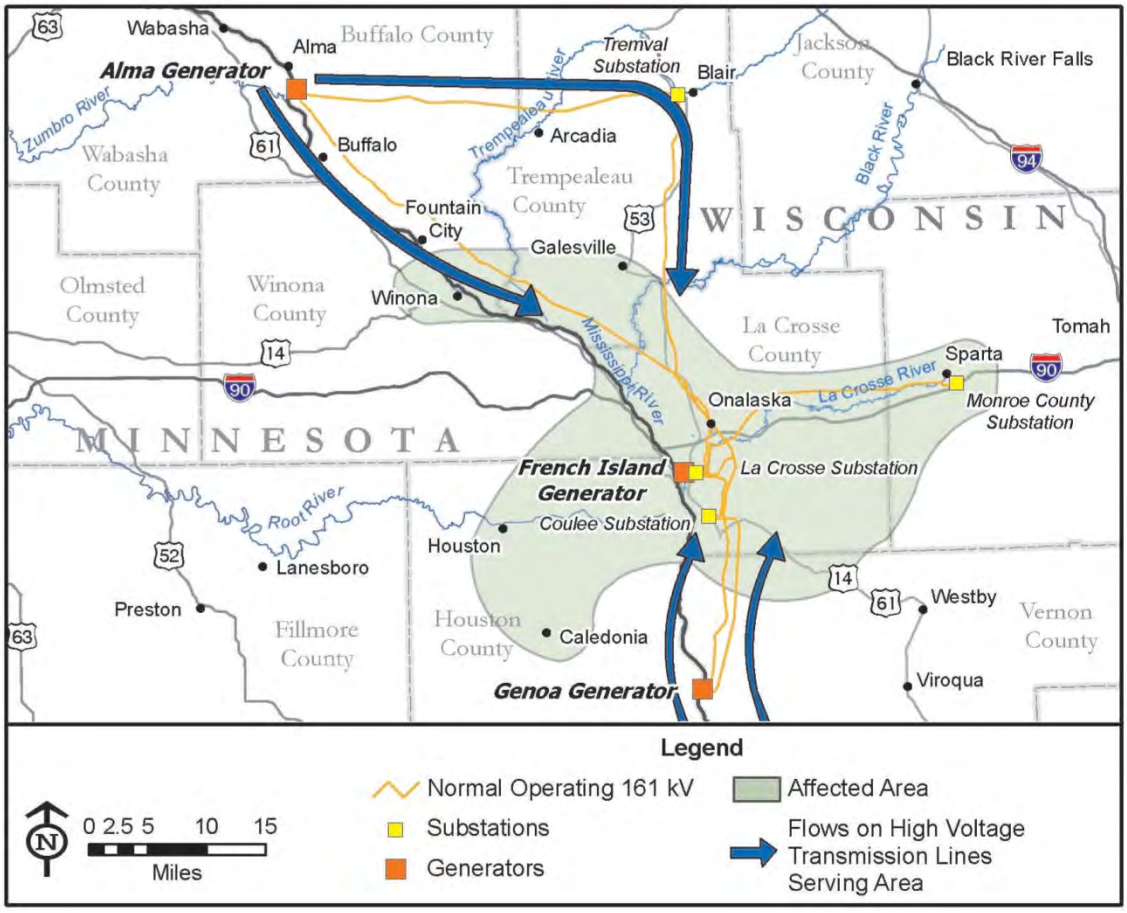

Figure 1-6: Affected La Crosse/Winona Area and Flows on High Voltage Transmission Lines Serving Area
Source: Dairyland 2009b, Figure 2-7

Regional Reliability

The Proposal (HRL Project) was included in Appendix A in the 2008 MTEP (MISO 2008, p. 25). In that report, MISO discussed the need for the Proposal for regional reliability. It identified the HRL Project as one of the nine projects needed to reduce what MISO calls its "top 10 binding constraints." Binding constraints are paths of transmission congestion that limit the overall usefulness of the system. MISO reported that without relieving these constraints, "limited benefits can be achieved by the Midwest ISO" (MISO 2008, p. 254). **The 2012 MISO brief makes the following statement: (MISO 2012 p. 7):**

> **Although the project meets critical needs as a baseline reliability project approved in the MISO MTEP, it would bring other significant benefits to the region and the wholesale power market, including reduced production costs, reduced congestion and increased power transfer capability.**

Generation Outlet

In its 2010 MTEP, MISO discussed generation outlet. Generation outlet refers to the function of a transmission line as the conduit to move energy from the place where it is generated to the place where it is needed. Sometimes congestion in the transmission system diminishes the ability of the system to perform this basic function. The 2010 MTEP included figures that showed the results of transmission system models of congestion. These are reproduced as Figure 1-7 and Figure 1-8.[23]

The blue areas on the maps in Figure 1-7 and Figure 1-8 are areas where generation is "bottled up" and "not deliverable to MISO market area on a reliability basis during summer peak load time" (MISO 2010a, p. 180). Red areas are those that can always be reliably served (however, even in the red area electricity costs may be higher than they would be with an efficient system because of congestion in the blue and yellow areas).

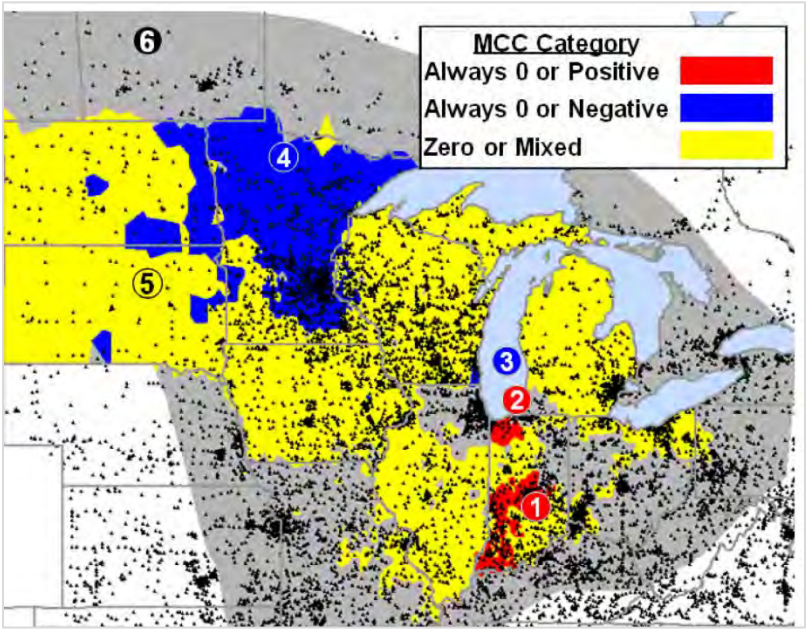

Figure 1-7: Congestion-Based Zones Modeled in 2010
Source: MISO 2010a Figure 8.3-2

[23] These figures are included to show the area of "bottled up" generation that includes most of Minnesota. Other items in the figures such as the "MCC Category" are not discussed. For more in-depth information, refer to the source document, included in the references and available at the Midwest ISO website.

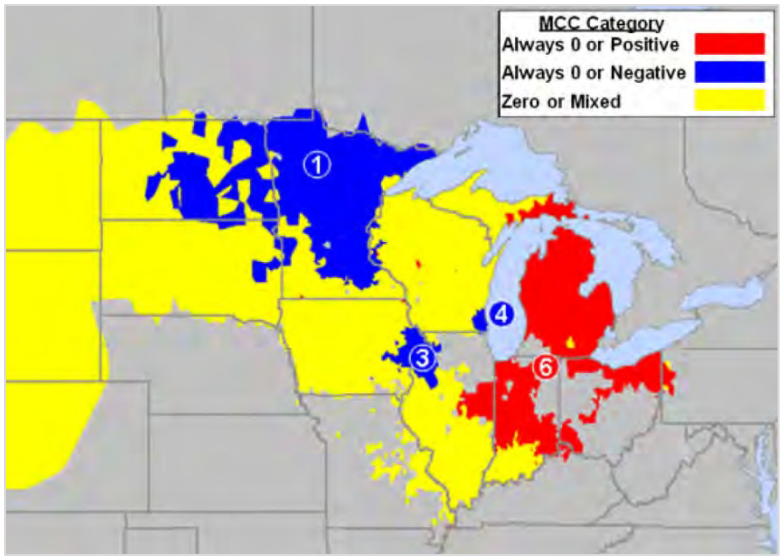

Figure 1-8: Congestion-Based Zones Modeled in 2014
Source: MISO 2010a Figure 8.3-3.

Yellow areas are reliably served most of the time. According to the 2010 MTEP, the blue area in Figure 1-7 represents "a shortfall in effectively sharing approximately 443 MW of installed capacity in 2010" (MISO 2010a, p. 180). In the model results for 2019, that blue area - mainly over Minnesota - is gone. This is due partly to the inclusion of planned transmission improvements in the 2019 model, and partly to the expectation that load will increase at a faster rate than new generation is added (i.e., some of the excess generation is absorbed by load growth). In addition, the trapped generation identified in the 2010 and 2014 models was relieved by the HRL Project and another of the CapX projects (MISO 2010a, p. 182).

1.2 PURPOSE AND NEED FOR AGENCY ACTION

1.2.1 Rural Utilities Service

Under the Rural Electrification Act, as amended (RE Act), the U.S. Secretary of Agriculture is authorized and empowered to make loans for rural electrification to nonprofit cooperatives and others "for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing and improving of electric service to persons in rural areas."[24] A primary function or mission of the USDA Rural Utilities Service (RUS) is to carry out this electric loan program.[25]

1.2.2 Federal Cooperating Agencies

Consistent with federal regulations implementing NEPA, the lead agency is responsible for establishing liaison with all federal, state, local, and tribal agencies that have jurisdiction by law or special expertise with respect to any environmental impact involved in a proposed action and for requesting their participation as cooperating agencies on an EIS, as appropriate.[26] RUS has requested the U.S. Army Corps of Engineers (USACE) and the U.S. Fish and Wildlife Service (USFWS) to participate as cooperating agencies, and both have accepted.

1.2.2.1 U.S. Army Corps of Engineers (USACE)

The USACE would need to issue the following permits for the Proposal:

- A permit under Section 10 of the Rivers and Harbors Act, for the crossing of the Mississippi and Black Rivers.
- A permit under Section 404 of the Clean Water Act (CWA), for activities that discharge fill into Waters of the United States, including wetlands.

Section 10 of the Rivers and Harbors Act of 1899 is administered by the USACE. Under Section 10, a permit is required in order to construct certain structures or work in or affecting "navigable waters of the U.S." Navigable waters of the U.S. is defined by the USACE as "those waters of the United States subject to the ebb and flow of the tide shoreward to the mean high water mark, and/or are presently used, or have been used in the past, or may be susceptible to use to transport

[24] United States Code, Title 7 (7 USC) 904
[25] 7 USC 6942
[26] 40 CFR 1501.5, 1501.6, 1508.5, and 1508.16

interstate or foreign commerce." Detailed design plans of the river crossings will be required for the work to be authorized under Section 10. Section 10 requires a minimum clearance over the navigable channel of at least 26 feet above the clearance required for bridges for aerial electric power transmission line crossing navigable waters of the U.S. Within the Proposal area, the Mississippi and Black Rivers (Wisconsin) are considered "navigable waters of the U.S." that would be crossed by the Proposal. A Section 10 permit would need to be obtained from USACE for these river crossings.

The USACE's evaluation of a Section 10 and and/or a Section 404 permit involves multiple analyses, including (1) evaluating the Proposal's impacts in accordance with NEPA, (2) determining whether the Proposal is contrary to the public interest,[27] and (3) in the case of a Section 404 permit, determining whether the Proposal complies with the Section 404(b)(1) Guidelines.[28]

1.2.2.2 U.S. Fish and Wildlife Service (USFWS)

The USFWS would need to issue a Special Use Permit for crossing the Upper Mississippi River National Wildlife and Fish Refuge (UMRNW&FR), which is part of the National Wildlife Refuge System, and may need to authorize additional right-of-way (ROW). USFWS also has authority and trust responsibility under the Endangered Species Act, the Bald and Golden Eagle Protection Act, and the Migratory Bird Treaty Act**. The USFWS also has authority under the Pittman-Robertson Wildlife Restoration Act 16 U.S.C. § 669-669i, McCarthy Lake WMA. Federal Pittman Robertson funding through the Wildlife Sport Fish Restoration Program requires approval for MDNR issuance of a License to Cross Public Lands and Waters.**

The mission of the National Wildlife Refuge System, as defined in the Refuge Improvement Act of 1997, is "to administer a national network of lands and waters for the conservation, management and where appropriate, restoration of fish, wildlife and plant resources and their habitats within the United States for the benefit of present and future generations of Americans."[29] The refuge system is administered by the U.S. Fish

[27] 33 CFR 320.4
[28] 40 CFR 230
[29] National Wildlife Refuge System Improvement Act of 1997 (Public Law 105-57), Section 4.

and Wildlife Service, an agency of the Department of the Interior, with the stated mission of "working with others to conserve, protect and enhance fish, wildlife and plants and their habitats for the continuing benefit of the American people" (USFWS 2006b).

Under NEPA and the National Wildlife Refuge Improvement Act of 1997, major actions affecting the environment require full consideration of potential impacts, public involvement and an interdisciplinary approach to decision-making that considers a reasonable range of alternatives.

1.2.3 State Agencies

There are state agencies within both Minnesota and Wisconsin that have responsibility and authority for addressing the need for new transmission projects.

1.2.3.1 Minnesota

The PUC is responsible for determining whether or not a proposed large transmission project is needed and for approval of a route if it determines the project is needed. These decisions are implemented through a Certificate of Need (CON) and a route permit.[30] The MDC is involved in review, and is also responsible for environmental review.[31] The reliability criteria established by entities with authority under the FERC (NERC, the MRO and MISO) are taken as constraints that must be met by the PUC and the MDC in their review of the need for a project (MDC 2011a, pp. 2-3). Projects are first identified through the PUC's transmission planning process, described in Section 1.1.2.1. If the PUC determines, based on its criteria, that the project is needed, it issues a CON.

For the Proposal, Great River Energy (GRE) and Xcel Energy (also known as Northern States Power Company) (collectively, CON Applicants), two of the participating utilities, submitted an application for a CON in August 2007 on behalf of all the CapX 2020 parties, including Dairyland (Xcel and GRE 2007, PUC 2009, pp. 1-2).[32] Through the CON process, the Applicants were required to demonstrate that the Proposal is in the

[30] Minn. Stat. 216B.243 and Minn. Rules ch. 7849, 7829, 7849.0010-0110 and 1405
[31] Minn. Rules ch. 7849.1200, 4410.0200, 4410.2000
[32] Northern States Power Company is a wholly-owned subsidiary of Xcel Energy, Inc.

best interest of Minnesota's citizens and that there is not a more reasonable and prudent alternative to the Proposal (PUC 2009).

The PUC conducts a completeness review of CON applications, and during this review, the public may comment on the application's completeness. During the completeness review for the application that included the Proposal the PUC requested additional information from the CON Applicants.

Once an application is found to be complete, the PUC refers the case to an independent Administrative Law Judge (ALJ), who presides over a series of public hearings. For the CON application that included the Proposal, the PUC made the completeness determination and ALJ referral in November 2007 (PUC 2009, p. 2).

Members of the public can attend the ALJ hearings, file written comments, and present testimony. Parties who wish to participate more formally can request intervener status from the ALJ. An intervener is typically represented by an attorney and presents a formal case that includes filing written testimony, cross-examining witnesses and filing post-hearing briefs. After the hearing process is complete, the ALJ prepares a report and recommendations for the PUC. The PUC evaluates the report and hears comments at one or more of its regular weekly meetings. The PUC issued the CON that included the Proposal on May 22, 2009 (PUC 2009). The full public record for the CON is available at the PUC website, Docket No. CN-06-1115.[33] **The PUC issued the final order, including the route permit, on May 30, 2012.**

1.2.3.2 Wisconsin

In Wisconsin, the PSC is responsible for determining if a large transmission project is needed. An applicant applies for a Certificate of Public Convenience and Necessity (CPCN), which also includes alternative routes, and, if approved, the PSC grants a CPCN.[34] The CPCN identifies the permitted route. The PSC reviews the material for completeness and requests additional information, if needed. The Wisconsin Department of Natural Resources (WDNR) Office of Energy participates in the process

[33] The PUC website is at www.puc.state.mn.us.
[34] Wis. Stat. 1.12(6), 196.491 and Wisconsin Administrative Codes (WAC) PSC 2, 4, 111 and 112 govern the CPCN process.

jointly with the PSC. WDNR permit applications are filed at the same time as the CPCN application.

On January 3, 2011, Dairyland, Northern States Power Company-Wisconsin (Xcel) and Wisconsin Public Power, Inc. (collectively, the CPCN Applicants), filed an initial CPCN application (PSC 2011c). After additional submittals to address information requests, the PSC determined that the application was complete on June 9, 2011 (PSC 2011b). On June 29, 2011, the CPCN Applicants submitted a final revised package that incorporated additions and changes from PSC/WDNR information requests (Xcel et al. 2011). **The PSC issued its final decision approving the CPCN on May 30, 2012.**

1.3 AUTHORIZING ACTIONS

1.3.1 Applicable Statutory Requirements

Federal and state laws, regulations, and associated permits, approvals and coordination that are applicable to the Proposal are summarized in Table 1-1, Table 1-2, and Table 1-3. These laws and regulations are addressed throughout this EIS.

Table 1-1: Federal Permits and Other Compliance

Agency	Permits/Other Compliances
RUS	RUS Environmental Policies and Procedures (7 CFR 1794)
	National Environmental Policy Act (42 USC 4321)
	National Historic Preservation Act (NHPA) 1966, Section 106
	RUS must comply with section 7(a)(2) of the Endangered Species Act (ESA), which states that "Each Federal agency shall, in consultation with and with the assistance of" USFWS insure that any action authorized, funded, or carried out by such agency is not likely to jeopardize the continued existence of any endangered species or threatened species.
USACE	Section 10 Permit of the Rivers and Harbors Act of 1899 (33 USC 403) for crossing the Mississippi and Black Rivers
USACE and U.S. Environmental Protection Agency (USEPA) Region 5	Individual permit under Section 404 of the Clean Water Act (CWA) of 1977 (33 USC 1344)
U.S. Department of Agriculture Natural Resource Conservation Service (NRCS)	Farmland Conversion Impact Rating (Form AD-1006)
Federal Aviation Administration (FAA)	Objects Affecting Navigable Airspace (Form 7460-1)
Federal Highway Administration (FHWA)	Permits required to longitudinally occupy and cross federal highways and interstate highways (usually delegated to the state Department of Transportation through its Utilities Accommodation Policy)
National Park Service (NPS)	Consultation: National River Inventory (NRI) rivers.
	Land and Water Conservation (LWCF) Fund Act of 1965 (Section 6, as amended; Public Law 88-578; 16 U.S.C. 4601-4 et seq.) approval for Snake Creek Unit of the RJD State Forest and Douglas Trail for MDNR issuance of License to Cross Public Lands and Waters

Agency	Permits/Other Compliances
USFWS	ROW regulations on Refuge land (50 CFR 29.21 to 29.22)
	USFWS Service Manual Chapters 340 FW 3 (ROWs and road closing), 601 FW 1 (Refuge system mission and goals), 603 FW 2 (compatibility)
	Use authorization if right-of-way required on National Wildlife Refuge or Wetland Management District lands (Standard Form 299) and Special Use Permit if crossing National Wildlife Refuge
	Section 7 of the Endangered Species Act 1973 (16 USC 1531–1544)
	Pittman-Robertson Wildlife Restoration Act 16 U.S.C. § 669-669i, concurrence for McCarthy Lake Wildlife Management Area for MDNR issuance of License to Cross Public Lands and Waters
	Bald and Golden Eagle Protection Act (16 USC 668), (50 CFR 22)
	Migratory Bird Treaty Act of 1918(16 USC 703–712)

Table 1-2: State of Minnesota Permits and Other Compliance

Agency	Permits/Other Compliance
Minnesota Public Utilities Commission	Certificate of Need (Minnesota Statutes [Minn. Stat.] 216B.243, Minnesota Administrative Rules [Minn. Rules] ch. 7849)
	Route Permit (includes state environmental impact statement requirement).
Minnesota Pollution Control Agency	Air Quality and Noise Standards and Requirements National Pollutant Discharge Elimination System Stormwater Permits (construction, operation) (Form MN R 1000001)
	Section 401 Water Quality Certification
Minnesota Historical Society/Minnesota State Preservation Office	NHPA 1966, Section 101
Minnesota Department of Agriculture	State Agricultural Land Preservation and Conservation Policy, (Minn. Stat. 17.80); Agricultural Impact Mitigation Plan
Minnesota Department of Transportation	Application for Utility Permit to occupy or cross Trunk Highway Right of Way (TP-2525, Minn. Stat. 161.45, Minn. Rules 8810.3300)
	Application for Access Driveway Permit (Form TP-1721, Minn. Stat. 505, Minn. Rules 8810.0050)
	Application for Drainage Permit Form (Form TP-30795-02, Minn. Stat. 160.20)
	Air Navigation Obstruction Criteria (Minn. Rules ch. 880)
Minnesota Department of Natural Resources	Application for License to Cross Wild, Scenic and Recreational Rivers and state lands within its land use districts (Minn. Rules 6105.0060 and 6105.0170)
	Application for a License to cross Public Lands and Waters (Minn. Stat. 84.415, Minn. Rules 6135)
	Wetland Conservation Act requirements (Minn. Rules ch. 8420)
	Public Waters Work Permit (Minn. Stat. 103G, Minn. Rules 6115.0150 – 0280)
	Endangered Species Statues—Permits and Coordination (Minn. Stat. 84.089)
	Noxious Weeds (Minn. Stat. 18.82, Minn. Rules ch. 1505)

Table 1-3: State of Wisconsin Permits and Other Compliance

Agency	Permits/Other Compliance
Public Service Commission of Wisconsin	Certificate of Public Convenience and Necessity (Wisconsin Administrative Code (WAC) PSC 111.51, Wisconsin Statute [Wis. Stat.] 196.49 and 196.491025 (1s))[35]
	Restrictions on oak tree cutting and pruning (WAC PSC 113.0511)
Wisconsin Department of Natural Resources	State EIS requirements (Wis. Stat. 1.11)
	Joint state-federal application for impacts to waterways and wetlands Invasive species control (WAC ch. NR 40)
	General Utility Crossings Permit (Wis. Stat. 30.12 and 30.20, Wis. Stat. 182.017, WAC ch. NR 345)
	Routing Criteria (Wis. Stat. 1.12(6))
	Utility Permit (Wis. Stat. 30.025 (1s)) application submitted (Xcel et al. 2011, Appendix T). The utility permit application also included the following applications: • Chapter 30 permit to place temporary bridges in or adjacent to navigable waterways (Wis. Stat. 30.123, WAC ch. NR 320) • Chapter 30 permit to place Miscellaneous Structures within navigable waterways (Wis. Stat. 30.12, WAC ch. NR 329) • Chapter 30 permit for grading on the bank of a navigable waterway (Wis. Stat. 30.19, WAC ch. NR 341) • Wetland water quality certification to discharge fill in wetlands (Wis. Stat. 281.36, WAC ch. NR 103 and NR 299) • Indication of Endangered/Threatened Species Incidental Take Authorization (Wis. Stat. 29.604) • Construction Site Erosion Control and Stormwater Discharge Permit (Wis. Stat. 283, WAC ch. NR 216.41-216.55)
Wisconsin Department of Transportation)	Application/Permit to Construct, Operate and Maintain Utility Facilities on Highway Rights-of-Way (Form DT1553) Application/Permit for Connection to State Trunk Highway – Form DT 1504. *Note: Only if needed for temporary or permanent access*. Release (sale) of scenic easement rights.
Wisconsin Historical Society/Office of Preservation Planning	National Historic Preservation Act, Section 106 consultation (NHPA 1966, Section 106)
Wisconsin Department of Agriculture, Trade, and Consumer Protection	Agricultural Impact Statement – Wis. Stat. 32.035

[35] Submitted - Xcel et al. 2011

1.3.2 Federal and State EIS Requirements

1.3.2.1 Federal EIS Requirements

NEPA requires an Environmental Impact Statement (EIS) for major federal actions with the potential to significantly affect the quality of the human environment. Dairyland, a rural electric cooperative, may, under the provisions of the RE Act, apply to RUS for financing assistance for its anticipated 11 percent ownership interest in the construction of the Proposal. Prior to making a decision about whether to provide financing assistance for the Proposal, RUS is required to conduct an environmental review under NEPA in accordance with its policies and procedures.[36] According to RUS' environmental regulations, the Proposal requires an Environmental Assessment (EA) with scoping.[37] However, due to the potential for significant impacts - **the presence of sensitive resources such as the Mississippi River crossing, the crossing of U.S. Fish and Wildlife Refuge land, and the potential for impacts to a National Scenic Byway** - RUS is requiring that an EIS be prepared. An EIS is intended to "provide full and fair discussion of significant environmental impacts and shall inform decision makers and the public of the reasonable alternatives which would avoid or minimize adverse impacts or enhance the quality of the human environment."[38]

The process for preparing an EIS is determined by the federal regulations implementing NEPA (Council on Environmental Quality [CEQ] regulations).[39] The major steps in the EIS process are described below.

Notice of Intent – The EIS process for the Proposal began when RUS published a NOI in the Federal Register and in 19 newspapers local to the Proposal on May 28, 2009.[40] The NOI announced RUS' intention to prepare an EIS and hold public scoping meetings concerning the projects. A copy of the NOI is included in Appendix A.

Scoping Period – The purpose of scoping is to identify public and agency issues to be addressed in the EIS, as well as possible alternatives to the Proposal that should be

[36] 7 CFR 1794
[37] 7 CFR 1794.24(b)(1)
[38] 40 CFR 1502.1
[39] 40 CFR Parts 1500 - 1508
[40] Federal Register on May 29, 2009, Vol. 74, No. 101, pp. 25485-25486

considered. The results of the scoping process are summarized in Section 1.4 below. RUS prepared a detailed scoping report, which is included in Appendix B.

Draft EIS – The Draft EIS describes the Proposal and alternatives to the Proposal, considers public and agency comments received during the public scoping process, assesses the potential impacts of the Proposal, and identifies potential measures to mitigate those impacts. The Draft was prepared in accordance with NEPA and the CEQ regulations and RUS' Environmental Policies and Procedures.[41] A notice of availability (NOA) for the Draft EIS has been published in the Federal Register and in newspapers local to the Proposal.

Comment Period and Public Hearings – The public and agencies will have the opportunity to review and comment on the Draft EIS during a 45-day comment period that begins on the date of publication of the NOA for the Draft EIS. During the public comment period, RUS will hold public hearings in the Proposal area.

Final EIS – In the final EIS, RUS responds to comments on the Draft EIS and makes appropriate changes in response to those comments. Any changes to the Proposal resulting from comments on the Draft EIS will be identified in the final EIS. RUS will publish an NOA in the Federal Register and in newspapers local to the Proposal when the final EIS is available. Public review and comment on the final EIS will be for 30 days after it is published.

Record of Decision – RUS will publish a Record of Decision (ROD) describing the selected action and any mitigation measures, and the factors considered in making its decision. The ROD concludes the agency's environmental review process in accordance with NEPA and its implementing regulations. The USACE and the USFWS will also publish RODs describing the action and mitigation measures that are relevant to their areas of authority.

[41] 7 CFR 1794

1.3.2.2 State EIS Requirements

Minnesota

Minnesota law requires the preparation of an EIS by the "responsible governmental unit" when there is "potential for significant environmental effects."[42] In general, an EIS is required for a high voltage transmission line that requires a CON, although there are some exceptions. The Minnesota regulations generally require preparation of another document called an Environmental Report; however, this requirement can be waived if an EIS is prepared instead. The Department of Commerce is responsible for preparation of the EIS, which evaluates impacts, alternative routes, and mitigation.[43]

After the PUC issues the CON, the next step in the transmission permitting process is the Route Permit Application.[44] Northern States Power (Xcel) submitted the Route Permit Application in January 2010 on behalf of itself and the other Applicants: Dairyland, SMMPA, RPU and WPPI (Xcel et al. 2010). The PUC docket number for the Route Permit Application is 09-1448. Within 15 days after submission of the application, applicants are required to notify all property owners along the route of the proposed project.[45] Once the PUC accepts the Route Permit Application as complete, the Minnesota Department of Commerce begins the EIS process.[46] The PUC makes the final decision on completeness, and the MDC provides a recommendation based on its review of the application contents as required by Minnesota regulations.[47] The PUC issued its order accepting the Route Permit Application as complete in March 2010 (PUC 2010).

The MN DEIS was released on March 21, 2011 and comments were accepted until April 29, 2011 (MDC 2011b, p. i). The Final Minnesota EIS (MN FEIS) was published on August 31, 2011. Much of the content of the MN FEIS was incorporated into this Final EIS, after independent verification of the content.

[42] Minn. Stat. 116D.04 Subd 2a
[43] Minn. Rules ch. 4410.0200 to 4410.5600, 4410.4400 Subpart 6, 7849.1000 Subpart 1, 7849.1200, 7849.1900 Subpart 2
[44] Minn. Rules ch.7850.1900 Subpart 2
[45] Minn. Stat. 216E.03 Subd 4
[46] Minn. Rules ch. 7850.2500 Subpart 1
[47] Minn. Rules ch. 7850.1900

On April 12, 2012 the PUC voted unanimously to grant a route permit for the Proposal (not including the North Rochester to Chester 161 kV line, which is covered under a separate permit application), and issued the final order, including the permit, on May 30, 2012. The permit and attached route maps are included in Appendix AA. As state in the permit, "the designated route identifies an alignment that minimizes the overall potential impacts to the factors identified in Minnesota Rule 7850.4100." Those factors, which are consistent with the factors assessed in this EIS, are as follows:[48]

- **effects on human settlement, including, but not limited to, displacement, noise, aesthetics, cultural values, recreation, and public services;**
- **effects on public health and safety;**
- **effects on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining;**
- **effects on archaeological and historic resources;**
- **effects on the natural environment, including effects on air and water quality resources and flora and fauna;**
- **effects on rare and unique natural resources;**
- **application of design options that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission capacity;**
- **use or paralleling of existing rights-of-way, survey lines, natural division lines, and agricultural field boundaries;**
- **use of existing transportation, pipeline, and electrical transmission systems or rights-of-way;**
- **electrical system reliability;**
- **costs of constructing, operating, and maintaining the facility which are dependent on design and route;**
- **adverse human and natural environmental effects which cannot be avoided; and**
- **irreversible and irretrievable commitments of resources.**

[48] The factors in the rule include both generating facilities and transmission lines. Those specific to generating facilities are not included in the above bulleted list.

Wisconsin

The Proposal is within a category of activities for which the State of Wisconsin requires the PSC to prepare an EIS:

> Construct an electric transmission line designed for operation at a nominal voltage of 345 kV, if the line is more than 10 miles long and if any related construction activity takes place outside the area of an existing electric transmission line right−of−way[49].

Wisconsin regulations require the EIS to be prepared in accordance with CEQ regulations, in addition to other specific requirements.[50] The Wisconsin Draft EIS (WI DEIS) was published in November 2011, with a 45-day comment period. Public hearings were held after the comment period (PSC-WDNR 2011). The Final EIS was published in January 2012 (PSC-WDNR 2012). Much of the content of the WI DEIS was incorporated into this Final EIS, after independent verification of the content.

On May 10, 2012, the PSC determined that the Wisconsin portion of the Proposal is needed, and that the CPCN will be issued for the Q1-Galesville Route. The PSC's final decision was issued on May 30, 2012. The decision and route maps are included in Appendix BB.

1.3.3 Decisions to be Made Based on this Analysis

Dairyland may apply to RUS for financing assistance for the Proposal and RUS must decide whether or not to provide the financing assistance.

[49] WAC PSC 4.10 (1)
[50] WAC PSC 4.30

1.4 PUBLIC PARTICIPATION

While RUS provides opportunity for public participation throughout the NEPA process, the major opportunities for public participation in the federal EIS process are in scoping and in review of the Draft and Final EIS. This section summarizes the public participation that has occurred to date. Both Minnesota and Wisconsin provide opportunities for public input in their review processes.

The list of agencies, organizations and persons to whom copies of the Draft EIS are sent is included in Appendix Q.

1.4.1 Scoping Process

1.4.1.1 Federal Process and Requirements

The scoping process involved the following actions:

- Notifying the public and agencies about the scoping meetings.
- Developing project information for review by the public and agencies.
- Conducting the scoping meeting.
- Collecting and reviewing comments.
- Identifying issues raised that need to be addressed in the EIS process.

RUS published notices in 19 newspapers throughout the Proposal area in the weeks preceding the public scoping meetings. The list of newspapers is included in the Scoping Report in Appendix B. The notices included large display ads that identified meeting times and locations, and legal notices similar to the NOI.

A public mailer was distributed to landowners and other individuals who requested to be on the Proposal mailing list. The mailing list was developed initially using county landowner data for the original study area. Additional contact information was added during the scoping meetings, and will continue to be added throughout the process.

Agency Scoping Meetings

RUS conducted two agency scoping meetings with federal, state and local agencies and tribal representatives that included a presentation and an interactive question-and-answer session. The agency meetings were held on June 17, 2009 in Wanamingo, Minnesota, and on June 24, 2009 in La Crosse, Wisconsin.

Representatives of the following agencies attended the agency scoping meeting in Wanamingo, Minnesota: USFWS, Minnesota Public Utilities Commission (PUC), Minnesota Department of Natural Resources (MDNR), Minnesota Department of Transportation (MnDOT) District 6, Minnesota Department of Commerce (MDC), Minnesota legislators, and representatives from Goodhue County, the City of Wanamingo, the City of Cannon Falls, and Cherry Grove Township. A representative of the Shakopee Dakota Tribe also attended.

Representatives of the following agencies attended the agency scoping meeting in La Crosse, Wisconsin: Bureau of Indian Affairs, Wisconsin Department of Natural Resources (WDNR), Public Service Commission of Wisconsin (PSC), La Crosse County, La Crosse County Zoning and Planning Department, the City of La Crosse, the City of Onalaska, and the City of Onalaska Planning Department.

Public Scoping Meetings

RUS conducted 6 public scoping meetings from June 16, 2010 to June 26, 2010 at Plainview, Wanamingo; St. Charles and La Crescent, Minnesota; and at Galesville and Fountain City, Wisconsin. A total of 460 people signed attendance forms.

1.4.1.2 State Requirements

Minnesota

The Minnesota permitting process provides extensive opportunities for public participation. The hearing and meeting process for the CON was described in Section 1.2.3.1, and a similar process is required for the Route Permit Application. Minnesota regulations also allow the PUC to establish citizen advisory task forces.[51] Based on the MDC recommendation that task forces were needed to "assist in determining specific impacts and issues of local concern that should be assessed in the EIS" and to "assist in determining potential route alternatives that should be assessed" in the EIS, the PUC determined that at least two task forces were needed (PUC 2010, p. 6).

Minnesota regulations provide for a scoping period for the Draft EIS, and public input following publication of the draft.[52] During the scoping process, anyone may suggest an

[51] Minn. Rules ch. 7850.2400
[52] Minn. Rules ch. 4410.2000 to 4410.3200 and 7850.2500

alternate route to the MDC. These submittals should include an explanation of why the route should be included in the EIS and any other relevant information. The MDC includes the route in the EIS only if it determines that evaluation of the route will assist the decision on the permit application.[53]

The public scoping comment period for the MN DEIS was open from April 19, 2010, through May 20, 2010. The MDC also held 6 public information and scoping meetings in locations along the alternative Proposal routes in May 2010. Approximately 350 people attended, in total. The two advisory task forces consisted of local government officials and members of non-governmental organizations. The two task forces, the Hampton to Northern Hills Task Force and the North Rochester to Mississippi River Task Force, each represented approximately one-half of the Proposal area, and met three times between April and June of 2010 (MDC 2010, p. 4, MDC 2011c, p. 1). Both task forces issued reports in June 2010 (MDC 2010a and 2010b). Both included recommendations for alternative routes to consider in the MN DEIS.

Wisconsin

As discussed in Section 1.3.2.2, Wisconsin has an EIS process similar to the federal process. The process began after the PSC determined the CPCN application was complete, which occurred in June 2011. The PSC and the WDNR held a series of public open-house meetings as part of the scoping process for preparation of their Draft EIS. The PSC reports that it solicited comments in a letter sent July 5, 2011, to interested and affected persons, towns, counties and municipalities (PSC-WDNR 2011 p. 9; PSC-WDNR 2012 p. 10).

1.4.2 Pre- EIS Public Review and Comment

1.4.2.1 RUS Scoping Comments

Agency Comments

The following federal and state agencies provided written comments during the EIS scoping process: the FAA, NPS, the PUC, MnDOT, the PSC, MDNR, the Wisconsin Mississippi River Parkway Commission, and the WDNR. Senator Sharon Erikson Ropes of the Minnesota State Senate also provided comments.

[53] Minn. Rules ch. 7850.2500 Subpart 3

The following tribes submitted comments during the scoping period: Bois Forte Band of Ojibwe, Oneida Nation of Wisconsin, Leech Lake Band of Ojibwe, Ketegitigaaning Ojibwe Nation, Ho-Chunk Nation, Mille Lacs Band of Ojibwe, Stockbridge Munsee, and Little Traverse Bay Band of Odawa Indians. Scoping efforts specific to tribes are discussed in more detail in Section 3.9.

The following local governments provided written comments: Goodhue County, La Crosse County, Farmington Township, New Market Township, Highland Township, Warren Township, the City of Hampton, Holden Township, and Bridgewater Township.

An index and record of all agency and tribal items with delineated comments and corresponding RUS responses is included in the Scoping Report in Appendix B.

Public Comments

A total of 1135 comments from 359 commenters were received during the scoping comment period beginning on May 28, 2009, ending on July 25, 2009. Public comments were submitted using comment forms, letters, emails, online comment form submission, and phone calls. Some of the comments submitted were, in whole or part, identical form letters. The public comments and RUS responses are included in the scoping report in Appendix B.

1.4.2.2 Scoping for the MN DEIS

Based on the comments received during the public scoping comment period and at the public meetings, as well as the information provided in the advisory task force reports, the MDC finalized the scope of the MN DEIS in a scoping decision dated August 6, 2010 (MDC 2010). A total of 211 comments were submitted. The MN DEIS scoping document reported that the public suggested 66 alternatives to the applicant's proposed routes, and that 12 of these fell within the original requested route width. The other 54 were considered route alternatives, and of those, 44 were retained for evaluation **in both the MN DEIS and FEIS (MDC 2010, pp. 8-9; MDC 2011b; MDC 2011c).** These alternatives **were also all evaluated in detail in the RUS Draft EIS. However, as discussed in the Draft EIS, only a few of these routes provided any advantage over the routes included in the Minnesota Route Permit (MRP) application. Therefore, to focus the analysis in this Final EIS, most of these MN DEIS scoping**

alternatives are not addressed in detail. Those eliminated from detailed analysis, and the rationale for the elimination, are discussed in Section 2.2.6.3. For clarity, the previous descriptions and analyses of these eliminated routes that were included in Sections 2.4, 2.5 and Section 3 have been removed from the Final EIS.

Maps of these alternatives and the corresponding changes to the macro-corridors, and the letter sent to landowners were posted to the RUS website in October 2010, and the RUS comment period was officially re-opened through December 6, 2010.[54] These maps are included in Appendix U, along with a copy of the letter that was sent to property owners along the routes.

1.4.2.3 Comments to RUS between Scoping Report and Draft EIS

RUS continued to receive comments after the Scoping Report was completed in February 2010 and the Draft EIS was completed in December 2011. RUS addressed these comments, which are included in Appendices S and T.

During the time between when the Scoping Report was completed and the Draft EIS was published, the macro-corridors needed to be expanded based on additional route alternatives introduced during the Minnesota and Wisconsin permitting and EIS processes. In Minnesota, the MN DEIS scoping alternatives (Sections 1.4.2.2, 2.2.6.3 and 2.4.2.5) resulted in changes to the macro-corridors. In Wisconsin, the option at Alma, the WI-88 A and B Options and the Arcadia-Ettrick Option, requested by the WDNR, were added to the CPCN application, and are included in the EIS (Section 2.4.2.5). During this time, RUS opened two additional comment periods. The comment period related to the MN DEIS scoping routes is discussed in Section 1.4.2.2. The comment period for the macro-corridor changes resulting from additional Wisconsin routes began when letters with attached maps were sent to landowners in June 2011 and ended August 6. The letter and attached maps were sent to affected landowners, and a copy of the letter, which is included in Appendix U, was posted to the RUS website.

[54] RUS website for HRL Project: http://www.rurdev.usda.gov/UWP-CapX2020-Hampton-Rochester-LaCrosse.html

RUS continued to address all comments received, including those not submitted during the specific comment periods.

1.4.3 Pre-EIS Comment Analysis

1.4.3.1 RUS Scoping Comments

Comments from RUS scoping are summarized below. Note that the total number of comments for each category is greater than the total number of comments received. This is because many commenters made comments in multiple categories.

Purpose and Need – 143 comments. Most of the comments questioned the legitimacy of the need provided by the utilities and requested that the EIS independently verify the need for the Proposal and review the background data used to create the need justification including load forecasts, assumptions, data, and projections.

Process – 125 comments. These comments included questions and requests about the adequacy and legality of the federal, state, local, routing and planning processes used in the Proposal.

Alternatives – 83 comments. Commenters provided suggestions for system alternatives to be included in the EIS: local generation and transmission, conservation, alternative sources of energy, renewable energy, nuclear energy, incentivized conservation, postponement, undergrounding, decentralized energy, load management, upgrading existing transmission lines, smart grid technology, and the no build alternative.

Route Alternatives – 177 comments. The comments varied from general routing suggestions and comparisons to route-specific comments.

Interconnection to Generation – 12 comments. Most of the comments were inquiries regarding the kind of generation that would be energizing the Proposal if built.

Connected Actions – 8 comments. Some commenters believe that some or all of the other CapX transmission projects are connected actions, or that electric generation is a connected action.

Geology and Soils – 14 comments. These comments were related to erosion potential, karst features, potentially unstable soils, soil compaction and impacts to bluffs.

Noise – 5 comments. Some commenters were concerned about the hum or whistling of transmission lines.

Biological Resources – 66 comments. These comments were related to wildlife, fish, vegetation, habitat, sensitive resources, wetlands and biodiversity.

River Crossings – 3 comments. Commenters are concerned about potential impacts to the Mississippi, Black and Cannon Rivers.

Land Use – 11 comments. Concerns include agriculture, forests, river valleys, MDNR forestry management areas, sensitive land uses, businesses, recreational land uses, residential areas and commercial land use.

Land Rights and Easement Acquisition – 22 comments. Most of the commenters questioned the process of easement acquisition, compensation for direct and indirect decreases in land and property value, allowable uses within an easement, eminent domain, maintenance, repairs, and easement valuation.

Conservation Easements – 6 comments. Commenters requested avoiding land conservation easements.

Recreation – 14 comments. Most commenters requested that recreational areas be avoided.

Visual – 44 comments. Many commented that transmission lines are “ugly” or “unsightly.” Some comments mentioned specific areas of concerns.

Transportation and Access – 2 comments. One comment requested consideration of private airfields and one requested avoidance of private driveways.

Public Facilities or Uses – 1 comment. MnDOT stated that rest areas cannot be encroached on by utility lines or structures.

Historic and Cultural – 19 comments. Commenters requested that resources be avoided, such as century farms, places currently or nominated to be on the National Registry of Historic Places, historic farms, historic school houses, cemeteries, archeological sites, historic trails, and homesteads.

Health and Safety – 94 comments. Concerns included effects from stray voltage, electric and magnetic fields (EMF), and safe clearances under the lines.

Electrical Characteristics – 19 comments. Some commenters requested information on EMF characteristics and potential interference with electronic and electric devices.

Social and Economic – 82 comments. Commenters expressed concern about impacts on property values and tax bases.

Agriculture – 37 comments. General concerns include the loss of productive farmland and revenue associated with production, interference with farming equipment and operations, compaction of soil, and the health and safety of livestock especially dairy cattle.

Residential – 10 comments. Most of the commenters requested that residences, family farms, and future home sites be avoided.

Environmental Justice – 3 comments. These commenters believe the Proposal may represent disproportionate impacts on low-income populations.

Cumulative Impacts – 9 comments. Resource areas of concern included global warming, migratory birds, and landowners with multiple impacts from utilities.

1.4.3.2 MN DEIS Scoping

In addition to the descriptions of the 44 route alternatives to be considered in the MN DEIS, the MDC provided the summary of public comments reproduced in Table 1-4 (MDC 2010, Table 1).

Table 1-4: MDC Summary of Major Issues Raised During Scoping

Issue	Number of Times Issue Mentioned	Percentage of All Commenters Who Raised
Airport	10	5%
Archaeological	6	3%
Effects on Local Development	9	4%
EMF	40	19%
GPS (including Aircraft and Agricultural Navigation)	7	3%
Implantable Medical Devices	8	4%
Land Based Economics	50	24%
Noise	12	6%
Process	40	19%
Property Value	67	32%
Proximity to Homes/Structures	66	31%
Rare or Unique Natural Resources	28	13%
Recreation	33	16%
Soils (erosion, sinkholes, karst, gravel)	29	14%
Stray Voltage	12	6%
Tree Groves/Wind Breaks	36	17%
TV, Radio, Cell Phone, Internet	11	5%
Visual and Aesthetic Impacts	42	20%
Water Resources (Including Wetlands)	25	12%
Water Well Installation	3	1%
Wildlife (Including Birds)	41	19%
Other*	39	18%

*Other included issues related to data in route permit application, general opposition to the Proposal, Proposal need, and easement negotiation process, among others.

1.4.3.3 MN DEIS Comments

A series of three public meetings were held April 12 to 14, 2011 regarding the MN DEIS. Approximately 260 unique comments were identified in the comment file in the Minnesota docket (09-1448).[55] Many of the public comments on the MN DEIS were similar to those made during the RUS scoping. These are summarized by category below. (As with the RUS scoping comments, the total from all the categories is greater than the total number of comments).

Purpose and Need – 25 comments, most similar to the RUS scoping comments.

Process – 71 comments. The majority of these comments focused on the adequacy of the public meetings and dissemination of Proposal information. Many found the number of route alternatives confusing.

Alternatives – 10 comments. Renewable energy was a prime topic with commenters wanting to make the Proposal as "green" as possible.

Route Alternatives – 80 comments. Most of these were comparative comments on the routes presented in the MN DEIS.

Interconnection to Generation – 3 comments. Two of these comments were regarding the connection to the Invenergy peak plant in Cannon Falls.

Geology and Soils – 31 comments. Most comments were related to karst formations, erodible soil, and wetland soil.

Noise – 17 comments, with concerns similar to those from the RUS scoping.

Biological Resources – 99 comments, similar to those from the RUS scoping.

River Crossings – 23 comments. Commenters are concerned with potential multiple crossings of the Zumbro River. Some commenters requested an underground crossing of the Mississippi River.

Land Use – 36 comments. Comments were similar to those from the RUS scoping. In addition, some commenters requested consideration of township future land use plans.

[55] The MN FEIS reports that 288 written and oral comments were received during the comment period (MN FEIS, Appendix O).

Land Rights and Easement Acquisition – 19 comments, most similar to RUS scoping comments.

Conservation Easements – 6 comments, similar to those from the RUS scoping.

Recreation – 28 comments, similar to those from the RUS scoping.

Visual – 60 comments, similar to those from the RUS scoping.

Transportation and Access – 14 comments, mostly similar to those from the RUS scoping. Several commenters expressed concern about potential conflicts with medical evacuation helicopters.

Historic and Cultural – 31 comments, similar to those from the RUS scoping.

Health and Safety – 75 comments, similar to those from the RUS scoping. Additionally, specific comments concerning the spread of Chronic Wasting Disease (CWD) due to soil disturbance were noted.

Electrical Characteristics – 53 comments, similar to those from the RUS scoping.

Social and Economic – 131 comments, similar to those from the RUS scoping.

Agriculture – 57 comments, similar to those from the RUS scoping. A major concern is the effect of high voltage on dairy cattle.

Residential – 65 comments, similar to those from the RUS scoping.

Cumulative Impacts – 19 comments, mostly similar to those from the RUS scoping. Commenters also mentioned potential cumulative impacts from highway construction projects.

1.4.3.4 Summary of Comments Prior to Draft EIS

The tables in Appendix C provide more detail on comments RUS received during scoping and comments that were made on the MN DEIS. RUS has endeavored to ensure that all comments are addressed; including those on the MN DEIS to the extent they are relevant to this RUS Draft EIS. Comments from the MN scoping process are not included in the tables, as RUS assumes these were addressed in the MN DEIS. The tables are organized under the same headings used in the Scoping Report in Appendix

B, which are the same categories outlined above for RUS scoping and the MN DEIS comments.

Comments are summarized in Appendix C. Comments from federal, state, and tribal officials are summarized in Table C-1, other agency comments are summarized in Table C-2, and other public comments are summarized in Table C-3. Each table has a response and/or refers the reader to the section of the Draft EIS where the comment is addressed.

1.4.4 EIS Public Participation

The notice of availability (NOA) of the Draft EIS, which is included in Appendix A, was published in the Federal Register on December 16, 2011. Just after the Draft EIS was published and before the first public meetings, RUS discovered that some affected landowners along the WI-88 corridor did not receive a notification letter. These landowners were identified and were notified by phone or mail before the first public meeting was held. In addition, the comment period on the Draft EIS was extended for two weeks, to February 13, to provide those landowners more time for review.

Public meetings to receive comments on the Draft EIS were held at five locations throughout the Proposal area, summarized in Table 1-5.

Table 1-5: Draft EIS Public Meetings

Location	Date	Time
Alma High School S1618 State Road 35 Alma, WI 54610	January 9, 2012	5 pm – 8 pm
Wanamingo Community Center 401 Main Street Wanamingo, MN 55983	January 10, 2012	5 pm – 8 pm
Cannon Falls High School 820 Minnesota Street East Cannon Falls, MN 55009	January 11, 2012	5 pm – 8 pm
American Legion Hall 215 3rd Street SW Plainview, MN 55964	January 12, 2012	5 pm – 8 pm
Trempealeau Community Center W24854 State Road 54/93 Galesville, WI 54629	January 13, 2012	5 pm – 8 pm

Notices of availability of the Draft EIS and public meeting notices were published in newspapers throughout the Proposal area, as summarized in Table 1-6.

Table 1-6: Newspaper Notices of Draft EIS and Public Meetings

Newspaper	State	Publication Dates
Kenyon Leader	Minnesota	December 14, 2011
Wabasha County Herald	Minnesota	December 14, 2011
Winona Post	Minnesota	December 14, 2011
Zumbrota News Record	Minnesota	December 14, 2011
Cannon Falls Beacon	Minnesota	December 15, 2011
Plainview News	Minnesota	December 15, 2011
Trempealeau County Times	Wisconsin	December 15, 2011
La Crosse Tribune	Wisconsin	December 16, 2011
Farmington/Lakeville Thisweek	Minnesota	December 16, 2011
Rochester Post-Bulletin	Minnesota	December 16, 2011
Winona Daily News	Minnesota	December 16, 2011

Copies of the newspaper notices, publication affidavits, and public meeting material are included in Appendix V. The list of agencies, organizations and persons to whom copies of the Draft and Final EIS were sent is included in Appendix Q. The Draft EIS was also available for review on the RUS website, as is the Final EIS.[56] The Draft EIS was also available for review at the repositories listed in Table 1-7; the Final EIS was also available for review at these locations.

Table 1-7: Draft EIS Repositories

Minnesota Repositories		
Cannon Falls Library 306 West Mill Street Cannon Falls, MN 55009 Phone: 507–263–2804	Kenyon Public Library 709 2nd Street Kenyon, MN 55946 Phone: 507–789–6821	Rochester Public Library 101 2nd Street SE. Rochester, MN 55904 Phone: 507–328–2300
Tri-County Electric 31110 Cooperative Way Rushford, MN 55971 Phone: 507–864–7783	People's Cooperative Services 3935 Hwy 14 E Rochester, MN 55903 Phone: 507–288–4004	Plainview Public Library 345 1st Avenue Northwest Plainview, MN 55964 Phone: 507–534–3425
Van Horn Public Library 115 SE 3rd Street Pine Island, MN 55963 Phone: 507–356–8558	Xcel Energy 5050 Service Drive Winona, MN 55987 Phone: 507–457–1236	Zumbrota Public Library 100 West Avenue Zumbrota, MN 55992 Phone: 507–732–5211

[56] http://www.rurdev.usda.gov/UWP-CapX2020-Hampton-Rochester-LaCrosse.html

Wisconsin Repositories		
Alma Public Library 312 North Main Street Alma, WI 54610 Phone: 608–685–3823	Arcadia Public Library 406 E Main Street Arcadia, WI 54612 Phone: 608–323–7505	Campbell Library 2219 Bainbridge Street La Crosse, WI 54603 Phone: 608–783–0052
Dairyland Power Cooperative 500 Old State Highway 35 Alma, WI 54610 Phone: 608–685–4497	Galesville Public Library 16787 South Main Street Galesville, WI 54630 Phone: 608–582–2552	Holmen Area Library 103 State Street Holmen, WI 54636 Phone: 608–526–4198
Riverland Energy Cooperative N28988 State Road 93 Arcadia, WI 54612 Phone: 608–323–3381	Shirley M. Wright Memorial Library 11455 Fremont Street Trempealeau, WI 54661 Phone: 608–534–6197	La Crosse Public Library 800 Main Street La Crosse, WI 54601 Phone: 608–789–7100
Onalaska Public Library 741 Oak Avenue, South Onalaska, WI 54650 Phone: 608–781–9568	Xcel Energy 1414 West Hamilton Avenue Eau Claire, WI 54701 Phone: 715–839–2621	

Comments received on the Draft EIS and RUS' responses to those comments are included in Appendix S for agency comments and in Appendix T for all other comments. Comments and responses are summarized by category in Appendix C, Table C-4. With the exception of the agency comments, most comments are categorized and responses are developed by category. Changes made to the Final EIS as a result of comments received on the Draft EIS are shown in bold. This Final EIS has been revised to address comments received on the Draft EIS, as appropriate. The Final EIS will be available for a 30-day review and comment period after which RUS will prepare a Record of Decision (ROD). The notice announcing the availability of the Final EIS was published in the Federal Register and in the same local newspapers as the notices for the Draft EIS were published. Any final action by RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant federal, state, and local environmental laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures[57].

The public and government agencies may submit comments on this Final EIS during the 30-day comment period.

[57] 7 CFR Part 1794

1.5 ISSUES ASSOCIATED WITH THE PROPOSED ACTION

1.5.1 Key Issues

A key issue overall is the Mississippi River crossing at the UMRNW&FR, and the potential impacts to Refuge resources associated with the crossing. While there is an existing transmission line crossing at the location of the proposed crossing, there is potential for impact because of the larger line and additional conductors.

Impacts to both agriculture and residences near the Proposal are also key issues.

Minnesota – In the northern part of the Proposal area, use of the existing US 52 corridor (the Applicants' preferred route and the route that appears to best comply with Minnesota siting criteria) will require substantial coordination with the Minnesota Department of Transportation. The potential for impacts to the Zumbro River is another key issue. Three alternative crossings are considered, only one of which is in an existing infrastructure corridor. Near the Mississippi River, the potential natural resource impacts to the McCarthy Lake Wildlife Area Management Area and other nearby resources are key.

Wisconsin – Key issues are related to the trade-offs between the longer and costlier routes with greater impacts to agriculture and homes versus the potential impacts to the Great River Road National Scenic Byway and the Black River Bottoms, including forested wetland impacts and potential impacts to important species.

1.5.2 Other Issues Considered

Other issues identified during the scoping process are summarized in Section 1.4.3

1.6 CONNECTED ACTIONS

The CEQ regulations define the scope of an EIS as "the range of actions, alternatives, and impacts to be considered in an EIS."[58] One type of action that agencies must consider in determining the scope of an EIS is the "connected action." Connected actions are those that "are closely related and therefore should be discussed in the same impact statement."[59]

The Proposal incorporates all actions connected with the operation of the Proposal, including the substations that will allow connection to the rest of the transmission system, and activities associated with construction of the Proposal.

According to the CEQ regulations, actions are connected if they:

i. Automatically trigger other actions which may require environmental impact statements.
ii. Cannot or will not proceed unless other actions are taken previously or simultaneously.
iii. Are interdependent parts of a larger action and depend on the larger action for their justification.[60]

The Proposal will not automatically trigger other actions which may require their own environmental impact statements.

Other actions upon which the Proposal depends on are incorporated into the Proposal. The Proposal will make use of the Hampton substation, which was approved as part of another project, and is currently under construction. The substation is expected to be completed before the NEPA process for the Proposal is complete.

The Proposal is not an interdependent part of any larger action, and does not depend on any larger action for its justification.

The Proposal is part of the CapX 2020 transmission expansion initiative plan to meet the regional transmission needs. In the Minnesota process the PUC directed the applicants for the CON to include all four priority CapX projects (Group 1) in one submittal (PUC 2009, p. 2). This was done for the purpose of administrative simplicity,

[58] 40 CFR 1508.25
[59] 40 CFR 1508.25(a)1
[60] 40 CFR 1508.25(a)1

not because the projects were interdependent (PUC 2009, p. 2). In its analysis of the projects, the PUC evaluated each independently and issued a CON for each project (PUC 2009).

Appropriate and efficient transmission planning, like transportation planning, occurs within the context of the existing system and other regional proposals. Similar to a highway project that has independent utility and also provides benefit to the overall system, the Proposal would have independent utility and also provide benefits to the region and to the overall MISO transmission system. However, each of the CapX projects was identified to address local needs, independent of the overall plan. The specific needs for the Proposal are discussed in Section 1.1.2.

Similarly, Dairyland plans to rebuild other parts of the Q1 system that are outside the Proposal area and are not included in this EIS. That part of the Q1 system included in the Draft EIS (Alma to North La Crosse) has an independent need and does not require or trigger rebuild of the other parts of the system. Accordingly, if the Alma to North La Crosse section of the Q1 161 kV Line was built separately from the Proposal, it would not be considered a connected action. **Thus the portion from Trempealeau to Holmen that would not be rebuilt with the preferred alternative is not a connected action. As discussed in Section 1.1.1, except for the portion co-located with the Proposal, the Q1 161 kV Rebuild is not addressed in this Final EIS.**