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Contact Information

Cris Kling, Otter Tail Power Company
(O) 218-739-8297
(C) 218-531-0099

Tim Carlsgaard, CapX2020
(O) 612-330-7697
(C) 612-201-7538

Bemidji-Grand Rapids transmission line granted Certificate of Need Routing next step in permitting process for this CapX2020 project

Fergus Falls, Minnesota; July 9, 2009 – The Minnesota Public Utilities Commission (MN PUC) today granted a Certificate of Need (CN) to construct the Bemidji-Grand Rapids 230-kilovolt transmission line. Otter Tail Power Company, Minnesota Power and Minnkota Power Cooperative, Inc., applied for the CN on behalf of themselves and Xcel Energy and Great River Energy in March 2008.

The MN PUC ruling will be posted on the CapX2020 website at www.capx2020.com.

“The MN PUC’s decision confirms the need for an upgrade of this region’s transmission system,” said Al Koeckeritz, project manager from Otter Tail Power Company, the project’s lead utility. “Increasing the area’s transmission capacity will allow us to affordably and reliably meet our customers’ long-term electrical demand growth. And it will increase access to new renewable resources being developed in western Minnesota and in North Dakota.”

The state of Minnesota’s planning and regulatory review process for high-voltage transmission lines is detailed and extensive and involves two steps. The first step, which was completed today, requires utilities to show that there is a need for additional electric power delivery infrastructure and that other system alternatives don’t satisfy the need as well as the proposed transmission project. Public input was solicited through a series of meetings in August 2008 and hearings in May 2009.

The second step is determining the route for the transmission line. During the routing process landowners, local, state, tribal and federal natural resource agencies, and other interested parties provide input regarding the preferred and alternative routes proposed by the utilities. The formal process started in June 2008 when the utilities proposing the Bemidji-Grand Rapids project filed a Route Permit application. After rigorous review, which will include developing an Environmental Impact Statement, opportunities for public comment, and hearings, the MN PUC will determine where the 230-kv line will be constructed. The utilities expect to receive the MN PUC’s routing decision by mid-2010.

Bemidji-Grand Rapids project utilities also are working with Rural Utilities Service and other federal agencies, state agencies and the Leech Lake Band of Ojibwe to address issues associated with constructing the high-voltage transmission line.

Increasing customer demand for electricity spurred need for new infrastructure

The CapX2020 planning process began in 2004 when utility engineers identified problems meeting expected increases in customers' electricity needs. The 2004 studies led to conceptual plans for four Group 1 projects including:

- A 240-mile, 345-kilovolt line between Brookings County, South Dakota, and Hampton, Minnesota, plus a related 345-kilovolt line between Marshall and Granite Falls, Minnesota
- A 250-mile, 345-kilovolt line between Fargo, North Dakota, and Alexandria, St. Cloud and Monticello, Minnesota
- A 150-mile, 345-kilovolt line between Hampton and Rochester, Minnesota, and La Crosse, Wisconsin
- A 68-mile, 230-kilovolt line between Bemidji and Grand Rapids, Minnesota

The 2004 studies underwent extensive analysis to ensure the four identified Group 1 projects would deliver reliable electricity and were appropriate investments for the utilities and their customers.

The CapX2020 organization was formed in 2005 to develop the new transmission lines. The planned 700 miles of electric lines is the largest development of new transmission in Minnesota in nearly 30 years, a period in which demand for electricity has increased dramatically.

The new lines also will provide additional capacity in transmission-constrained areas, particularly in southern and western Minnesota where new renewable generation is planned. "The MN PUC's decision to grant the Bemidji-Grand Rapids CN, along with the CN it granted for the other three CapX2020 Group 1 projects earlier this year, provides direction for new transmission that will provide capacity to meet the nation's most aggressive renewable energy standard," said Terry Grove of Great River Energy, a CapX2020 co-leader.

Minnesota-based utilities or groups that expect to participate in one or more of the CapX2020 projects include: Great River Energy, Elk River; Xcel Energy, Minneapolis; Central Minnesota Municipal Power Agency, Blue Earth; Otter Tail Power Company, Fergus Falls; Minnesota Power, Duluth; and Rochester Public Utilities and Southern Minnesota Municipal Power Agency, Rochester. Participants based outside Minnesota include: Dairyland Power Cooperative, La Crosse, Wisconsin; Minnkota Power Cooperative, Grand Forks, North Dakota; Missouri River Energy Services, Sioux Falls, South Dakota; and WPPI Energy, Sun Prairie, Wisconsin.