

## Big Stone Project Overview

Seven utilities in the South Dakota and Minnesota area are proposing to construct a nominal 600-megawatt coal-fired electric generating station adjacent to the existing Big Stone Plant near Milbank, South Dakota and associated transmission system upgrades located in South Dakota and Minnesota, called the Big Stone II Power Plant and Transmission Line Project. Project Co-owners have applied for interconnection to the Federal transmission system owned and operated by Western. As the lead federal agency, Western is in the process of preparing an EIS in accordance with the National Environmental Policy Act (NEPA), to analyze the potential for impacts to the environment and human resources that could result from the Project development. Before Western can agree to the interconnection, it must consider the Project's potential environmental impacts.

## Project Manager's Corner

I would like to thank everyone who provided comments during the public review period on the Big Stone II Project Draft Environmental Impact Statement (EIS) developed by Western Area Power Administration (Western). The comments and major concerns are summarized in the article "Draft EIS Comments" on page 2 of this newsletter.

As a result of comments received on the Draft EIS concerning the make-up water storage pond and increased construction costs of the pond, Western and the Project co-owners have decided to look at additional cooling alternatives for the proposed Big Stone II Plant. These changes in the proposed Project will be addressed in a Supplemental Draft EIS which will be released in spring 2007. Additional information is provided in the article "Western to Prepare a Supplemental Draft EIS". If you would like to receive a copy of the Supplemental Draft EIS, please fill out the enclosed reply card or e-mail me at [BigStoneEIS@wapa.gov](mailto:BigStoneEIS@wapa.gov).

Because the Project's scope has changed, Western is providing this newsletter to additional parties who may be affected by the proposed changes. For those not familiar with the proposed Project, please see the article on "Big Stone Project Overview" on the back cover of this newsletter.

Also included in this newsletter is an update of the state approval processes that have run concurrently with the Federal environmental review process.

Cordially,

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## Western to Prepare a Supplemental Draft EIS

In September 2006, the Project co-owners approached Western about potential changes to the proposed Project's back-up water supply and cooling systems. These changes were proposed in response to numerous comments on the Draft EIS concerning wetland impacts of the proposed 450-acre make-up water storage pond and revised cost estimates to construct the make-up water storage pond. Western determined that these changes would provide significant new information concerning the environmental impacts from the proposed Project, and that these changes would need to be included in a Supplemental Draft EIS that would be issued for public comment. The Supplemental Draft EIS will re-evaluate the proposed Big Stone II Plant's back-up water supply system and cooling system.

The Supplemental Draft EIS will rely on much of the information in the Draft EIS.

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**The main objectives of the Supplemental Draft EIS are to:**

- Define the back-up water supply for the development of the proposed Project. Different alternatives are being considered for the proposed plant's cooling system.
- Compare those alternatives based on specific criteria.
- Eliminate alternatives that are considered unreasonable.
- Conduct impact analyses for the alternatives carried forward.

New information, as appropriate to the changes in the proposed Project, will be considered and developed for groundwater as a resource for back-up water supply.

The Supplemental Draft EIS is expected to be released in the spring of 2007 with a public comment period following. A public hearing will also be held during the public comment period. Notification of this hearing will be provided via the Federal Register and local newspapers.

Completion of the Final EIS and the Record of Decision is expected during the fall of 2007.

**Draft EIS Comments**

More than 400 comments were received from Federal and state agencies, organizations, businesses and individuals during the comment period on the Draft EIS which ended July 24, 2006. The key issues addressed

in the comments included mercury and carbon dioxide emissions; analysis of renewable technologies – specifically wind power; and the Project's potential impact on wetlands.

Comments on mercury emissions related mainly to their potential impact on human health, particularly for women, children and subsistence fishermen. There were also comments about the assumptions in the Draft EIS related to the impact of mercury pollution on local water bodies. There were some questions regarding the proposed Project's compliance with the Clean Air Mercury Rule as well as requests for more specific information on the types of mercury reduction technologies that may be used by the proposed Project, including activated carbon injection.

Some comments noted concern about the potential impact on climate change and global warming attributed to carbon dioxide emissions from the proposed Project. Some noted that there might be regulations promulgated to limit carbon emissions that the proposed Project would be subject to and the potential economic impacts these regulations would have on rate payers. There were also requests for further analysis of the feasibility of reducing or offsetting carbon dioxide emissions.

Questions were raised about the level of analysis provided in the Draft EIS related to using wind power in place of or in conjunction with coal-fired generation. There were requests that a more thorough analysis be undertaken to compare the environmental costs of generating electricity with coal to the costs associated with renewable technologies.

Other comments included suggestions to mitigate the wetland impact of the water storage pond as well as the impact of the transmission lines. There were requests that the EIS provide a more detailed assessment of the wetlands and stream crossing impacts of the transmission line corridors, including an estimate of the footprint of the towers and construction access roads. There were also comments relating to the prohibition of placing transmission poles or towers within wetlands easements.

All written and oral comments received during the comment period will be considered in preparing the Final EIS.

**Status of State Processes**

**South Dakota** | The Public Utilities Commission of the State of South Dakota (SDPUC) issued an Energy Conversion Facility Siting Permit in its Final Decision and Order dated July 21, 2006, authorizing the construction of the Big Stone II Plant.

The SDPUC transmission route permit process has just been completed. The permit application to construct transmission lines and associated facilities in Grant and Deuel counties was submitted in January 2006 and a public hearing was held March 2, 2006. The SDPUC approved the application at its January 2, 2007 meeting.

**Minnesota** | The combined process for the Certificate of Need and Route Permit for the transmission lines locations proposed in Minnesota is in progress. The Minnesota Draft EIS was published in July 2006 and the comment period ended October 31, 2006; the Final EIS was published

December 1, 2006. Evidentiary hearings were held during an eight and one-half day period between December 5 and December 22, 2006. The process is expected to be completed in the spring of 2007.

**Up-to-date information on the processes for each state can be found at the following web sites:**

<http://www.state.sd.us/puc/commission/dockets/electric/2005/EL05-022/EL05-022.htm>

<http://www.state.sd.us/puc/commission/dockets/electric/2006/EL06-002/EL06-002.htm>

<http://energyfacilities.puc.state.mn.us/Docket.html?id=18215>

Color Key	Q-4 2006	Q-1 2007	Q-2 2007	Q-3 2007	Q-4 2007
<b>Federal EIS Process</b>	◆ Public Hearings	Route Approved	Supplemental DEIS	Final EIS	Record of Decision
<b>South Dakota PUC Transmission Line Permitting</b>	◆ Comment Period ends for Draft EIS	ALJ Report	◆ SDEIS Comment Period	◆ Final EIS Comment Period	
<b>Minnesota CON and Route Permit</b>	Final EIS		◆ Public Hearing		
◆ Public Input	◆ Comment Period of EIS		◆ PUC Hearing		
	Evidentiary Hearing		Need & Route Decisions		
			Notice in State Register		