Minneapolis
City of Lakes

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October 21, 2016

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

RE: City of Minneapolis Comments in Response to FERC Notice of Availability of Draft Environmental Assessment for Crown Mill Hydroelectric Project (FERC Project No. 11175-025)

Dear Ms. Bose,

The purpose of this letter is to provide comments from the City of Minneapolis on Crown Mill Hydroelectric Project, in response to the September 2, 2016, publication of the Notice of Availability of Draft Environmental Assessment by the Federal Energy Regulatory Commission (FERC).

In August 2015, the City of Minneapolis provided comments on a license amendment application for this same project, raising a number of concerns. Review of the Environmental Assessment shows that, while some progress has been made, a number of concerns still have not been fully addressed.

As it currently stands, the Environmental Assessment is inadequate. In many cases, the project is not well enough developed and studies are not far enough along to adequately analyze the potential for significant environmental impacts. The Environmental Assessment needs to be re-written after the necessary information is developed. In addition, as pointed out herein and in the comments of others, there are a number of places where the analysis of the Environmental Assessment is inadequate. In the absence of a new and complete Environmental Assessment, an Environmental Impact Statement is required. Approval of the project as currently presented does show a potential for significant environmental impacts.

The following pages include detailed comments in reference to the Draft Environment Assessment document. We are available to provide additional clarification and details on our comments as needed. These comments were reviewed by the City Council at their Intergovernmental Relations subcommittee meeting on October 13, 2016, and by the full City Council at their meeting on October 21, 2016.

We urge consideration of the issues outlined in this letter. Thank you for your consideration.

Regards,

D. Craig Taylor
Executive Director
Community Planning and Economic Development
City of Minneapolis

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Detailed Comments on Crown Hydro Draft Environmental Assessment (by document page number)

- Page 5, Section 1.3.2 – What is the timeline for the issuance of the Section 401 Water Quality Certificate? Will the outcome impact any of the findings of the environmental assessment?

- Page 6, Section 1.3.5 – The City has repeatedly noted that the project needs to more fully address Section 106 of the National Historic Preservation Act, with a more thorough assessment of the impact on historic resources in the vicinity – and the development of a new Programmatic Agreement. Besides identifying that they play a role in doing this, it appears that little progress has been made in terms of actually completing the work. An adequate Environmental Assessment cannot be completed until this has been done. Any conclusion that there are no significant environmental impacts from the project cannot be made until this work is done. Also as noted before, the City of Minneapolis should be a consulting party on the Section 106 review. While this document indicates a general intent to do this work, there is no identified timeline, target date for completion, or action steps.

- Page 8, Table 2 – Note that the City of Minneapolis submitted comments in the last round in response to the July 30, 2015, public notice. The comments herein are consistent with the issues identified by the City at that time.

- Page 9, Section 2.2 – The "100 cfs minimum flow over St. Anthony Falls dam" is much lower than the City and other local agencies have identified as being necessary to preserve historic, cultural and aesthetic values of St. Anthony Falls. We don't think this minimum flow level is adequate. If the Crown Hydro project is based on the assumption that this very low level is acceptable, the project should be re-evaluated to see if the project is still financially and logistically feasible if a higher minimum flow requirement for the Falls is established.

- Page 15, Section 3.3.1.2 – The proposed project is located within the Mississippi River Corridor Critical Area (MRCCA). The Minnesota Department of Natural Resources' new regulations for this area limit (or in some cases prohibit) excavation and soil removal, land alteration, and removal of vegetation within the Critical Area – particularly the Shore Impact Zone. It does not appear that this environmental assessment takes into account these regulations, at least not explicitly. The project should be explicitly evaluated in the EA on the assumption that it will be constructed and operated consistent with these regulations (whether they legally apply or not).

- Page 18, Section 3.3.1.2 – In addition to general concerns about geotechnical stability in the area, the City emphasizes the need for additional precautions around historic resources – including subterranean tunnels in the vicinity and the Stone Arch Bridge. The EA should explain how these precautions will eliminate the potential for significant environmental impacts.

- Page 19, Section 3.3.1.2 – The project use of riprap should be consistent with the conditions in the MRCCA regulations for riprap, governing its placement and configuration. The EA's analysis should take into account the MRCCA regulations for riprap.

- Page 22, Section 3.3.2.1 – Additional explanation of why the DNR determined that a water appropriations permit will not be needed for this project should be included here. This determination represents a departure from previous DNR practice for projects such as this one. There is no consensus that this is a correct interpretation. For the sake of both this project and future ones, the reasoning behind this administrative level determination of the DNR should be documented.

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- Page 30, Section 3.3.2.2 – The document states that "project operational discharges would be comparable to flow rates during active lockage events." This is not a logically helpful conclusion, even if true. The lock and dam system is now permanently closed. There are no active lockage events. There is already a new normal at the project site. The effect of the project's discharge into the river will be disruptive to the current normalized state of river flow in this vicinity. Additionally, while lockage events were only a few times a day while they were in operating, this discharge will presumably be significantly more frequent in comparison. The EA's analysis of the flow rate cannot assume this will be an acceptable level without a discrete and detailed analysis as to how this will change current (not past) conditions and may or may not show the potential for a significant environmental impact.

- Page 32, Section 3.3.2.2 – The document makes reference to the Aesthetic Flow Adequacy Plan for the St. Anthony Falls project, and the project's willingness to participate. However, the language doesn't say the project is actually going to bear responsibility for lessening operations to maintain aesthetic flow as needed. In fact, the EA states it is the "sole responsibility of Xcel Energy to provide minimum aesthetic flows. This conclusion does not in any way deal with the ultimate issue of whether the approval of this project has a potential for impacting, in an environmentally significant way, the historical, cultural and aesthetic values of adequate flow over St. Anthony Falls. This section fails to properly analyze the ultimate question for an EA, which is whether approval of the project is likely to have a potential for a significant environmental impact. This section also contradicts several other sections of the EA which refer simply to a 100 cfs minimum flow for the falls. The EA also notes on page 65 that the Aesthetic Flow Plan will not be complete until December 2016., It is premature to make decisions based on assumptions about flows and allocations until the Aesthetic Flow Plan is is complete and it is known whether the applicant and the existing licensees at St. Anthony Falls can implement that Aesthetic Flow Plan in a way that will reasonably protect the historic, cultural and aesthetic values preserved by an appropriate flow over St. Anthony Falls.

- Page 60, Section 3.3.6.2 – The EA identifies a number of potential conflicts with the Park Board's use of this area for recreational purposes. While some have been addressed, others are still unresolved, including mitigating visual impacts of the proposed powerhouse, finalizing rerouting of portage routes, and clarifying potential impacts on the Water Works park area whose development may coincide with Crown Hydro's project development. The Central Mississippi Riverfront Regional Park is a centerpiece in the region's world class park system, which attracts millions of visitors a year. The EA needs to provide a more careful consideration and analysis of the project's impact on this park and on other recreational resources in the area.

- Page 70, Section 3.3.8.1 – The EA notes that an earlier archaeological study was conducted of the area and "recommends that additional studies to identify archaeological resources should be implemented, including the monitoring of construction activities." It also notes that this earlier study assumed a different location for the proposed powerhouse, so presumably a different area of impact. Later in 3.3.8.2, it notes that "cultural resources studies have not yet been completed and effects are unknown." Additionally, it notes "identification of historic properties within the project APE and the assessment of project effects was not complete." It is unclear how and when the applicant plans to follow up on these issues, including additional needed studies. As the EA acknowledges, there could be significant impacts that have not yet been fully identified and documented, and which might entail mitigation that would have a substantial impact on the project scope. Without the completion of this work, the potential for significant environmental impacts cannot be properly analyzed. Until that time, the Environmental Assessment is inadequate.

- Page 80, Section 5.1 – The recommended alternative states that "the proposed and staff-recommended environmental measures would protect project resources." However, as noted above, there are several

studies that document impacts on resources that have not yet been completed. As such, it is premature to make any recommendation based on impacts of the project in its currently proposed form. It's notable that the staff-recommended historic resource measures associated with Section 106 are not enumerated here with the rest. Likewise, the Finding of No Significant Impact in Section 6.0 is premature. The Environmental Assessment is inadequate on these issues.

CONCLUSION

The Environmental Assessment is inadequate. In many cases, the project is not well enough developed and studies are not far enough along to adequately analyze the potential for significant environmental impacts. The Environmental Assessment needs to be re-written after the necessary information is developed. In addition, as pointed out herein and in the comments of others, there are a number of places where the analysis of the Environmental Assessment is inadequate. In the absence of a new and complete Environmental Assessment, an Environmental Impact Statement is required. Approval of the project as currently presented does show a potential for significant environmental impacts.

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