

Powering Progress:

TRANSFORMING CLEAN ENERGY PERMITTING
FOR A GREENER MINNESOTA



NorthStar
POLICY ACTION

Contents

Executive Summary	4
Key Findings	
Accelerating Change	5
The Clean Energy Project Approval Process in Minnesota	7
The Problem: Permitting Roadblocks	9
Current Permit Processing Times	
Potential Clean Energy Proposals	
Keeping Up with the Neighbors	
Charting a New Course: Reforming Problematic Features of Minnesota’s Permitting Process	15
Conclusion	19

Executive Summary

In 2023, Governor Walz and the State Legislature established one of the nation's most ambitious climate change goals, committing Minnesota to 100% carbon-free electricity by 2040. While many have rightly cheered this goal, several observers have also pointed out that we must create the infrastructure to reach it. We need the wind and solar farms to generate this clean energy

and the transmission lines to carry that energy to the electric grid. Unfortunately, too many clean energy projects remain bogged down in an inefficient permitting process.

This report shows that without significant reforms to Minnesota's large energy facility permitting process, we could fail to realize our carbon-free ambitions.

- ◆ **The pace of clean energy creation must double:** If Minnesota added clean energy generation at the rate achieved over the last decade, we would not reach 100% clean electricity until 2062. We will only reach 100% carbon-free electricity by 2040 if we double the pace at which we add solar, wind, and other clean power resources.
- ◆ **Projects are delayed in permitting:** Minnesota's permitting process for clean energy projects is slower than necessary, due in part to inefficiencies. For example, large transmission lines that move clean energy across the electric grid are in the permitting process for an average of 673 days.
- ◆ **The permitting process is getting slower:** Despite the increased urgency to combat climate change, clean energy projects are taking longer to get through the permitting process. For example, solar projects started in 2015 took an average of 300 days to receive a permit for construction. By contrast, solar projects started in 2019 saw an average time of 549 days.

- ◆ **Our future capacity is being delayed:** The energy capacity of clean energy projects waiting for permits and/or transmission interconnection in Minnesota is nearly double that of the state's existing clean energy generation fleet. These potential projects are being held back by transmission congestion which is exacerbated by permitting delays.
- ◆ **Minnesota is falling behind its neighbors:** While none of Minnesota's neighbors have clean energy targets that match our ambitions, they are generally outpacing us in clean energy generation growth. For example, Iowa and South Dakota's share of electricity coming from wind and solar sources increased nearly four times more than Minnesota's share between 2017 and 2022.

To reverse this trend, Minnesota should make several changes to speed up the permitting process for clean energy projects. These include making the process more consistent across types of projects, eliminating redundancies, and simplifying public input opportunities. With the urgency of addressing climate change becoming increasingly apparent, saving this time is more critical now than ever.

Accelerating Change

Minnesota is getting warmer due to human activity. From 1895 to 2021, the daily average minimum temperature in the northern part of the state increased by 7.3 degrees Fahrenheit, while it grew by 6 and 4.9 degrees in the central and southern parts of the state, respectively.¹ The consequences of failing to respond to this human-caused climate change are clear. One study suggests that failing to accelerate our path towards a carbon-free future could result in Minnesota losing more than 150,000 jobs in clean energy supply by 2050, along with \$44 billion lost to the state's economy.²

Fortunately, the state is taking action. In 2023, Governor Walz and the State Legislature established one of the nation's most aggressive electric sector decarbonization mandates in the country, requiring Minnesota's utilities to provide 100% carbon-free electricity to their customers by 2040.³

To reach that goal, the state must rapidly increase the pace of our clean energy development.

Today, approximately 51% of Minnesota's electricity comes from carbon-free sources, including wind, solar, hydroelectric, and nuclear.⁴ To reach the 100% goal, nearly all the remaining growth in electric

generation will need to come from zero or low-carbon resources, primarily wind and solar generation. Over the last decade, Minnesota's share of electricity from those renewable sources has grown at a relatively steady rate, climbing from 14.6% in 2012 to 20.1% in 2017 and then up to 27.3% in 2022.⁵

For Minnesota to reach its climate change target, the pace of growth in solar and wind energy generation needs to double.

Figure 1 draws on this information to plot distinct scenarios for Minnesota's energy future, starting with our current share of 51% and projecting forward based on different wind and solar growth rates. The yellow dashed line provides a projection for the state if the pace of growth for those three sources over the last ten years remains stable

in the future. In that scenario, Minnesota would not reach 100% clean electricity until 2062. Even if we assume the slightly more accelerated pace achieved between 2017 and 2022, this goal is still not met until 2057, as illustrated by the dark blue line.

By contrast, the light blue line demonstrates that for Minnesota to hit its climate change target, the pace of growth in solar and wind energy generation needs to double, increasing from the 1.44% share added per year from 2017 to 2022 to 2.88%. In the face of this gap between Minnesota's energy ambition and its energy present, the state must identify ways to speed up its transition to carbon-free electricity sources.

One clear area of concern is the permitting process for clean energy generation and transmission, meaning the time governments take to review and approve projects that will supply more carbon-free energy in the US. At present, permitting delays cost the nation

¹ "Minnesota's climate action framework." Minnesota State Government, <https://climate.state.mn.us/sites/climate-action/files/Climate%20Action%20Framework.pdf>.

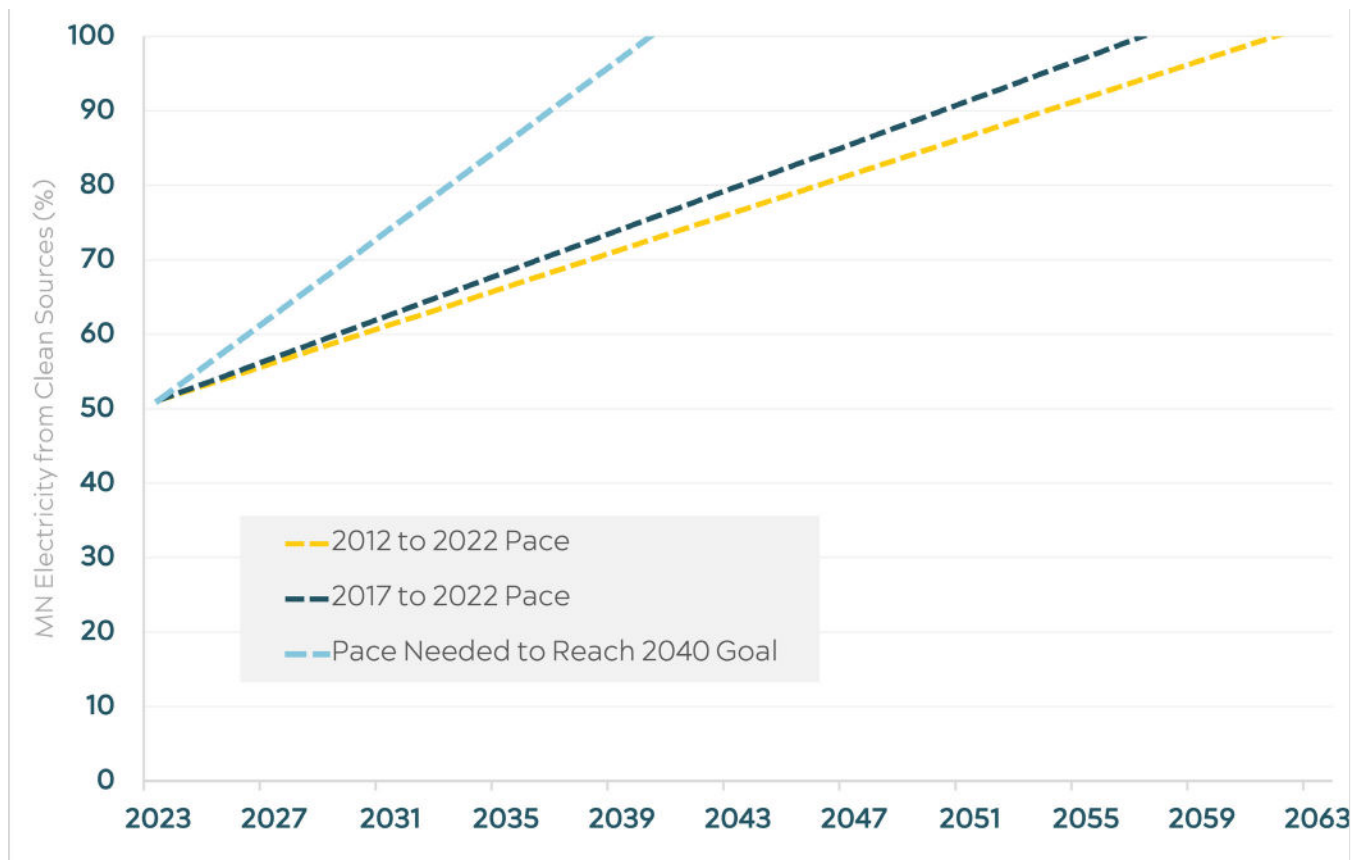
² Stats taken from Net-Zero America, a project of Princeton University. Stats can be found at: <https://netzeroamerica.princeton.edu/img/State%20Summaries.pdf>.

³ "Governor Walz signs bill moving Minnesota to 100 percent clean energy by 2040," Minnesota Department of Commerce, February 7, 2023, <https://mn.gov/commerce/news/?id=17-563384>.

⁴ Stat taken from the Energy Information Administration, Electric Power Monthly, and represent Minnesota Net Electricity Generation by Source in November of 2023. Stats can be found at <https://www.eia.gov/state/?sid=MN#tabs-4>.

⁵ American Clean Power, "2022 Annual market report: Clean energy powers America," 2023. <https://cleanpower.org/market-report-2022/>.

FIGURE 1: SCENARIOS FOR REACHING 100% CLEAN ELECTRICITY IN MINNESOTA



Data Source: American Clean Power, “2022 Annual market report: Clean energy powers America,” State-by-State Penetration Graph, 2023. <https://cleanpower.org/market-report-2022/>. Projections created by the author’s analysis.

an estimated 150,000 clean energy jobs and 550 million metric tons of carbon emissions, equal to the amount of carbon saved by removing 120 million cars from the road.⁶ In Minnesota, our analysis finds that the process for approving clean energy permits has become slower in recent years, even as the urgency and desire to tackle climate change has grown.

This report demonstrates how reforming the current permitting process could significantly aid Minnesota’s efforts to reach a carbon-free future and identifies ways to improve the process’s efficiency and timeliness to

align better with Minnesota’s ambitious clean electricity goals.

Minnesota currently requires electric utilities to file 15-year integrated resource plans, reflecting the reality that designing and constructing new energy infrastructure takes time.⁷ With that 15-year timeline, 2040 is one utility planning cycle away. In other words, 2040 starts next year for the utilities responsible for building out Minnesota’s net-zero infrastructure. If we are going to improve the permitting process, change must happen now.

⁶ American Clean Power, “US permitting delays hold back economy, cost jobs,” April 2023, https://cleanpower.org/wp-content/uploads/2023/04/ACP-PermittingReform_230407_3.pdf.

⁷ Minnesota Public Utilities Commission, “Electric Resource Planning,” <https://mn.gov/puc/activities/economic-analysis/planning/irp/>.

The Clean Energy Project Approval Process in Minnesota

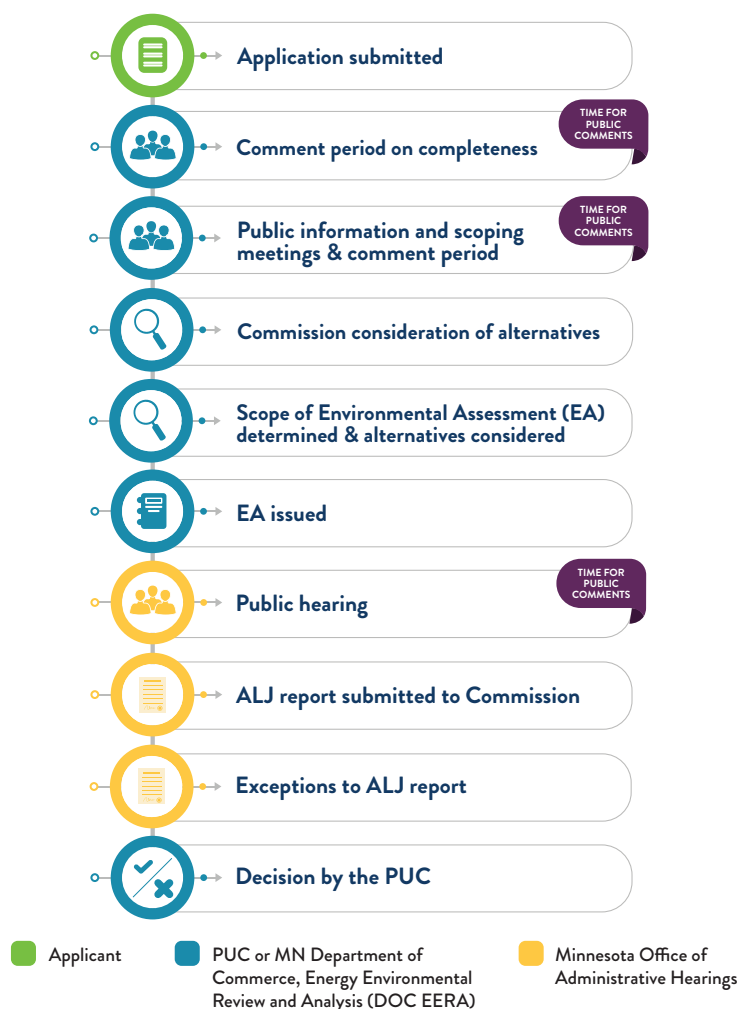
The process for approving clean energy projects should protect the public interest by thoroughly examining potential safety, environmental, human, and socioeconomic impacts. Accomplishing this task requires public input along with the development and careful consideration of data on baseline conditions and project impacts. However, the need for review and public input does not justify inefficiencies, delays, or excessive costs.

Minnesota's permitting processes for clean energy generation and transmission projects can be substantially more efficient, timely, and cost-effective without sacrificing public input or the review needed to protect public interest. In fact, current inefficiencies in the permitting processes can negatively impact community voice and impede a thorough review by causing confusion and uncertainty.

In Minnesota, the clean energy project approval process involves a review by the Public Utilities Commission (PUC), including a decision on whether the project is needed, followed by a permitting process to determine where the project can be built. Notably, the state's statute guiding this clean energy permitting process is 50 years old. While the process has held up admirably considering its age, it requires significant upgrades to better align with the challenges we face today and the technologies we possess to address them.

FIGURE 2: MINNESOTA PUC ALTERNATIVE PERMITTING PROCESS FOR SOLAR ENERGY PROJECTS

MINNESOTA PUBLIC UTILITIES COMMISSION ALTERNATIVE PROCESS



Within this statute, the state has created different processes for distinct clean energy project types. Solar generation projects go through the Alternative Review permitting process laid out in Figure 2.⁸ Wind generation projects are permitted through a different process under a different statute.⁹ Adding more variation, some transmission projects that connect new wind and solar generation to the electric grid face a different and more lengthy process.¹⁰

This variation in the permitting process creates uncertainty and confusion for clean energy project developers and the public. Developers must consider these distinctions when compiling their project applications. At the same time, the public must navigate these differences when identifying ways to make their voice heard. While such complexity might be worthwhile if it provided a benefit, the public good served by the differing processes for wind and solar is not

apparent, an issue to which we will return in the concluding section.

While it is outside the scope of this report to go through each stage of these distinct permitting processes, a couple of notable features merit more attention. First, as seen in Figure 2, the permitting process involves many steps, creating several places where projects may be delayed. Second, several of these steps create opportunities for public input, ensuring that projects take into account the feedback of directly impacted individuals. Ultimately, evaluating this process requires a more thorough consideration of the time it takes for permits to be issued and how the steps involved in this process provide value to the public, as opposed to creating unnecessary inefficiencies that prevent Minnesota from reaching its clean energy goals. We consider each of these issues in greater detail below.

⁸ The relevant statute is Chapter 216E.04: Alternative Review: <https://mn.gov/puc/activities/energy-facilities/solar-energy/alternative-review/>

⁹ The statute governing wind energy is Chapter 216F, <https://www.revisor.mn.gov/statutes/cite/216F>.

¹⁰ The statute governing larger transmission projects is Chapter 216E, <https://mn.gov/puc/activities/energy-facilities/power-plants-transmission-lines/full-process/>

THE DODGE COUNTY WIND PROJECT

The Dodge County Wind Project illustrates the potential benefits of clean energy development in Minnesota. Consisting of 79 turbines capable of producing 259 megawatts (MW), the construction of this wind farm is estimated to create 400 jobs and bring in \$200 million in economic development. Following its initial construction, the wind farm is anticipated to net approximately \$1 million in taxes annually for the host counties.¹ All of these economic benefits come on top of the wind farm serving as a partial replacement for power from Coal Creek Station, exemplifying a project that helps Minnesota transition from fossil fuels to clean, renewable energy.²

On October 4, 2018, Dodge County Wind, LLC (DCW) had its application for the wind farm accepted by the PUC, officially beginning the permitting process. After more than five years, 122 local government meetings to provide project updates, and 44 local events, the Dodge County Wind Project remains in the permitting process.

Some of this delay is due to developments outside of the permitting process. DCW had to re-file its application after it became clear that transmission congestion would add \$90 million in upgrade costs to the project, which forced DCW to reconfigure its transmission interconnection plans. While this hindrance points to obstacles outside of the state's permitting process, it also connects to issues within that process.³

First, the \$90 million upgrade stems from poor transmission infrastructure in Minnesota. Improvement of this infrastructure requires permitting for new transmission projects, highlighting the vicious cycle created by an inefficient permitting process. Second, these outside obstacles become more impactful when the permitting process takes so long because they force applicants to start over, setting them back at the beginning of the lengthy process. These delays build on top of each other, as the remainder of DCW's story reveals.

DCW re-filed its application in September of 2021, utilizing a new substation that would not require the \$90 million upgrade. In this proposal, DCW sought to use state highways for a new 26-mile transmission line to carry the energy to the substation. This plan ran into roadblocks when the Minnesota Department of Transportation (MnDOT) determined that DCW was not eligible to use the state highway right-of-way because the company is not a regulated utility.

DCW then filed an amended application featuring new routes in January 2022. Throughout the remainder of 2022, DCW faced objections from the local governments along the transmission route, including calls to have the transmission line built along the state road right-of-way that DCW was not eligible to utilize. These objections led the PUC to set up an Advisory Task Force composed of local officials in January 2023. After meeting throughout March and April, the Task Force released a report in May 2023.

Following that report, DCW identified two new feasible routes in August 2023. After proposing these routes, DCW met with local officials in the fall and winter of 2023 to discuss any concerns, including walking through the placement of all transmission poles along the 26-mile line. This effort culminated in a meeting with Dodge County and Mower County officials in December 2023. At that meeting, Dodge County indicated it preferred one route, while Mower County said it preferred the other.

A final PUC decision on the Dodge County Wind Farm is expected in April of 2024, nearly six years after DCW's initial application was accepted and almost three years after the application was re-filed.

In noting this timeline, it is critical to remember that the Dodge County Wind Project is supposed to partially replace a closing coal power plant with wind power, moving Minnesota towards the energy future it needs to combat climate change. Processes like this jeopardize that future by delaying the project's creation and providing a blueprint for other actors to seize upon in obstructing future developments. The State Legislature took action last year by passing a law that allows Independent Power Producers like DCW to obtain permits to build transmission lines along state roads as long as they comply with public safety and roadway use requirements, removing one of many barriers that have delayed this project.⁴

1. Darian Laddy, "Dodge County wind project met with contention from landowners," KTTC, May 10, 2022, <https://www.kttc.com/2022/05/10/dodge-county-wind-project-met-with-contention-landowners/>.

2. Mike Hughlett, "Great River announces Minnesota wind-farm projects to replace coal plant power," Star Tribune, December 10, 2020, <https://www.startribune.com/great-river-announces-minnesota-wind-farm-projects-to-replace-coal-plant-power/573357771/>.

3. All information on project developments for the Dodge County Wind Project can be found in the Project Docket Details on the Minnesota Commerce Department's website at <https://apps.commerce.state.mn.us/web/project/13113>.

4. This change to state right-of-way usage for Independent Power Producers was included in SF 2591/HF 2570, a version of which was incorporated in the omnibus transportation bill, https://www.revisor.mn.gov/bills/text.php?number=SF2591&version=latest&session=ls91&session_year=2023&session_number=0.

The Problem: Permitting Roadblocks

CURRENT PERMIT PROCESSING TIMES

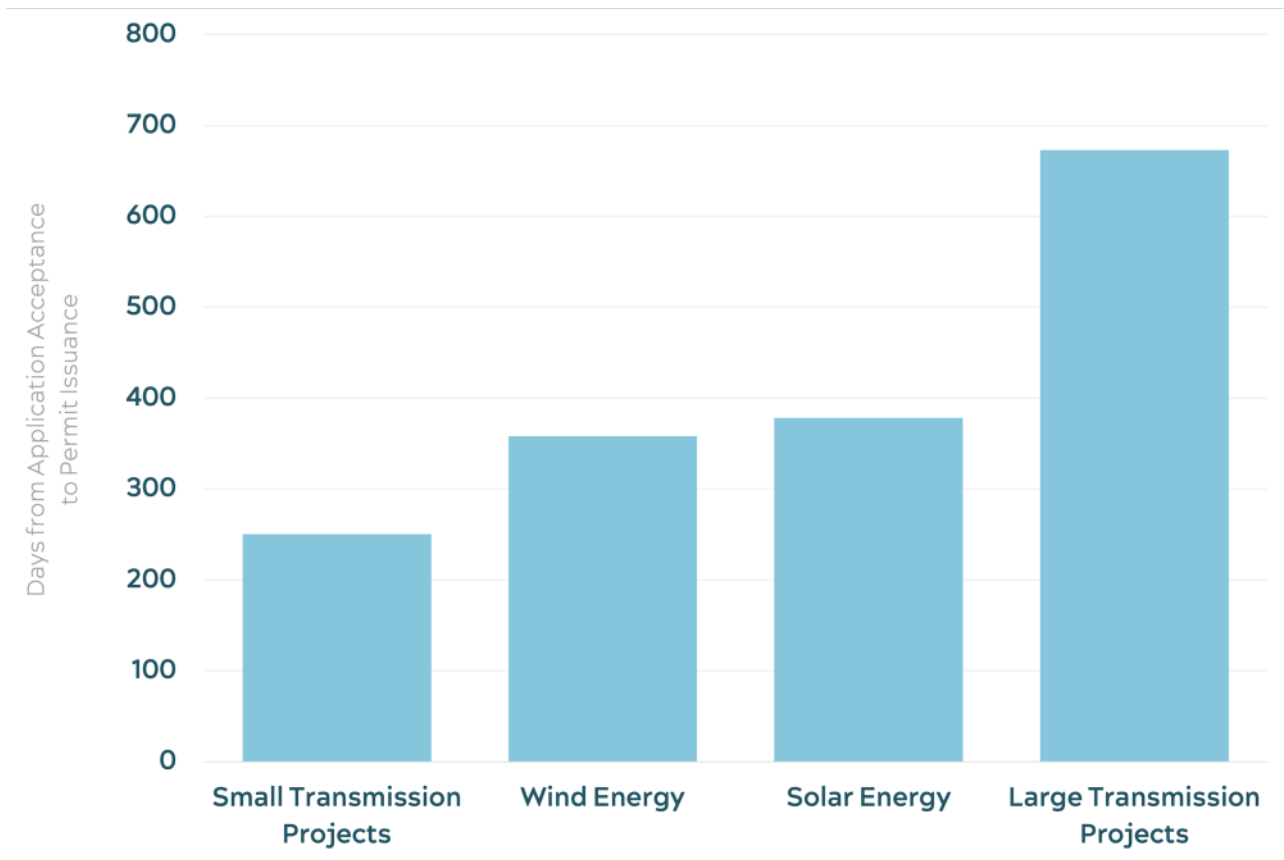
The Dodge County Wind Project may serve as a particularly troubling case for clean energy permitting in Minnesota, but it is by no means alone in experiencing a lengthy process. The average time from application acceptance to permit issuance by the PUC is 250 days for small transmission lines, 358 days for wind farms, and 378 days for solar farms. For larger transmission line projects, the review process takes nearly twice as long with an average of 673 days.¹¹

¹¹ Statistics on average permitting time taken from an informational presentation to the Stakeholder Group on permitting improvements formed by the PUC. The presentation, titled “MPUC Permitting and Environmental Review” was given to the group on October 6, 2023. Average timelines are found on slide 30 of the presentation.

While these wait times are long, it is crucial to understand that they almost assuredly understate the challenges faced by entities looking to construct clean energy infrastructure in the state for two reasons. First, Minnesota has a short construction season due to our climate, meaning these projects can only be built during warmer months. A delay of even a few weeks may be enough to push a project through a construction season, effectively creating a 6-month to year-long wait.

Second, the time between application acceptance and permit issuance is just one aspect of the challenge, since most projects undergo a lengthy pre-application process during which applicants collect information, engage local communities, and develop

FIGURE 3. AVERAGE TIME FROM APPLICATION ACCEPTANCE TO PERMIT ISSUANCE FOR CLEAN ENERGY PROJECTS IN MINNESOTA



initial engineering plans. Often, the time required to prepare the application is directly proportional to the complexity and length of the permitting process. Developers and utilities engage in lengthy analyses during the pre-application stage because seemingly minor changes or errors can substantially delay or derail the process. In some cases, applicants spend years and millions of dollars on pre-application efforts that add to the time and money required to build new clean energy generation and transmission facilities.

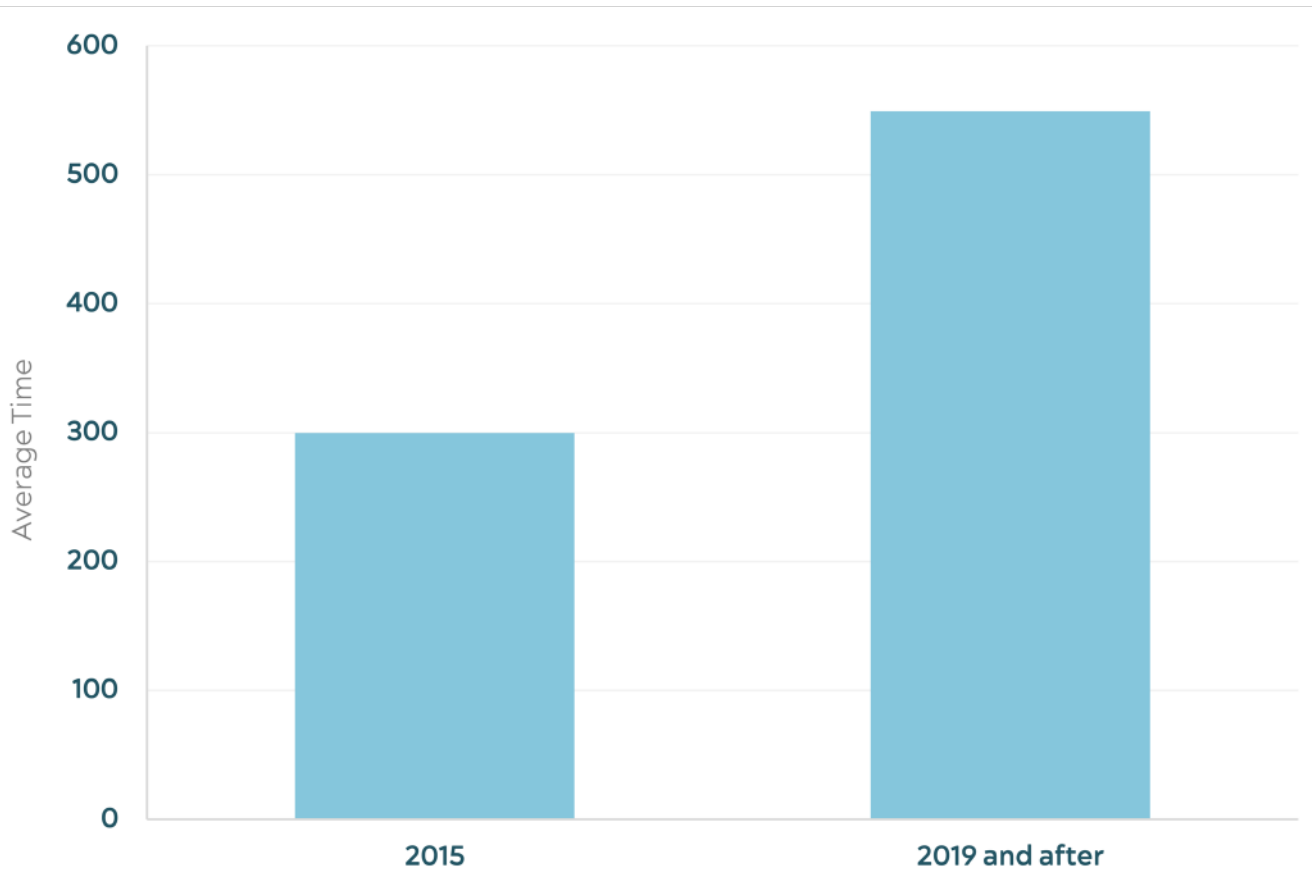
It is particularly concerning that permitting timelines seem to be increasing. An analysis of Minnesota solar projects started in 2015 finds that the average time from application acceptance to permit issuance was 300

days.¹² By comparison, solar projects that began in 2019 or after and have had their permits issued saw an average time from acceptance to issuance of 549 days.

Put simply, Minnesota is moving in the wrong direction. The apparent urgency of addressing climate change, and the ambitious response from the government to do so, demand a process that works more efficiently rather than one that creates ever greater delays.

¹² Author's analysis of data from Minnesota's Commerce Department at <https://apps.commerce.state.mn.us/eera/project-search.xhtml?tags=powerplants%26NUCLEARPOWERPLANTS>.

FIGURE 4. AVERAGE TIME FROM APPLICATION ACCEPTANCE TO PERMIT ISSUANCE FOR SOLAR PROJECTS IN MINNESOTA, 2015 V. 2019 AND AFTER



POTENTIAL CLEAN ENERGY PROPOSALS

The impact of these delays is further underscored when considering the number of clean energy projects that could be coming to Minnesota. Consider that the state currently has 13 open solar energy projects in the permitting process that are expected to produce 1,600 MWs and ten wind energy projects expected to generate 1,750 MWs.¹³

As a point of comparison, we can look at the Minnesota clean energy projects sitting in the Midcontinent Independent System Operator (MISO) queue. As the Regional Transmission Organization (RTO) responsible for the flow of electricity across the midcontinental area, the projects in MISO’s

queue indicate Minnesota’s potential clean energy future.

At present, this queue contains 71 projects for Minnesota, with an expected output of 12,076 MW.¹⁴ As a reference point, those 12,076 MW can be compared against the 6,119 MW of clean energy currently operating in Minnesota.¹⁵

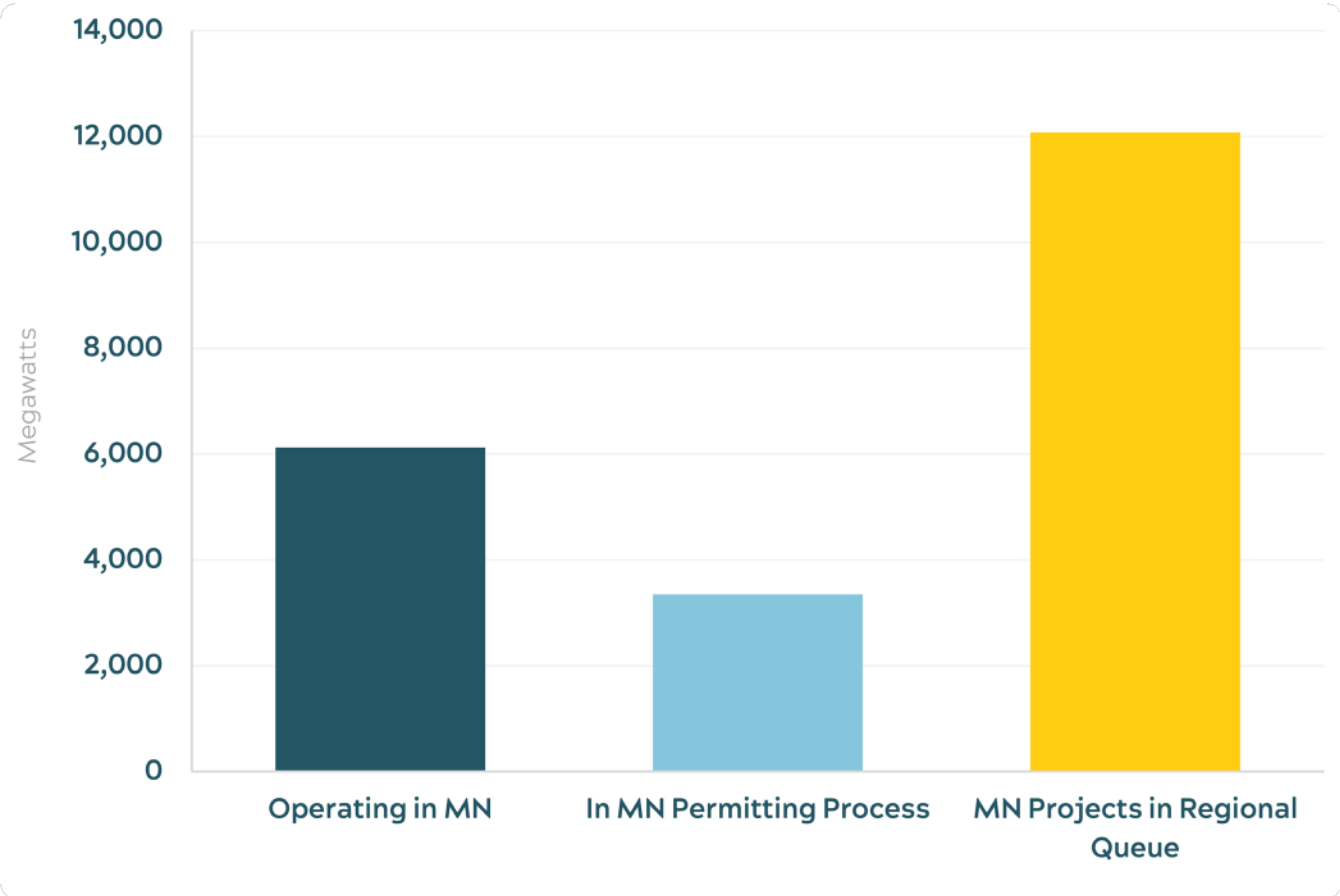
While this is a promising amount of potential clean energy for Minnesota, two interconnected challenges exist. First, projects can only proceed through the MISO queue if the transmission grid has the capacity to interconnect them. The

¹³ Author’s analysis of data from Minnesota’s Commerce Department at <https://apps.commerce.state.mn.us/eera/project-search.xhtml?tags=windpower>

¹⁴ Author’s analysis of data from MISO’s interactive queue, found at https://www.misoenergy.org/planning/resource-utilization/GI_Queue/gi-interactive-queue. Numbers are current to January 11, 2024.

¹⁵ American Clean Power, Clean power state-by-state, “Minnesota,” <https://cleanpower.org/facts/state-fact-sheets/>. Data current through September 2023.

FIGURE 5. WIND AND SOLAR ENERGY IN MINNESOTA



Dodge County Wind Project demonstrates this issue, as the developers found that their original design could only work after significant, costly upgrades to the transmission system.

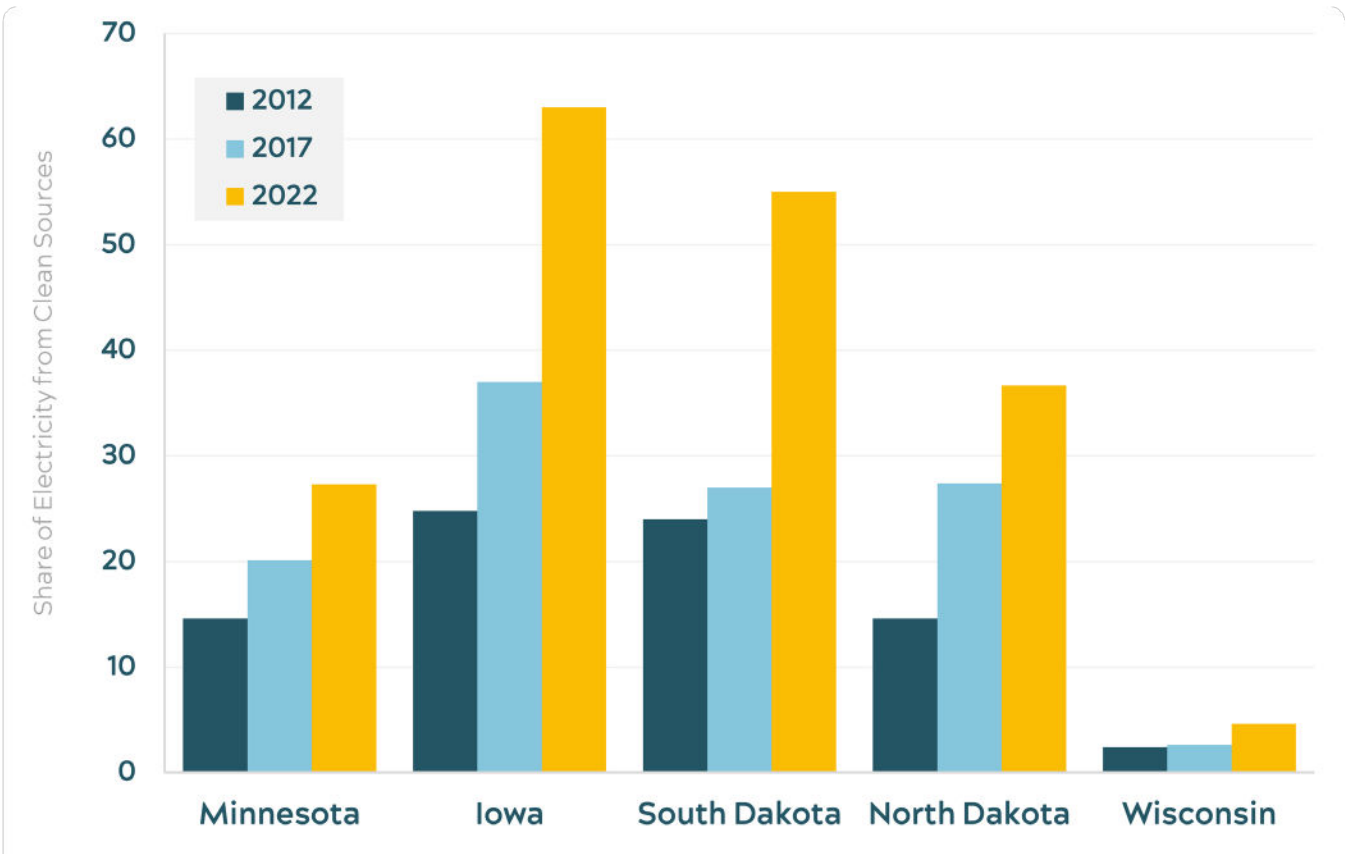
Second, the state’s permitting process hampers the ability to build transmission projects that would improve this capacity. Figure 3 shows the average permitting process time for large transmission projects is 673 days. As a result, many clean energy projects that would help the state combat climate change remain stuck in the MISO queue, waiting for transmission lines that would make the projects viable. These interconnected issues demonstrate the vicious cycle created by slow permitting times for transmission projects in Minnesota.

If Minnesota wants to be in a position to take advantage of these potential clean energy projects in time to help the state achieve its 2040 goal, greater efficiency will need to be achieved. Lacking such a change, those 12,076 MW of potential energy may be substantially delayed.

KEEPING UP WITH THE NEIGHBORS

The slow pace of Minnesota’s transition to clean energy is made clear when examined next to some of its regional neighbors. As noted previously, Minnesota has steadily increased its share of electricity from wind, solar, and battery storage over the last ten years. Figure 5 shows the story is quite different in several states around us.

FIGURE 6. SHARE OF WIND, SOLAR, AND BATTERY STORAGE-GENERATED ELECTRICITY AMONG NORTHERN MIDWEST STATES



Data Source: American Clean Power, “2022 Annual market report: Clean energy powers America,” State-by-State Penetration Graph, 2023. <https://cleanpower.org/market-report-2022/>.

Among its neighbors, only Wisconsin has grown its share of electricity from these three sources more slowly than Minnesota, with Iowa, South Dakota, and North Dakota all becoming national leaders in clean electricity over the last decade. Iowa and South Dakota specifically increased their share of clean electricity by 26% and 28% from 2017 to 2022, respectively, making them 1st and 3rd in the country for the proportion of their electricity coming from wind, solar, and energy storage power plants. By comparison, Minnesota's share grew by 7%, leaving them ranked 13th among states.¹⁶

There are assuredly several factors driving these differences, such as clean energy potential from wind and solar sources

and population size. For example, while Minnesota has grown its share of electricity from these sources at a slower rate, its installed energy capacity from these sources (6,119 MW) is greater than South Dakota (3,301 MW) and North Dakota (4,302 MW), though it trails Iowa on this metric too (13,278 MW).¹⁷ In short, Minnesota does create a lot of clean energy, but it needs to create a lot more and it needs to do so quickly.

To understand the role that permitting may play in Minnesota's relatively slower growth, it is helpful to examine particularly problematic aspects of Minnesota's permitting process and how the state could address these.

¹⁶ Ibid.

¹⁷ Ibid.

Charting a New Course: Reforming Problematic Features of Minnesota's Permitting Process

The section below identifies obstacles within the permitting process that prevent clean energy projects from getting built, along with recommended changes to alleviate those problems and an estimate of the reduction in permitting time produced by those changes. The list below is not exhaustive of permitting problems or solutions but reflects several common-sense reforms that could be implemented immediately to provide a first step towards a more efficient process for approving clean energy projects in Minnesota.

Notably, many of these reforms reflect ideas from the Stakeholder Group that was created by the PUC in August of 2023 to discuss improvements to the permitting process. This group consisted of individuals from state agencies, environmental advocacy organizations, utilities, developers, labor unions, local governments, and farm organizations. After meeting three times, their final report was presented to the PUC in December of 2023. The list below includes proposals discussed by that group, though several additional reforms can be found within their final report.¹⁸

Problem 1: Variation in permitting process across types of clean energy projects

As noted earlier, Minnesota currently has a distinct process for wind projects, which differs from those for solar and transmission lines. This variation adds time to the pre-application process, as developers interested in pursuing different types of clean energy projects must navigate this distinction as they create their proposals.

Moreover, these differences can confuse the public, who must navigate the shifting venues for their input during the process. Putting all clean energy projects through the same permitting system would provide clarity for both applicants and the public, creating a more consistent approach to renewable energy generation.

Solution 1: Put all wind and solar generation facilities through the same permitting process.

Problem 2: Environmental Assessment Redundancy

An environmental assessment of the proposed project is vital to any clean energy permitting process. In Minnesota, the Department of Commerce's Energy Environmental Review and Analysis unit (EERA) has responsibility for preparing an environmental assessment. In doing so, Minnesota differs from several of its neighbors, where responsibility for this assessment is placed with the project applicant first, with this assessment then reviewed by a state agency.¹⁹

Through this shift in responsibility, other states recognize that applicants already engage in an environmental review in the creation of their application, and thus having the state agency engage in its own analysis merely serves to replicate existing work. Rather than creating this redundancy, state efforts can be better concentrated on reviewing the applicant's environmental assessment, ensuring that

¹⁸ The full Stakeholder Report can be found at https://www.lec.mn.gov/2024/01242024/Permitting_Reform_Report_Final_1.2.24_Update.pdf.

¹⁹ For example, North Dakota notes that environmental studies must be completed prior to an application being submitted. As an example, see the environmental study requirements for transmission projects on slide 3 at <https://psc.nd.gov/docs/consinfo/siting/SitingPowerPoint.pdf>.

the analysis is accurate and that the project is environmentally sound before it proceeds to the next round of public comment. In doing so, the state is placed into a better role, wherein it is tasked with critiquing the analysis of others instead of engaging in its own analysis, which duplicates efforts already undertaken by applicants.

Having the applicant engage in the environmental assessment is already the process Minnesota follows for wind energy facilities, so this recommendation involves utilizing this same procedure for solar, storage, and transmission line projects. It also ensures that the environmental assessment is available earlier in the permitting process, making more information available to inform the public.

Solution 2: Transfer responsibility for preparing the Environmental Assessment for solar, storage, and transmission line projects from the EERA to the Applicant.

Expected reduction in overall permitting timeline: 30–60 days.

Problem 3: “Straw Man” Review Requirements

When constructing transmission lines to carry clean energy to the electric grid, current rules require applicants to submit two route proposals. In some cases, the applicant may identify multiple viable routes for study. In other cases, however, the applicant identifies a single feasible route that satisfies all permit criteria, but is still required to propose a “straw man” alternative. Such a requirement not only means that applicants must go through an extensive process to plan a route they may have no intention of utilizing but also that many members of the public are made unnecessarily concerned by a route that the applicant has no intention

of building. Put simply, requiring two route proposals simply for the sake of having two routes serves no party’s interests.

Solution 3: Eliminate the requirement for applicants to propose two routes and provide flexibility for alternative routes to be proposed by the applicant or members of the public.

Problem 4: Reliance on processes that discourage public input

Minnesota’s existing process allows for the use of two mechanisms that can make it difficult for residents of impacted communities and other members of the public to participate. First, permit applications can be referred to Contested Case Hearings in which an Administrative Law Judge accepts testimony and evaluates arguments made by parties through a formal legal proceeding. While the process can be used to sort out factual disputes, it is often much less accessible than informal PUC proceedings for individuals or organizations who lack legal representation.

Second, current rules allow for the creation of Advisory Task Forces to review potential impacts and alternatives to the project. Rather than offering an additional venue for public input, these task forces limit participation to municipal governments, potentially undermining the voices of residents who are not local government officials.

By limiting the role of Contested Case Hearings and Advisory Task Forces, the state could make it easier for all members of the public to participate in permitting decisions while avoiding substantial delays that can be associated with both processes.

Solution 4: Limit the role of Contested Case Hearings and Advisory Task Forces.

Expected reduction in overall permitting timeline: 3-6 months for relevant cases.

Problem 5: Delays in application completeness determinations

When an application for a clean energy project is submitted, the PUC must determine whether the application includes all of the information required by law. Today that determination is made by the full Commission, but delegating authority for this task to PUC staff would conserve state resources, allowing Commissioners to focus their efforts on later stages of the permitting process that involve more complicated matters.

Solution 5: Replace the PUC official completeness order with a staff check-off certifying the application contains all necessary materials.

Expected reduction in overall permitting timeline: 30-60 days.

Problem 6: Inefficient staffing arrangements

As previously noted, the EERA is the staff unit tasked with environmental review for the clean energy permitting process. While the PUC is the agency responsible for overseeing this review, the EERA is not actually housed within the PUC. Instead, the EERA is housed within the Department of Commerce. This arrangement is unique in Minnesota, standing as the only instance in which the responsible governing agency (i.e., the PUC) does not house the staff for which it is responsible (i.e., the EERA).

This unique disconnect creates communication challenges and cross-agency inefficiencies. For example, decisions and assessments must often move between the Department of Commerce and the PUC throughout the permitting process, reflecting the EERA's placement within the Department of Commerce and its responsibility to the PUC. This movement creates duplicative steps that could be eliminated if the EERA were housed within the PUC.

Solution 6: Move EERA staff and responsibilities from the Department of Commerce to the PUC.

Expected reduction in overall permitting timeline: 30-60 days.

Conclusion

Minnesota took an essential step in targeting 100% clean electricity by 2040. Now, we need to match the efficiency of our clean energy permitting system to the ambition of our clean energy goals.

Here, the state has already made progress. For example, Minnesota has exempted certain large solar and wind projects from unnecessary certificates, recognizing that these certificates served no public purpose.²⁰ This change represents an important step in the right direction that we must now build upon to speed up the permitting process.

While none of the recommendations provided in this report are likely to have a considerable impact individually, collectively they offer the opportunity to shave several months off of the permitting process. As noted earlier, the difference of a couple of months can mean the difference of an entire year, given the seasonality of construction in Minnesota. With the urgency of addressing climate change becoming more apparent, saving this time is more critical now than ever.

²⁰ Walker Orenstein, “Minnesota lawmakers made building wind and solar easier, but debate over permitting and rural development will continue,” MinnPost, August 25, 2023, <https://www.minnpost.com/greater-minnesota/2023/08/minnesota-lawmakers-made-building-wind-and-solar-easier-but-debate-over-permitting-and-rural-development-will-continue/>.

