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ATTN: Carla Vita
Director of Energy Transition Office
Minnesota Department of Employment and Economic Development
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Subject: ETAC Update on Minnesota Power's IRP(s)

Dear Energy Transition Advisory Committee Members,

Minnesota Power (MP) has been actively working on two fronts regarding the 2021 Integrated Resource Plan (IRP) approved by the MPUC, and on the planning and stakeholder interactions as we continue preparing for a 2025 submittal of the next IRP. I am happy to provide the following updates as we continue to make progress on both plans and can answer any questions or provide additional clarity at the December 4th meeting.

From the 2021 IRP, recall that Minnesota Power had made commitments on ceasing coal operations from the Boswell Energy Center for Unit 3 in 2030 and Unit 4 in 2035. There were also Order points that looked to advance solar, wind, and storage as a part of the total energy supply.

We are very excited to announce that on November 13, 2024, MP filed petitions with the MPUC for the approval of the Regal and Boswell Solar Projects. These projects represent the next steps in the Company's *EnergyForward* strategy, compliance with the 2021 IRP, and investments in the communities we serve.

These renewable additions comply with the Commission's 2021 IRP Order, where the Company was directed to acquire up to 300 MW of regional/in-service territory or net-zero solar. The Projects will generate carbon-free energy for customers, help Minnesota Power make progress on the Carbon Free and Renewable Energy Standards, boost the tax base of local economies, and create local union jobs.

The Boswell Solar Project (Docket No. E015/M-24-344) is an 85 megawatt solar facility to be constructed near the Boswell Energy Center in Cohasset, MN and will cost approximately \$163.5 million to build (including local transmission infrastructure). Siting a new solar project at the Boswell Energy Center is an intentional effort on behalf of Minnesota Power to reinvest in communities impacted by ceasing coal operations as part of its energy transition. To further benefit customers, the Boswell Solar Project will leverage existing utility assets and an existing MISO generator interconnection, along with taking advantage of IRA tax incentives.

The Regal Project (Docket No. E015/M-24-343) is a 119.5 megawatt solar energy facility that will be located in Benton County near Royalton, MN and will cost approximately \$237.5 million to build. The Regal Project has advanced permitting and interconnect agreements in place and will be in the western portion of our service territory. These advanced development components will aid in delivering the projects with more cost and schedule certainty for Minnesota Power customers.

Work also continues assessing the addition of wind resources to the MP energy supply portfolio from a concurrent Request for Proposal (RFP), and the integration of Storage for customer benefit as is required in the Order points of the 2021 IRP. Like the solar projects, the wind RFP is being facilitated by an independent evaluator and we continue to actively review the due diligence of the projects submitted for consideration. There are no major updates or announcements as of this meeting date in those arenas, but we will continue to pace the ETAC on any developments as they may occur.

Regarding the 2025 IRP planning perspective, MP continues to work with facilitators at the Great Plains Institute (GPI) to engage with stakeholders on the components that comprise a full 360-degree view of our organization's energy supply and impacts to the communities and customers we serve. With such a broad array of perspectives, GPI has helped the stakeholders map the issues or areas of interest into a framework that the stakeholders feel is important to incorporate in the 2025 IRP submittal planned for March of 2025. To help digest the depth and breadth of the items that have been raised, facilitators have been helping the stakeholders dig deeper into the topics through the development of two sub-groups (Societal Advisory Group & Technical Advisory Group) that report back to the full stakeholder group.

These stakeholder interactions have been occurring throughout 2024 in both virtual and in-person fashion, and the framework drives at building categories for scenarios to consider in developing perspective portfolio or resource decisions that may be a part of the 2025 IRP. The workplan is to complete the drafting in January and review with the stakeholders one last time ahead of the filing date in March.

Concurrently, the internal teams at MP continue to build, test and modify the assumptions and inputs into the accompanying modeling that supports the analysis of the IRP. Sensitivities on energy pricing, macro/micro economic outlooks, forecasts, technology assumptions, and other externalities all shape the outputs that support any resource decisions. These complex models take a great deal of expertise and resource to build and test to help validate or assess impacts from any decisions and their impacts to the customers we serve. The MP team continues to bring in the perspectives and inputs that our industry may face to help determine the best course of action when coupled with the framework of our stakeholder views that are being shaped through the GPI facilitated process.

Our focus continues to be on the March 2025 deadline for the submittal of the MP Preferred Integrated Resource Plan. This is an immense amount of work to bring together the stakeholder work and the detailed analysis/modeling, but our team is hitting the milestones required to stay on schedule along the way. As we work towards that filing and submittal, we can share more as the components come together.

If you have any questions or concerns, please feel to reach out to me directly.

Sincerely,



Josh Skelton
ALLETE VP and Minnesota Power COO