

**AMERICAN TRANSMISSION COMPANY LLC AND ATC  
MANAGEMENT INC.**

**UTILITY INFORMATION REQUEST**

Docket Numbers: OAH 5-2500-39600; Date of Request: February 21, 2024  
MPUC E-015/CN-22-607;  
MPUC E-015/TL-22-611

Requested From: Minnesota Power Response Due: March 4, 2024

By: American Transmission Company LLC

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**Information Request No. 42.**

Reference page 21 of the direct testimony of MP witness Dan Gunderson, wherein You state “if Minnesota Power is encouraged to submit a full application for the DOE GRIP round two funding and selected for an award for the HVDC Interconnection Facilities concept, up to \$50 million in additional federal funding would be lost if the Commission orders construction of the ATC Arrowhead Alternative. This is because Minnesota Power’s DOE GRIP round two application will only support interconnection components of Minnesota Power’s Project configuration, including the St. Louis County 345 kV/230 kV Substation.”

- a. Have You had any discussions or Communications with DOE concerning the impact that implementation of ATC’s Arrowhead Substation Alternative would have on MP’s eligibility or ability to receive an award for rounds one or two of DOE GRIP funding? Please produce any such Communications.
- b. Please provide a detailed explanation for Your assertion that “up to \$50 million in additional federal funding would be lost if the Commission orders construction of the ATC Arrowhead Alternative.” As part of Your response, please identify the specific statutes, rules, regulations, or terms or conditions of the DOE GRIP funding process that would prevent or preclude Minnesota Power from receiving an award for round two of the DOE GRIP funding process if the Commission orders construction of the Arrowhead Substation Alternative.
- c. Please provide a detailed explanation for why Your “DOE GRIP round two application will only support interconnection components of Minnesota Power’s proposed Project configuration, including the St. Louis County 345/230 kV Substation.”

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Telephone: 218-355-3297

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As to Objection: David Moeller  
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- d. Please provide a detailed explanation of what (if any) steps or measures You have taken to preserve Your ability to receive DOE GRIP round two funding if the Minnesota Public Utilities Commission orders implementation of the Arrowhead Substation Alternative.

**Objection:**

Minnesota Power objects to the request in subpart b. to the extent it seeks legal analysis and/or conclusions.

Subject to and without waiving this objection, Minnesota Power provides the following response:

**Response:**

- a. Yes, Minnesota Power has met with the U.S. Department of Energy (“DOE”) multiple times regarding the Grid Resilience and Innovation Partnerships (“GRIP”) round one grant requirements for the HVDC Terminal Expansion Capability (“HTEC”) Project, which as stated by Company witness Daniel W. Gunderson includes elements of interconnection components of the HVDC converter stations included within the scope of the HVDC Modernization Project (“Project”), and the DOE has been made aware that Minnesota Power is currently moving through a contested case, for which the outcome may affect the scope of the HTEC Project if the Minnesota Public Utilities Commission (“Commission”) selects the ATC Arrowhead Alternative. These meetings between the Company and DOE were virtual calls, so there are no communications documents to produce regarding those communications. That said, one of the primary issues in these discussions is related to the scheduling difference provided by ATC to construct and in service the ATC Arrowhead Alternative and the performance period requirement of 60 months for the DOE GRIP round one funding. The other outstanding item with the DOE is what impact the change of project

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scope due to the Minnesota regulatory process might have on eligibility if the HTEC Project is not executed as submitted to the DOE. Minnesota Power received the encouragement letter to submit a full application for GRIP round two funding on February 29, 2024. This is the extent of communications with DOE for the round two GRIP funding opportunity to date.

- b. If the HVDC Interconnection Facilities concept is selected for a DOE GRIP round two award, and the ATC Arrowhead Alternative is ordered by the Commission to be constructed, the HVDC Interconnection Facilities concept scope would no longer be applicable to the HVDC Modernization Project. For additional information relevant to this response, please see the explanation below in response to part (c). For more information about the GRIP funding requirements, please reference the DOE's GRIP Program website: [Grid Resilience and Innovation Partnerships \(GRIP\) Program | Department of Energy](#).
- c. The concept paper submitted includes a specific project configuration. The full application due in May 2024 must also present the same specific project configuration. Minnesota Power has been developing the full application based on the configuration detailed in the concept paper Minnesota Power submitted in January 2024, which is based on Minnesota Power's proposed configuration of the HVDC Modernization Project. Minnesota Power does not believe the DOE will provide funding for a project that differs from that submitted in the full application (which must be consistent with the project submitted in the concept paper). From the beginning of the evaluation of the GRIP federal funding opportunities, Minnesota Power has focused on the opportunities it believes will have the best chance of being selected by the DOE for funding, which will help lower overall Project costs for Minnesota Power's customers. The GRIP funding is meant to support innovative projects that contribute to enhancing grid flexibility and improve the resilience of the broader regional power system. The GRIP funding is highly selective, and Minnesota Power is developing a competitive application that supports Project configuration, which it believes

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is the most optimal configuration for Minnesota Power's customers and the regional grid more broadly. If awarded by the DOE, the GRIP round two funding will directly reduce the costs associated with the interconnection assets needed for Minnesota Power's Project configuration.

- d. Minnesota Power has not taken any steps to secure DOE round two funding for the ATC Arrowhead Alternative. Rather, Minnesota Power contends that ATC should have taken its own steps to apply for federal funding for its own concept.

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