STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

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In the Matter of Minnesota Power's Petition for Approval of Modifications to its Large Power Tariff	Docket No. E-015/M-26-126

INITIAL COMMENTS OF GERONIMO POWER, LLC

INTRODUCTION

On February 18, 2026, and in response to Minn. Stat. § 216B.1622, Subd. 1, Minnesota Power ("MP" or "Company") filed a Petition with the Minnesota Public Utilities Commission ("Commission") requesting approval to include very large customers in its current Large Power Customer Class and Service Tariff ("LP Tariff").[1] Generally speaking, MP's proposal would involve serving new very large customers, including new data centers with loads of 10 megawatts ("MW") or more, under the LP Tariff; any "customer-specific issues or operational details not explicitly addressed in the LP Tariff will be addressed through the terms and conditions of individual [Energy Service Agreements ("ESAs")]."[2] Geronimo Power, LLC ("Geronimo Power") respectfully submits these initial comments in response to the Commission's February 25, 2026 Notice of Comment Period regarding the Company's proposal.[3]

Large-scale data centers are being constructed across the country due to growing demand for, among other things, artificial intelligence and cloud computing services. The Department of Energy recently found that load growth from data centers could double or triple by 2028,[4] and the Electric Power Research Institute found that data center load could account for over nine percent of all U.S. electric generation by 2030.[5] Given these significant load growth projections,

[1] *See* Doc. ID No. 20262-228274-01 (hereinafter, "Petition"). On April 14, 2026, MP submitted a compliance filing to modify the LP Tariff by changing the existing Large Power Surcharge. *See* Doc. ID No. 20264-230401-01.
[2] Petition, at 7.
[3] *See In Re Minnesota Power's Petition for Approval of Modifications ot its Large Power Tariff*, Docket No. E-015/M-26-126, *Notice of Comment Period* (Feb. 25, 2026) (Doc. ID No. 20262-228652-01). Geronimo Power is a leading North American renewable energy development company based in Minneapolis, Minnesota that has successfully developed over 3,000 megawatts ("MW") of wind and solar projects, which are either operational or currently under construction. It has a large pipeline of projects in various development stages throughout the country and is committed to developing projects that produce clean, affordable energy and benefit the communities in which they are located.
[4] U.S. Dep't of Energy, *DOE Releases New Report Evaluating Increase in Electricity Demand from Data Centers* (Dec. 20, 2024), *available at* https://tinyurl.com/mwe3f9mb.
[5] *See Power Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption*, Electric Power

discussions on queue processing for new large loads are being held at the Federal Energy Regulatory Commission ("FERC"), regional transmission organizations, and in state commissions across the country.[6]

While data centers can be attractive customers for utilities, they come with certain challenges. These facilities typically demand a high amount of power with a high load factor,[7] which can theoretically improve utilization of a utility's existing assets and spread its fixed costs across a greater sales base. However, there are significant nationwide challenges to reliably and affordably procure, permit, interconnect, and construct additional generation resources and other infrastructure to serve these new data centers. This new infrastructure will need to be recovered from data center customers without shifting any costs to other customers.

Beyond concerns about who bears these costs, there are practical challenges in developing infrastructure needed to reliably serve new data center loads. Supply chain and procurement bottlenecks, increased interconnection delays and costs, escalating permitting challenges, and a changing financing environment add complexity to obtaining the generation infrastructure needed to serve this new load growth. In Minnesota, where utilities are required to generate or procure sufficient carbon-free generation by 2040 to serve their entire retail load,[8] these already difficult tasks must be implemented in a manner that does not compromise progress toward these critical statutory goals. That said, many data center customers have sustainability goals, making this particular challenge also a distinguishing asset for Minnesota when compared to other states.

In the Petition, MP asserts that its existing LP Tariff is "structured to accommodate very large customers [and] includes a mechanism intended to protect both the Company and other customers from potential cost shifts associated with serving customers with very high electricity demand." While Geronimo Power generally agrees with these broader objectives, it also believes that the LP Tariff could be improved, particularly in ways that encourage new data center customers to serve their load through Commission-approved, generation resources sourced from within the same MISO load zone on expedited pathways outside of traditional IRP procurements and bidding pathways. This ensures that load can be paired with incremental regional supply resources that support system reliability, resource adequacy, and long-term planning stability, while also reducing the likelihood that existing customers bear disproportionate costs associated with significant new load growth.

Further, an expedited study process for siting new data center load with existing or new electrically proximate generators or capacity is also necessary because these projects are not similarly situated to large loads that rely solely on the existing grid for full service. Where a customer proposes to physically pair substantial new load with new or existing generation, MP should have a defined process to promptly evaluate whether that configuration reduces local system impacts, improves planning certainty, and supports more efficient use of existing

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Research Inst., at 17 (May 2024), *available at* https://tinyurl.com/ky9axxjc.

[6] *See, e.g., In Re Interconnection of Large Loads to the Interstate Transmission System*, 195 FERC ¶ 61,045 (Apr. 16, 2026); *Large Load Additions*, MISO (last accessed Apr. 29, 2026), *available at* https://tinyurl.com/5ex48v8e.

[7] *See* Andrew Satchwell et al., *Electricity Rate Designs for Large Loads: Evolving Practices and Opportunities*, at 1, Lawrence Berkeley Nat'l Laboratory (Jan. 16, 2025), *available at* https://tinyurl.com/ycxtnyhm.

[8] Minn. Stat. §216B.1691, Subd. 2g.

generation and transmission infrastructure.

Accordingly, and as discussed in greater detail below, Geronimo Power recommends the Commission direct MP to (1) modify the LP Tariff in a manner that explicitly authorizes and encourages data center loads to bring new clean generation capacity resources within their MISO load zone, subject to approval as part of the customer's Energy Service Agreement ("ESA") and (2) implement an expedited load interconnection study process for new data center load that would be electrically proximate with new or existing generation.

DISCUSSION

I. The LP Tariff should authorize and encourage data center customers to bring their own generation resources.

Given the substantial magnitude of potential load growth from data centers, the most effective way to limit cost impacts on MP's existing customers is to ensure that new large loads can bring sufficient new generation and capacity resources with them, rather than relying entirely on the utility to procure, finance, and construct that capacity on their behalf. Accordingly, the LP Tariff should explicitly authorize and encourage data center customers to satisfy some or all of their load through clean new generation and capacity resources, located anywhere within the same MISO load zone as the data center; these data center customers could enter into bilateral or trilateral contracts with utilities and independent power producers ("IPPs"), and supplement their power requirements with traditional utility-procured resources when needed. The idea is to incentivize new data center customers to "bring your own generation" to satisfy some or all of their own load. This will enable these new customers to secure adequate and reliable sources of power to meet their needs, provide regulatory certainty around large energy infrastructure needed to support large loads, and limit potential additional stressors on grid infrastructure, reliability, and cost impacts to MP's existing customers.

A. Background on large loads bringing their own generation

It is not new or particularly unusual for a large commercial or industrial customer to meet a portion of its electric requirements through a mix of its own generation and utility-procured power.[9] Typically, such a customer meets all or a portion of its electric requirements through on-site generation; it takes service from the utility when its generation is offline (e.g., due to maintenance) or for that portion of its requirements exceeding its own generating capacity. The customer often takes service under standby or supplemental service tariffs, with the utility assessing reservation charges to provide service when the customer's generation is not operating.

Under a "bring your own generation" model, a data center can procure all or a significant portion of its energy requirements from a generating resource located within the same MISO load zone as the facility itself. MISO's capacity market is organized around Planning Zones: generators earn Zonal Resource Credits ("ZRCs") by demonstrating that their output is

[9] *See, e.g.*, *Report on Co-Location*, Maryland Pub. Serv. Comm'n, at 1, 6 (Dec. 18, 2024), *available at* https://tinyurl.com/4kc34atu ("Co-location, namely, the physical siting and direct physical connection of end-use load with generation, is not itself a novel concept.").

deliverable within a given zone, and loads in that zone can satisfy resource adequacy requirements by holding sufficient ZRCs to satisfy their capacity obligation.

Unlike traditional co-located or behind-the-meter ("BTM") arrangements where the generator is connected directly at or adjacent to the facility, zonal generation need not be physically on-site. The generating resource may be grid-connected (front-of-meter) at any point within the same MISO load zone, delivering equivalent resource adequacy and grid reliability benefits without the siting constraints of co-location. Zonal generation is a broad and flexible framework: the data center customer commits to procuring generation capacity from within its MISO load zone, enabling it to take advantage of the full range of existing and developable resources in that zone rather than being limited to whatever can be sited within the physical footprint of the facility

The commercial structures available to support load bringing its own zonal generation are varied and flexible. A data center customer might own and operate its own generation outright—similar to a large industrial customer with its own generation—or it might contract with a third-party owner through a power purchase agreement ("PPA") or a "utility-sleeved PPA," whereby the incumbent utility acts as an intermediary between the generator and the customer. Alternatively, the utility itself might develop or procure zonal generation and offer it to the customer under a tailored tariff structure. The LP Tariff should be agnostic to which of these structures the customer and its partners select, so long as the result is that the customer brings verifiable, zone-deliverable capacity to meet its load—rather than leaving that procurement obligation entirely to MP.

B. Benefits of large loads bringing their own generation

Requiring or incentivizing data center customers to bring their own generation produces substantial benefits for the customer, for MP, for existing ratepayers, and for the electric grid more broadly.

The speed at which new data center load will be coming online raises resource adequacy concerns, as new generation capacity will almost certainly need to be constructed to serve it. Sourcing capacity for data centers, whether through customer-owned, third-party, or utility resources within the same MISO load zone, can reduce the need for utilities to construct additional generation, the costs of which may be borne (at least in part) by retail ratepayers. The most direct benefit is cost insulation for MP's existing customers. When a hyperscale data center interconnects with full reliance on the utility for its generation supply, MP bears the obligation, and there is potential that its customers bear the cost risk, of procuring or constructing sufficient new generation to meet that load. If the data center instead brings its own capacity sufficient to satisfy MISO's ZRC requirements for its load, then MP likely would not need to invest in or seek cost recovery for as much incremental generation as it would otherwise. MP's net resource adequacy position would likely improve or remain neutral, reducing the likelihood that existing customers bear incremental capacity costs attributable to new large loads. This reduces the risk of stranded investment in the event the anticipated data center load does not fully materialize. Generators within the same load zone—utility-owned or otherwise—may also be able to sell excess low-cost power back into the wholesale market, providing affordable energy to meet general consumer

demand.

Pairing generation with data center load can also help Minnesota achieve its clean energy goals. Many data center customers have corporate sustainability commitments that align with Minnesota's statutory clean energy goals. A zonal bring your own new clean generation and capacity incentive framework allows those customers to satisfy their sustainability objectives by procuring wind, solar, and storage resources from anywhere within their MISO load zone, giving them access to Minnesota's abundant renewable resource base without requiring those resources to be sited at the data center itself. Renewable resources paired with battery or other storage technologies can become more firm and dispatchable, providing reliable, low-cost power that simultaneously satisfies resource adequacy, sustainability, and cost objectives. Procurement of clean energy thus advances Minnesota's 100 percent carbon-free standard while keeping the flexibility needed to develop projects at scale and on commercially viable timelines. To the extent data center customers or their IPP partners develop renewable generation quickly enough to claim expiring federal tax credits under the Inflation Reduction Act, the resulting cost savings reduce the overall capital cost of new generation—benefits that accrue to the customer, to ratepayers, or both.

A zonal framework also allows data center customers to site or contract with generation in locations where existing resources are underutilized or in curtailed "sweet spots" with abundant renewable capacity, excess substation capacity, or retiring baseload plants seeking a new revenue stream. The data center can direct new investment to wherever existing infrastructure makes development fastest and cheapest. Zonal generation reduces transmission congestion by creating an intra-zonal pairing between generation and load. When a data center procures generation from within its own MISO load zone, power does not need to traverse inter-zonal transmission constraints to reach the load. This optimizes use of the grid's existing assets, reduces the need for new transmission buildout, and increases dispatch from existing renewable generators, generating additional production tax revenue for host counties and helping those resources reach their highest and best use.

C. Zonal generation and the LP Tariff

While the LP Tariff spells out requirements related to electric service agreements ("ESAs"), base rates and associated adjustments, and demand and energy requirements, it does explicitly contemplate that customers might bring their own generation—whether physically co-located with a customer facility, BTM, or grid-connected within the same MISO load zone—to meet a portion of their power requirements. Our suggestion is that MP revise the tariff to more clearly encourage new data center customers to meet all or a portion of their load with zonal generation resources.

Although the Commission will retain approval authority over the generation and capacity resources used to serve these new loads, the central practical question is *how* those resources are approved and procured. Specifically, the Commission should clarify that incremental resources needed to serve a very large customer may be approved and memorialized through the ESA under the LP Tariff—thereby providing an expedited pathway and meaningful customer choice—rather than being deferred to the integrated resource plan ("IRP") cycle and a subsequent competitive solicitation. In order to better align large-load interconnection decisions with timely and reliable resource acquisition, the Commission should direct MP to revise the LP Tariff to expressly

authorize, and establish clear standards for, ESA-based procurement of customer-acquired "bring your own generation" resources—including zonal, grid-connected resources deliverable within the applicable MISO Planning Zone—subject to Commission review for prudence, cost-shift protection, and consistency with Minnesota's resource adequacy and carbon-free requirements. Doing so would provide a transparent, repeatable process for pairing new large loads with incremental supply, reduce the risk of stranded utility investment if projected loads do not materialize, properly assign costs, and avoid the delay and uncertainty inherent in relying exclusively on future IRP procurements that may evolve toward more prescriptive, Commission-dictated bidding processes as procurement needs grow.

II. The Commission should direct MP to review its load interconnection study process and implement an expedited process for interconnecting large data center loads with electrically proximate generation and capacity.

The benefits of locating data center load electrically proximate to generating capacity can be substantial. For instance, in many areas of the country, it can take several years to fully process load interconnection requests for new large-scale data centers. This delay reflects the amount of time that it takes to study the impacts of the new load on system reliability and construct additional generation or transmission infrastructure that may be needed to serve that new load. As a result, regional transmission organizations are examining ways to expedite the large load interconnection study request process, particularly by highlighting how load and generation interconnection delays often compound one another. FERC has contemplated the issue in various forms—including hybrid participation where multiple generation resources networked behind the same POI—which could provide a more expeditious and efficient path for completing interconnection studies and bringing data centers online. Some of these benefits are described in greater detail below.

A. Benefits of large loads bringing their own generation on interconnection processes

Electrically proximate generating capacity and data center load can improve reliability and efficiency by optimizing the utilization of existing or new resources. In some parts of the country, data centers are being sited adjacent to existing or retired baseload resources that otherwise are not operating economically in the wholesale market, such as carbon-free nuclear generation. This provides the data center customer with a reliable source of power and the generator with a revenue stream. Similarly, data centers could be sited in geographic "sweet spots" that have abundant—and often curtailed—existing renewable generating capacity and/or excess transmission and substation capacity. Siting data centers in these areas reduces congestion elsewhere on the system, optimizes use of existing infrastructure, and mitigates the need for incremental capital investment in new infrastructure.

Physically locating large loads in electrical proximity to generation can also reduce, or at least minimize, existing and new congestion that may arise when new large loads outpace the required buildout of associated transmission capacity. There are areas on the grid where transmission congestion constrains the optimal, economic dispatch of generation to load, which increases costs to customers. Locating generation with data center load creates a direct and geographically proximate tie between generation and load, thereby avoiding overuse of critical

transmission assets needed to otherwise carry generation to load.

Another benefit of adding load to areas with high congestion curtailment is that it allows existing renewable assets to continue operating at more hours, generating more production tax revenue for host counties, many of which are predominately rural in nature. Increasing dispatch from existing renewable generators would result in increased production tax revenue for Minnesota counties, help existing renewable resources reach their highest and best use, and reduce the need for the buildout of additional transmission and other infrastructure, which ratepayers would otherwise be responsible for funding. While new transmission will almost certainly be needed to accommodate data center loads, which could double or even triple by 2030, there is a benefit to siting new loads in areas that minimize overall system impact and the need to transmit power over larger distances from where it is produced.

B. These benefits justify the Commission directing MP to create a "fast lane" or expedited study process for new large loads that plan to locate in areas that are electrically proximate to new generation and capacity.

Geronimo Power's understanding is that, in MP's service territory, the load interconnection process for new data centers occurs at several levels.

First, the customer must contact and coordinate with the transmission owner and load-serving entity, which in this case is MP.[10] MP's guidance indicates that the customer must submit a transmission interconnection request form to MP, with information about the customer, its project, its peak load, and any BTM generation.[11] MP will then conduct a system impact study ("SIS") to study the impact of the load and identify any required interconnection and network upgrades; MP states that it will utilize "best efforts" to complete the SIS within 90 business days (or a timeline to which the parties may otherwise agree).[12] Once the SIS is complete, the customer and MP will enter into a Facilities Study Agreement for MP to conduct a facilities study ("FS"), which will identify the scope, schedule, and cost for the interconnection and network upgrades identified in the SIS. Again, MP states that it will use its "best efforts" to complete the FS within 90 business days (or a timeline to which the parties may otherwise agree). The parties will then enter into a Facilities Construction Agreement ("FCA")—and potentially other agreements—for the payment and construction of the interconnection and network upgrade facilities, as well as an Interconnection Agreement identifying the obligations of each party in the interconnection process.[13] Based on the foregoing, this entire process could take a minimum of six months to complete.

Second, if MP's study process determines that transmission upgrades are needed to interconnect the new customer, MISO and other stakeholders will independently review those

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[10] *See* MISO, *MISO Load Interconnection Whitepaper*, at 3 (Jul. 2023), *available at* https://tinyurl.com/5suj3ubs (hereinafter "MISO Load Interconnection Whitepaper").

[11] *See* Minnesota Power, *Transmission Interconnection Process* (last visited Apr. 30, 2026), *available at* https://tinyurl.com/356xncs4 (hereinafter "MP Transmission Interconnection Process").

[12] *Id.*

[13] *Id.*

upgrade projects through the transmission expansion planning ("MTEP") process.[14] This annual process lasts for approximately 18 months before approved projects are included in Appendix A to the MTEP, though there is a pathway for projects to undergo expedited review.[15] If the new data center customer wants to co-locate its facility with a new generating resource, MISO would need to study that resource through its separate generator interconnection queue—a process that has historically been subject to lengthy delays.[16]

While MP cannot control the MTEP process or generator interconnection queue, it can take steps to expedite its own load interconnection process for new data centers. The Commission should therefore consider directing MP to develop a "fast lane" or expedited study process for new data center loads that plan to utilize existing or new electrically proximate generation resources. An expedited timeline for these customers is in the public interest because, by bringing their own resources to serve their load, these customers have demonstrated a clear intent to locate their operations in Minnesota and offset the need for additional utility-owned generation. This would be consistent with recent calls for MISO to analyze co-located data center load and generation as part of the same study process.

If both MP and MISO adopted expedited study process for these resources, then it could reduce both network upgrade costs for new generators and existing backlogs and study timelines in the regional interconnection queue.

CONCLUSION

Geronimo Power appreciates the Commission's consideration of these comments on the LP Tariff. Geronimo Power respectfully requests that the Commission consider and implement the following recommendations regarding the LP Tariff:

1. Direct MP to modify the proposed tariffs to explicitly authorize and encourage data center customers to meet their load through bringing their own generation capacity. The revised tariff should:

    a. Be agnostic to commercial structure—permitting customer self-supply, third-party PPAs, utility-sleeved PPAs, bilateral contracts, and other arrangements, so long as the result is verifiable, zone-deliverable capacity;
    b. Define "zonal generation" by reference to MISO's ZRC framework, making clear that the generation need not be physically sited at or adjacent to the customer's facility—only electrically deliverable within the same MISO Planning Zone;

[14] *Id.*; *see also* MISO Load Interconnection Whitepaper, at 3–4.

[15] *See MISO Transmission Expansion Plan (MTEP)* (last accessed Apr. 30, 2026), *available at* https://tinyurl.com/53s8axhr; MISO, *Business Practice Manual No. 020-r33: Transmission Planning*, at 63–66 (last updated Jul. 1, 2025), *available at* https://tinyurl.com/27z8nvcm.

[16] *See, e.g.*, MISO, *MISO Dashboard: Market Participation and Registration of Co-Located Load and Generation (Behind the same POI) (ZGIA) PAC-2024-4* (last updated Apr. 22, 2026), *available at* https://tinyurl.com/4j44bzhd; Ka'Lena Cuevas, *How MISO is tackling generator interconnection queue challenges* (Jun. 13, 2025), *available at* https://tinyurl.com/4f69a8zh.

c. Remove restrictions—including the LP Tariff's current prohibition on customer's reselling energy to the Company or any other entity—that would prevent zonal generators from selling excess output into the wholesale market or back to MP; and
d. Consider establishing rate incentives or tariff structures that reward customers who commit to procuring a meaningful share of their load from new clean generation and capacity—consistent with MP's stated goal of protecting existing customers from cost shifts attributable to new large loads.

2. Direct MP to review its load interconnection processes and implement an expedited load interconnection study process for new data center loads that would be electrically proximate with existing or new generation.

Geronimo Power believes these recommendations will help mitigate cost risks to customers, streamline processes for interconnecting large data loads optimize the efficient use of generation and transmission infrastructure in Minnesota, and support diverse and beneficial resource development.

Respectfully submitted,

s/ Alex Cutchey

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CERTIFICATE OF SERVICE

I, David R. Zoppo, hereby certify that on this 8th day of May 2026, I e-filed with the eDocket System the following document(s) and have served copies of the same on the attached list of persons by electronic filing, electronic mail, or United States mail.

Initial Comments of Geronimo Power, LLC

In the Matter of Minnesota Power's Petition for Approval of Modifications to its Large Power Tariff

MPUC Docket No. E-015/M-26-126

Dated this 8th day of May, 2026.

/s/ David R. Zoppo
David R. Zoppo

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8	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-26-126