

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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July 13, 2026

In the Matter of the Application of Minnesota Power and American Transmission Company, LLC for a Certificate of Need for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project Docket No. E015/CN-25-111

**Initial Comments of Fresh Energy and Clean Grid Alliance on the Merits of the
Certificate of Need Application**

Fresh Energy and Clean Grid Alliance (collectively “Fresh Energy/CGA”) respectfully submit these Initial Comments in response to the Minnesota Public Utilities Commission’s (“Commission”) Notice of Comment Period issued on June 11, 2026, in the above-referenced matter.

I. Background

Pursuant to Minn. Stat. § 216B.243, Minnesota Power and American Transmission Company, LLC (together, the “Applicants”) jointly applied for a Certificate of Need on January 5, 2026, to construct the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project (the “Project”).¹ The proposed high voltage transmission project spans 67.5 miles across northern Minnesota and is needed to enhance grid reliability in the Upper Midwest, increase grid efficiency and regional transfer capability, and meet the growing demand for reliable clean energy in the region.²

¹ *In the Matter of the Application of Minnesota Power and American Transmission Company, LLC for a Certificate of Need for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project*, Docket No. E015/CN-25-111, Combined Certificate of Need and Route Permit Application for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Line Project (January 5, 2026) (hereinafter “Certificate of Need Application”).

² Certificate of Need Application at 8.

The Project is comprised of three segments. Segment 1 includes approximately 32.7 miles of new single-circuit 345 kV line on double-circuit capable structures, built along existing high-voltage transmission line rights-of-way. Segment 2 replaces approximately 33.3 miles of existing 320 kV line with new double-circuit 345 kV structures. Segment 3 includes approximately 1.5 miles of new double-circuit 345 kV transmission line.³ The project also includes improvements to the Iron Range, St. Louis County, and ATC Arrowhead Substations. In total, 92 percent of the project is proposed to be routed along existing high-voltage transmission line rights-of-way.⁴

Prior to being proposed to the Commission, the Project was approved by the Midcontinent Independent System Operator (“MISO”) for inclusion in the Long-Range Transmission Planning (“LRTP”) Tranche 2.1 Portfolio.⁵ Tranche 2.1 is comprised of 24 transmission projects across the MISO Midwest region and is designed to “ensure future reliability while providing benefits that exceed costs.”⁶ Indeed, Tranche 2.1 will bring significant benefits to Minnesota and the MISO region, including avoided capacity costs, capacity and energy savings from reduced losses, congestion and fuel savings, reduced transmission outage costs, reduced risks from extreme weather, mitigation of reliability, and decarbonization benefits.⁷ The instant Project is critical for ensuring these benefits accrue in Minnesota and supporting increased reliability and greater interconnection of renewable energy in the state.

Fresh Energy/CGA support the Project due to its ability to enhance system reliability, increase grid efficiency and regional transfer capability, and meet the growing demand for clean energy in the Upper Midwest in a cost-effective manner. By improving access to renewable energy resources and reducing grid congestion, the Project will allow the applicants and the State of Minnesota to more effectively meet Minnesota’s energy policies, including the 100% Carbon-Free Electricity Standard.⁸

II. Analysis

Minn. Stat. § 216B.243, Subd. 2 requires the Commission to issue a Certificate of Need before allowing a large energy facility to be sited or constructed within the state. Large energy facilities include, among other projects, any high-voltage transmission line that is

³ Certificate of Need Application at 1.

⁴ *Id.*

⁵ *Long Range Transmission Planning*, MISO, <https://www.misoenergy.org/planning/long-range-transmission-planning/> (last visited July 9, 2026).

⁶ *Id.*

⁷ See Tranche 2.1 detailed business case analysis F2A, “Waterfall” tab, available at: <https://www.misoenergy.org/planning/transmission-planning/mtep/#nt=%2Fmtepstudytypenew%3AMTEP%20Reports&t=10&p=0&s=FileName&sd=desc>

⁸ Minn. Stat. § 216B.1691, Subd. 2g.

(a) 200 kV or more and greater than 1,500 feet in length; or (b) 100 kV or more and either crosses a state line or has more than ten miles of its length in Minnesota.⁹

In evaluating whether a Certificate of Need is warranted, the Commission must consider the criteria detailed in Minn. Stat. § 216B. 243, Subd. 3. Pursuant to Minn. R. 7849.0120, which reiterates these statutory elements, the Commission must grant a Certificate of Need upon determining the following conditions are met:

- (A) The probable result of denial would be an adverse effect upon the future adequacy, reliability, or efficiency of energy supply to the applicant, to the applicant's customers, or to the people of Minnesota and neighboring states;
- (B) A more reasonable and prudent alternative to the proposed facility has not been demonstrated;
- (C) The proposed facility, or a suitable modification of the facility, will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health; and
- (D) The record does not demonstrate that the design, construction, or operation of the proposed facility, or a suitable modification of the facility, will fail to comply with relevant policies, rules, and regulations of other state and federal agencies and local governments.

In recognition of these overarching criteria, the Commission posed four questions for comment in its Notice issued June 11, 2026.¹⁰ Stakeholders were asked (1) whether there are any contested issues of fact relating to the Application; (2) whether the Commission should remove the 800 MVA limit on the Arrowhead Substation; (3) whether the Commission should grant the Certificate of Need for the Project; and (4) whether there are any other issues or concerns related to the matter.¹¹

Fresh Energy/CGA address each of the questions posed and find the Applicants have provided sufficient justification for the Commission to grant the requested Certificate of Need.

A. Fresh Energy/CGA Have Not Identified Any Contested Issues

During the comment period on Application completeness, no parties identified contested issues of material fact that would necessitate a contested case for this proceeding. In recognition of the absence of contested issues, the Commission approved the Project to

⁹ Minn. Stat. § 216B.2421, Subds. 2(2) and (2)(3).

¹⁰ *In the Matter of the Application of Minnesota Power and American Transmission Company, LLC for a Certificate of Need for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project*, Docket No. E015/CN-25-111, Notice of Comment Period on the Merits of the Certificate of Need Application (June 11, 2026).

¹¹ *Id.*

move through the alternative review process as part of its consent agenda.¹² Fresh Energy/CGA have not identified any subsequent additions or changes to the record that introduced new contested issues.

B. The Commission Should Remove the 800 MVA Limit on the Arrowhead Substation

The applicants are requesting the removal of the 800 MVA limit on the ATC Arrowhead Substation as part of the Project. The Applicants note “To achieve the regional benefits of the Project, it is necessary to allow for circumstances where more than 800 MVA will flow through the ATC Arrowhead Substation into Wisconsin.”¹³ The Applicants further note that maintaining the 800 MVA limit would be “practically impossible” following the completion of the project and would require changes that would cause the project to deviate significantly from what was originally proposed and approved as part of MISO’s LRTP process.¹⁴

The limit was originally ordered by the Environmental Quality Board in March 2001 as a condition on the Arrowhead – Weston project.¹⁵ Transmission line routing authority has since been transferred to the PUC and thus this condition is subject to PUC regulatory review, as noted by the Applicants.¹⁶ The limit was put in place in response to concerns that the project would move coal-fired power from west to east into Wisconsin, Illinois, and beyond. At the time this decision was made, MISO did not exist and thus there was no regional entity responsible for coordinating long-range transmission planning across the Midwest.¹⁷ The substantial decrease in coal-fired generation, the increased penetration of renewables, and MISO’s role as an entity responsible for regional transmission planning and system reliability have created a dramatically different situation than when the limit was first put in place and reconsideration of the limit is warranted.

Fresh Energy/CGA agree with the Applicants that maintaining the 800 MVA limit would unnecessarily restrict the effectiveness of the project and thus, the limit should be removed. Maximizing regional transfer capabilities to deliver diverse clean energy resources across the Midwest is a core benefit of the MISO LRTP Tranche 2.1 portfolio and removing the 800 MVA limit would ensure these benefits can be realized as envisioned in the MISO planning process. In the context of the current system, maintaining the 800 MVA

¹² *In the Matter of the Application of Minnesota Power and American Transmission Company, LLC for a Certificate of Need for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project*, Docket No. E015/CN-25-111, Order (January 23, 2026).

¹³ Certificate of Need Application at 65.

¹⁴ *Id.*

¹⁵ Certificate of Need Application at 63.

¹⁶ *Id.*

¹⁷ Certificate of Need Application at 64.

limit would only serve to constrain regional transmission flows, limiting renewable generation and likely increasing emissions.¹⁸

C. The Commission Should Grant a Certificate of Need for the Project

Upon reviewing the record, the Joint Commenters find the Applicants have met each of the statutory criteria for granting a Certificate of Need. We address each element of Minn. R. 7849.0120 below.

i. Denying the Project would have an adverse effect on the future adequacy, reliability, and efficiency of energy supplies.

In determining whether a Certificate of Need should be granted, the Commission must consider whether denying the Project would have an adverse effect on the adequacy, reliability, or efficiency of energy supplies to the Applicant, the Applicant's customers, or to the people in Minnesota or neighboring states.¹⁹ As proposed, the Project supports system reliability, provides additional transmission capacity and regional transfer capability to better integrate renewable generation and meet growing demand, and strengthens the regional transmission grid.²⁰

The project was developed as part of the MISO LRTP Tranche 2.1 Portfolio. According to MISO, the North Dakota and Northern Minnesota project group, which includes the Project, resolves more than 50 percent of transmission constraint violations.²¹ Addressing these constraints is essential for ensuring reliable and efficient delivery of energy supplies to customers in Northern Minnesota.

The project is also expected to materially bolster regional transfer capabilities in South-to-North and North-to-South directions within Minnesota and in the West-to-East direction from Minnesota into Wisconsin.²² This regional transfer capability is critical for alleviating congestions and providing the Applicants and their customers with access to the low-cost renewable generation necessary to replace retiring baseload fossil resources and meet Minnesota's 100% Carbon-Free Electricity Standard. This increased transfer capability will also improve the efficiency of renewable energy integration by bolstering access to renewable-rich areas like Manitoba and North Dakota.

In the absence of this project, voltage stability and transmission line overload issues would persist, and regional transfer capacity would be limited. This would adversely affect the Applicants' ability to reliably serve customer demand and meet Minnesota's 100% Carbon-

¹⁸ *Id.*

¹⁹ Minn. R. 7849.0120, Subp. (A).

²⁰ Certificate of Need Application at 1.

²¹ Certificate of Need Application at 49.

²² Certificate of Need Application at 53-65.

Free Electricity Standard. Denying the project would therefore have an impact on system adequacy, reliability, and efficiency.

ii. A more reasonable and prudent alternative has not been demonstrated.

Minn. R. 7849.0120, Subp. (B) requires the Commission to consider whether more reasonable and prudent alternatives to the project have been demonstrated by a preponderance of evidence in the record.²³ Section 4 of the Application details the alternatives considered by the Applicants, including non-wire alternatives, various transmission alternatives, and a “no-build” alternative.²⁴

Fresh Energy/CGA appreciate the Applicants’ extensive consideration of alternatives and agrees with the Applicants’ conclusion that none of these alternative are more reasonable or prudent than the Project. As detailed throughout these Comments, we find the Project is in the public interest and will produce net benefits for Minnesotans. That none of these alternatives are more reasonable or prudent than the proposed Project supports granting a Certificate of Need.

iii. The Project will provide benefits to natural and socioeconomic environments, and further improve human health.

In determining whether the Project provides societal benefits in a manner that protects natural and socioeconomic environments, the Commission must consider a variety of different factors, including

- (1) The relationship of the proposed facility...to overall state energy needs;
- (2) The effects of the proposed facility...upon the natural and socioeconomic environments compared to the effects of not building the facility;
- (3) The effects of the proposed facility...in inducing future development; and
- (4) The socially beneficial uses of the output of the proposed facility...including its uses to protect or enhance environmental quality...²⁵

The Project meets these criteria and delivers overarching benefits in Minnesota and throughout the MISO Midwest region. The Project will support system reliability and increased renewable penetration at a time when demand for clean electricity is growing. This supports state energy needs, strengthens the transmission system, and promotes economic growth and development in Minnesota. Increased renewable energy will reduce emissions and improve environmental quality across Minnesota and support compliance with state policy and goals, including the 100% Carbon-Free Electricity Standard.

²³ See also Minn. R. 7849.0260, Subp. (B) (requiring utilities to discuss the availability of facility alternatives).

²⁴ Certificate of Need Application at 76.

²⁵ Minn. R. 7849.0120, Subp. C(1)-(4).

- a. The Project supports overall state energy needs by facilitating renewable energy integration and increasing system reliability.

The Project supports overall state energy needs by facilitating increased renewable energy integration to meet growing demand necessary to support state energy policies and goals.

Electrification is critical to meeting Minnesota's state energy goals, including our Net Zero by 2050 goal.²⁶ The increased access to regional generation resources will support electrification of vehicles, homes, and heavy industry in Northern Minnesota.²⁷ MISO estimates that electrification could increase energy consumption in MISO LRZ 1 by approximately 2,600 to 40,000 GWh by 2039.²⁸

The Project will also contribute to improved system stability, which is a key component of overall grid reliability.²⁹ Specifically, the Project will increase the reliability of transfer capability into northern Minnesota during south-to-north transfer conditions, resulting in increased load-serving capability of up to 1,250 MW in the "Winter North Flow" case and 400 MW of increased load-serving capability during the "Winter Low Renewables" case.³⁰ The Project will also increase reliability of transfers to northern Minnesota during north-to-south transfer conditions. During summer peaks, the Project will increase potential north-to-south transfer capability by 105 MW.³¹

- b. The Project will produce net socioeconomic and environmental benefits.

In determining whether a Certificate of Need should be granted, the Commission must consider the effects of the Project upon natural and socioeconomic environments compared to the effects of not building the transmission line.³²

MISO's Tranche 2.1 portfolio will provide substantial socioeconomic and environmental benefits to Minnesota and the entire MISO North region.³³ These benefits include enhanced reliability, increased regional transfer capability, and improved access to diverse generation resources to support customers.³⁴ MISO's analysis estimates the LRTP Tranche 2.1 Portfolio will provide net economic savings of \$23.1 billion to \$72.4 billion over the first

²⁶ Certificate of Need Application at 67.

²⁷ Certificate of Need Application at 67.

²⁸ *Id.*

²⁹ Certificate of Need Application at 33.

³⁰ Certificate of Need Application at 55-57.

³¹ Certificate of Need Application at 59.

³² Minn. R. 7849.0120, Subp. (C)(2).

³³ *See generally* Certificate of Need Application at 30-75.

³⁴ Certificate of Need Application at 29.

20 years of service.³⁵ In Minnesota specifically, this will amount to an estimated \$57.72 in net bill savings *per year* for Minnesota households.³⁶

The LRTP Tranche 2.1 Portfolio will also create jobs in Minnesota and the MISO region. In Minnesota alone, Tranche 2.1 is estimated to create up to 13,000 direct jobs through project construction with an additional 26,000 indirect jobs created for local businesses.³⁷ In total, the portfolio is estimated to deliver up to \$4.7 billion in total economic output in Minnesota.³⁸

Additionally, Tranche 2.1 will deliver substantial environmental benefits primarily through reduced CO₂ emissions associated with more efficient dispatch of non-emitting resources. In total, the portfolio will reduce emissions by 127 – 199 million metric tons over 20 – 40 years of service.³⁹ Improved access to diverse generating resources, including renewable resources, will be critical to supporting compliance with Minnesota’s 100% Carbon Free Electricity Standard.

Overall, the Project will result in long-term benefits that will accrue in Minnesota in the form of clean, reliable, and affordable electric service. As a result, Fresh Energy/CGA find the Project causes net socioeconomic and environmental benefits.

c. The Project could induce future development in renewable energy technologies.

The Commission must consider the effects of the Project on inducing future development.⁴⁰

As specified in the project application, MISO’s regional transmission planning process is designed to facilitate renewable integration in the region in support of state policy goals and the transition away from fossil fuel generation to renewables.⁴¹ The total Tranche 2.1 Portfolio will enable interconnection of approximately 116 GW of new generation resources.⁴² This generation would be unable to connect in absence of the portfolio, including the Project.

³⁵ Certificate of Need Application at 43-44.

³⁶ *Minnesota Household Electricity Bill Savings from New Power Lines*, 5 Lakes Energy (April 2026), <https://5lakesenergy.com/wp-content/uploads/2026/04/Minnesota-5-Lakes-Report.pdf>

³⁷ See LRTP Tranche 2.1 Benefits Analysis Results Review at 28, MISO (September 25, 2024), <https://cdn.misoenergy.org/20240925%20LRTP%20Workshop%20Item%2001%20Tranche%202.1%20Business%20Case%20Overview649810.pdf>

³⁸ *Id.*

³⁹ Certificate of Need Application at 75.

⁴⁰ Minn. R. 7849.0120, Subp. (C)(3).

⁴¹ Certificate of Need Application at 33 to 44.

⁴² Certificate of Need Application at 44.

Ultimately, the Project will facilitate increased renewable generation and reduce curtailment of existing resources. Thus, the Project creates substantial opportunities for renewable energy developments that will provide economic opportunities for Minnesota.

- d. The Project generates social benefits by protecting and enhancing environmental quality through emissions reductions

The Commission must consider the socially beneficial uses of the Project, including its uses to protect or enhance environmental quality.⁴³ As discussed throughout these comments and the Certificate of Need Application, the project will improve regional reliability, increase grid efficiency and regional transfer capability, and help serve the growing demand for clean energy in the northern Minnesota and throughout the Midwest. As part of the broader Tranche 2.1 Portfolio, the project will support additional renewable energy interconnection, reducing system emissions and improving environmental quality in Minnesota and the region.

As discussed earlier in these comments, the full Tranche 2.1 portfolio will reduce emissions by 127 – 199 million metric tons over 20 – 40 years of service.⁴⁴ This reduction in emissions will improve environmental quality in Minnesota and throughout the region.

- iv. The Project complies with relevant policies, rules, and regulations.*

In order for a Certificate of Need to be granted, the record must demonstrate that the design, construction, or operation of the Project is not in violation of the policies, rules, or regulations of the state and federal agencies and local governments.⁴⁵ Fresh Energy/CGA understand that the Applicants have worked diligently throughout this proceeding to collaborate with all relevant governments and agencies in the development of the Project. We are not aware of any instances of policies, rules, or regulations being violated.

D. Project Need is Independent of the Hermantown Data Center

Several commenters raised concerns in this docket about the relationship between the Project and the proposed Hermantown Data Center. In response to these comments, the Applicants provided clarification about the purpose of the project in the context of the

⁴³ Minn. R. 7849.0120, Subp. (C)(4).

⁴⁴ Certificate of Need Application at 75.

⁴⁵ Minn. R. 7849.0120, Subp. (D).

Hermantown data center in a letter filed on April 2, 2026.⁴⁶ In this letter the Applicants clarified the timeline and the purpose of the project in the context of the data center project. The Applicants stated, correctly, that the purpose of the MISO LRTP Tranche 2.1 Portfolio is to support regional reliability and not to address the needs of any single customer. Moreover, the planning and approval of the Tranche 2.1 Portfolio was completed long before the Hermantown data center proposal.⁴⁷ Tranche 2.1 will deliver massive benefits to Minnesota and other MISO states through improved reliability, reduced generation curtailment, and increased access to low-cost renewable energy. These benefits will accrue regardless of which customers take service from the line.

As clean energy organizations active at both MISO and the Minnesota PUC, Fresh Energy/CGA have a detailed understanding of the robust transmission planning processes that occur at both the state and regional levels. We reiterate both MISO and the Applicants' clarifications that the Tranche 2.1 Portfolio was developed to deliver benefits to the entire region, not to specific customers.

Finally, we emphasize that certificate of need decisions must be made based on criteria detailed in Minn. Stat. § 216B. 243, Subd. 3. As we have shown throughout these comments, the Project clearly meets these criteria and thus a certificate of need should be granted.

III. Conclusion

The Commission must issue a Certificate of Need upon making the determinations outlined in Minn. R. 7849.120. As detailed throughout the Application, and as iterated in these Comments, the Project meets each of these requirements. The Project increases the adequacy and reliability of energy supplies, generates socioeconomic and environmental benefits, conforms to applicable rules and regulations, and meets needs that cannot be adequately served by any alternatives. For these reasons, the Joint Commenters support the Applicants' request for a Certificate of Need.

Sincerely,

⁴⁶ *In the Matter of the Application of Minnesota Power and American Transmission Company, LLC for a Certificate of Need for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project*, Docket No. E015/CN-25-111, Comments to Clarify the Project Need (April 2, 2026).

⁴⁷ *In the Matter of the Application of Minnesota Power and American Transmission Company, LLC for a Certificate of Need for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project*, Docket No. E015/CN-25-111, MISO Comments (April 1, 2026).

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