

Speak Up!

Minnesota Public Utilities Commission

Minnesota Power's 2015-2029 Integrated Resource Plan | RP-15-690

Closed Mar 04, 2016 · Discussion · 16 Participants · 1 Topics · 21 Answers · 0 Replies · 1 Votes

16

PARTICIPANTS

1

TOPICS

21

ANSWERS

0

REPLIES

1

VOTES

SUMMARY OF TOPICS

IS MINNESOTA POWER'S 2015 RESOURCE PLAN IN THE PUBLIC INTEREST?

21 Answers · 0 Replies

[Lisa Hamilton](#) 4 months ago

No it is quite obviously not in the best interest of the general public. This plan is benefits large corporations and MN Power. I oppose the part of this plan to increase individual consumer rates so that large power users can be subsidized by the working class. This is wrong all the way that you look at it and no one believes that large corporations have been subsidizing the individual users that's just a bunch of bs to convince us that it is best for us to pay for large corporations and for MN Power to keep their profits. User of all utilities are for the most part just getting by and adding this type of increase is just insulting. I'm sure there are many other ways that can be used to subsidize large corporations! With all of the energy saving technology available there are many ways to save money- add some solar panels or wind turbines. MN Power should be working to figure out how to keep customers rather than increase their rates to the max amount. There is competition now and people do not need to purchase power as in the past! Off grid is definitely a viable option for a lot of consumers.

0 Reads



[Debra Daigle](#) 4 months ago

Amen, Lisa! My guess this has something to do with the year of free power for Essar Steel who is about to collect on it. I know this was proposed at one point, but I'm not sure if they actually got the free power. I hope and pray that the public utilities commission refuses this rate hike and realizes that "we the people" no longer want to give our power and money to corporate greed. Please, so not let MP&L do this--do not approve this proposal. This is exactly how the rich get richer and the poor get poorer and the middle class ceases to exist. When are our elected officials going to get their heads out of their asses and start representing us instead of big mining companies and wall street?

0 Reads



[David Dale](#) 4 months ago

STOP THE GREED!!

he president and CEO of U.S. Steel got a big bonus for 2014 for cutting costs and leading the steel giant to its most profitable year since 2008, but the extra money has some Minnesota lawmakers rankled as the company lays off hundreds of Iron Range steelworkers.

Mario Longhi earned \$13,211,513 in 2014, up from \$5,641,656 in 2013, according to a document filed Friday with the federal Securities and Exchange Commission. Longhi's base salary was \$1.2 million with an added \$7.5 million in stock awards and more than \$4 million in "non-equity incentive plan compensation."

The Pittsburgh-based company owns and operates both the Minntac taconite iron ore mine and processing plant in Mountain Iron and Keetac mine and plant in Keewatin, and is Minnesota's largest producer of taconite iron ore. It's also a minority owner in Hibbing Taconite.

The company has more than 1,000 employees combined at the two Minnesota operations — but just last week announced it was indefinitely idling Keetac starting May 13 because of a glut of iron ore, and lack of demand and low prices for U.S.-made steel, mostly due to imported steel that's made with foreign ore.

The CEO's huge bonus did not go unnoticed by Minnesota officials dealing with Keetac's more-than-400 upcoming layoffs. The Iron Range cuts come on top of layoffs U.S. Steel made earlier this year at plants in Alabama, Texas, Ohio, Indiana and Illinois — now totaling some 2,000 of the company's 23,000 employees in North America.

State Rep. Carly Melin, DFL-Hibbing, called Longhi's big bonus "a textbook example of corporate greed in America."

"I am appalled. Families on the Iron Range who earn a living at U.S. Steel's Keewatin Taconite are preparing for an uncertain future. Thousands of workers nationwide have lost their jobs through layoffs at U.S. Steel. Now, we have learned that the CEO was given a substantial raise, more than doubling his annual income," Melin told the News Tribune. "The CEO should be embarrassed and offer to return his raise to the workers who have lost jobs under his watch."

The company explained the big bonus in the proxy statement filed Friday. In January the company said 2014 was its best year in the past six, with net income of \$102 million.

"Under Mr. Longhi's leadership, the corporation's Carnegie Way business transformation efforts significantly exceeded the business plan, financial, strategic and operational goals ... in 2014," the company's "definitive proxy statement" notes. "His seamless and effective transition of the management structure and commercial entities resulted in significant improvements in financial and operational performance."

U.S. Steel spokeswoman Courtney Boone told the News Tribune on Tuesday that the company's Carnegie Way initiative delivered \$575 million in benefits to the company in 2014. Boone noted that "2014 was a year of very strong financial performance for the company — (the) best annual performance since 2008, a year when North American hot-rolled coil prices were significantly higher." Most of U.S. Steel executives' compensation is performance-based, Boone said.

Boone said Longhi's base salary is at the midpoint for his position "based upon peer group information and other relevant market data," and also that his stock grant "is the market median of the chief executive officers in U. S. Steel's peer group." Boone said company directors determined that Longhi's 2014 performance "far exceeded expectations" and increased his non-equity incentive plan compensation to just more than \$4 million, up from \$477,400 in 2013.

State Rep. Tom Anzelc, DFL-Balsam Township, said he's carrying two bills at the Capitol that would try to save money for Minnesota's taconite iron ore companies, including U.S. Steel. One, aimed at reducing energy costs for the companies, faces an uphill battle.

"We're trying to do what we can to help them out in this serious global situation, but then they come out with this news? This kind of greed certainly doesn't make (passing the bills) any easier," Anzelc said. "The arrogance of this company, of this CEO, is unbelievable."

John Rebrovich, assistant to the director for the United Steelworkers of America District 11, said the union has asked U.S. Steel for an explanation.

"We have a clause in our contract that calls for shared sacrifice. If the Steelworkers have to take layoffs or cuts then management is supposed to share in that pain," Rebrovich said. "We know this is last year's compensation. But the timing here is terrible. It makes it seem like U.S. Steel is not holding up their part of the contract. We'd like them to respond to that."

U.S. Rep. Rick Nolan, D-Mnn., also weighed-in.

“Over the last 30 years, the CEO-to-worker pay ratio has increased from 46:1 in the 1980’s up to an enormous 331:1 today. I find it terribly disturbing that in our country, a CEO can lay off hundreds of workers and move their jobs overseas, and be paid big bucks to do it," Nolan said in a statement to the News Tribune. "The simple truth is we cannot rebuild America’s economy and infrastructure with foreign steel – and CEOs shouldn’t make massive personal profits at the expense of jobs and the economy. We need a change in policy to fix this glaring problem and protect our good-paying, middle class jobs here at home.”

With the deluge of cheap foreign steel entering the U.S. market and a vast oversupply of iron ore globally, Minnesota officials have been warning that hard times could be ahead for Minnesota mining communities. In addition to Keetac, Mesabi Nugget in Hoyt Lakes has idled production, apparently without layoffs, and Magnetation is closing its Plant 1, putting up to 49 people out of work.

Longhi was named executive vice president in 2012; president in June 2013 and president and chief executive officer in September 2013. A native of Brazil, he previously worked for Alcoa and Gerdau Ameristeel Corp.

The definitive proxy statement was released Friday, as required in advance of the company's annual meeting set for April 28 in Pittsburgh.

0 Reads



[David Dale](#) 4 months ago

NOW WE KNOW THE REAL STORY!! Maybe a conflict here??

<http://www.polymetmining.com/about/directors/alan-hodnik/>

PolyMet Mining Directors

Directors

W. Ian L. Forrest, Chairman

Jon Cherry, President, Chief Executive Officer

Matthew Daley

David Dreisinger

Alan Hodnik

William Murray

Stephen Rowland

Michael M. Sill

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[Greg Benson](#) 4 months ago

I would like to mirror the previous comments on this matter in urging the the members to vote against it. According to a Duluth News Tribune article dated March 15th of this year Mario Longhi, the President and Ceo of US Steel made over \$13,000,000 in 2014 while laying off hundreds of employees. I don't believe a discount on their power bill is going to prevent them from laying off hundreds more. We need to stop supporting companies who pay their executives millions while not caring what happens to the people of northern Minnesota.

1 Read



[Brian Von Arb](#) 4 months ago

Please vote no to subsidizing industry electricity rates with increases to homeowners. Fixed income households are already struggling.

0 Reads



[Brian Bush](#) 4 months ago

We have got to stop corporate welfare in the back of the working class. We are suffering under stagnant wages. Minnesota Power retirees are making more as a retiree then when they were working. If you reduce usage, they insert minimum usage fees. Please deny this rate increase and let Minnesota Power figure out how to increase shareholder value and corporate profits some place else. Thank you.

0 Reads



Ron Gerth 4 months ago

I would like to add my voice to the group of people who are opposed to MN Power raising our residential rates to offset rate cuts for the large business in Northern MN. I understand that we need them to be in business so that we have jobs but it seems like they are turning profits when it comes time to pay bonuses and then losing money fast when it comes time to ask for more handouts or to try to get something like this rammed through. I know it would only be about \$11.45 for the average customer but it all adds up. Our taxes went up, our property taxes went up, our gas taxes are going to go up (I think) and most of all our health care insurance costs are going up. With all of the other stuff that is going up coupled with the fact that we did not get a raise that even comes close to matching these increases I think that the line needs to be drawn here. Please do not allow MN Power to get away with adding to our already increasing bill burden. Thank you.

0 Reads



David Dale 4 months ago

THERE IS A CONFLICT OF INTEREST CEO of Minnesota Power (Allete) Alan Hodnik is also on the Board of Directors of PolyMet Mining. Conflict of Interest Definition: A conflict of interest is a situation in which an individual has competing interests or loyalties. A conflict of interest can exist in several kinds of situations: • with a public official whose personal interests conflict with his/her professional position • with an employee who works for one company but who may have personal interests that compete with his/her employment • with a person who has a position of authority in one organization that conflicts with his or her interests in another organization

<http://www.allete.com/governance/>

<http://www.polymetmining.com/about/directors/alan-hodnik/>

0 Reads



Joshua Bernstein 3 months ago

I would like to echo the concerns of others on this page and express my deepest opposition to the proposed rate hike. The rate hike is ostensibly designed to support taconite plants, paper mills, and other large corporations. Clearly, this effort is more driven by the influence of these corporations and their borderline-ethical lobbying efforts than any genuine concern for the workers of these plants. It is also obvious to anyone with the most rudimentary understanding of economics that these are unsustainable industries and that propping them up now will only prolong the inevitable--and at much greater public expense. If this money were going towards worker training, jobs creation, or public education, perhaps it would be a defensible allocation. But we all know these funds are going primarily to stakeholders and corporate executives, not workers. What is worse, these are industries that, more times than not, derive their profits from the exploitation of Minnesota's natural resources and produce copious amounts of ecological harm. Subsidizing these efforts--and through a bogus rate hike such as this--is simply outrageous and beneath the standards of a transparent and responsible government.

0 Reads



[David Dale](#) 3 months ago

I want to bring this to your attention. Minnesota power has signed a 10-year contract to supply electricity to ArcelorMittal, the world's largest steelmaker. The electric service agreement runs through December of 2025 and will supply electricity to the steelmaker's Minorca mine near Virginia, Minnesota.

Minnesota power filed the new contract Tuesday with the Minnesota Public Utilities Commission. The contract is subject to regulatory approval.

"This long-term contract reflects a commitment to the future of mining on the Iron Range," said Alan R. Hodnik, ALLETE Chairman, President and CEO, "It also illustrates the strength of the relationships Minnesota Power has built over the years with ArcelorMittal and other large industry in northeastern Minnesota. Minnesota Power continues to be the premier energy supplier on the Iron Range."

The Minorca mine produces nearly three million tons of customized fluxed pellet a year for use at it's flagship blast furnace at Indiana Harbor Works near Chicago.

"ArcelorMittal Minorca Mine is pleased that the cooperative effort between the mine and Minnesota Power on the new long-term electric service agreement meets our energy needs in a competitive manner," said Vice President/Operations Manager John Holmes.

ArcelorMittal Minorca Mine has NO ISSUE with the electricity rate at this point to agree to the 10 year contract with MP&L. Just goes to prove the Mines and Paper Mills can still make a profit with the electricity rates where they are today. No need to give them a break that's going to effect thousands of people that can't afford the increase. We would like to live too.

0 Reads



[John Bray](#) 3 months ago

http://m.virginiamn.com/news/local/mp-arcelormittal-sign--year-power-deal/article_e61320b4-932f-11e5-bf4c-f7f8023a643f.html?mode=jqm

The important thing to note is that all Mn Power rate payers will be facing substantially increased power bills, since Mn Power is simply passing these special iron mining company rate reductions onto every Mn Power rate payer. To be clear, this kind of special treatment for any class of rate payer should be at the expense of Mn Power, not the rest of its rate payers. The huge rate increases expected because of this "deal" will especially hit hard rate payers who are living on fixed incomes. So while Mn Power takes credit for its generosity to the Mn mining companies, the real credit should go to the Mn Power rate payers who are really subsidizing this unfair business decision by MP.

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[thomas nikko](#) 3 months ago

I agree with the previous comments. Do not allow MN Power to subsidize business on the backs of residential consumers.

0 Reads



[Christine Jenkins](#) 3 months ago

I agree with all of the above. In addition, I don't think MN Power takes into account some of us who, unfortunately, heat our homes with electricity. I am 69 years old. I have a small home, keep my thermostat at 55 on the lower level, 62 upstairs and spent \$15,000 a few years ago for new windows and attic insulation. My bill would not go up \$11.00, but \$50- \$60 in the coldest months. According to the Mn Citizens federation, the formula used to make the claim that homeowners have been subsidized by local industries is flawed and we are not being subsidized. So I would like someone to tell me how my increased rates under this plan is fair. Seems like pure greed to me.

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[David Dale](#) 2 months ago

IS THIS A HODNIK THING? Margaret Hodnik, Minnesota Power vice president for regulatory and legislative affairs. CEO of Minnesota Power Alan HODNIK? Alan Hodnik is also one of the Board of Directors for Polymet Mining. This needs to be investigated.

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[Eric Enberg](#) 2 months ago

I am writing to express my concerns over the Integrated Resource Plan put forth by Minnesota Power. Specifically, I am worried that Minnesota Power is locking in large cost increases for its customers because of its unwillingness to further invest in renewable energy, particularly wind and solar. While Minnesota Power has made considerable gains with the Taconite Ridge and Bison wind projects, and has further plans for hydropower from Manitoba, the Integrated Resource Plan states that no further wind energy investments are planned. This I feel is a strategic mistake on the part of Minnesota Power because of impending carbon pricing. As a member of Citizens' Climate Lobby (CCL) (www.citizensclimatelobby.org), we are working toward a policy where each ton of carbon is assessed a fee at the source (mine or wellhead) starting at \$15 per ton and increasing by \$10 a ton each year. 100% of the proceeds would then be distributed evenly to all American households on a monthly basis. This plan would decrease GHG emissions by 33% in 10 years and 50% in 20 years. Because the bottom two-thirds of the population would get more in the dividend each month than they would pay in increased energy costs, the economy would grow, adding 2.8 million more jobs over 20 years and adding 1.3 trillion dollars to GDP. Economic analysis by both REMI and Resources for the Future which are both respected economic modeling programs have come to the same conclusion: The Fee and Dividend system will work. As citizen lobbyists we actually meet with multiple members of Congress and their staffs during semi-annual lobby days in Washington and then again back in the districts. Though one would never expect it, in private, most congressional members and their staffs display a far greater understanding of the issue of climate change than they let on in public. Furthermore, conservatives are looking for a market-based and revenue neutral way out of this issue and the CCL proposal is resulting in a lessening of resistance. And the pressure is now on to reduce GHG emissions even further with the Paris Climate accord and the mechanism of choice from many heads of state including the President of the United States is carbon pricing. In other words, any utility that ignores the strategic imperative of progressively switching from carbon-based electricity, particularly coal, is setting its customers up for a series of unnecessary rate shocks when, not if, carbon pricing occurs. With over 80% of its current power coming from coal, Minnesota Power is the epitome of a backwards-looking, not an Energy Forward company.

Even when Minnesota Power has completed its Energy Forward program, it will be two-thirds carbon-based while Xcel Energy will be two-thirds carbon-free.

At present, only you on the PUC are able to force Minnesota Power to do the right thing. At the very least, Minnesota Power should be compelled to gradually phase out more of its coal capacity and replace it with wind power. Arguments about the intermittency of wind are losing their validity fast as engineers learn to work with wind power and solar. The National Renewable Energy Laboratory has studied this issue at length and found that renewable energy can have a very high penetration of up to 90% and the lights will still not go out. If other utilities can do this, so can Minnesota Power.

Minnesota Power will argue that it has to produce “cheap” coal-based electricity for its industrial users in the taconite and forest products industries. Of course, there is nothing “cheap” about coal; its’ profits are privatized to the benefit of Minnesota Power’s shareholders while the considerable costs in terms of deaths, asthma attacks and climate change are socialized.

Moreover, it is very unlikely that any cut in electricity prices, even down to zero would outstrip the structural advantage of a Brazilian mine that can produce blast furnace-ready hematite at \$15 per ton when Iron Range taconite has a cost of \$50 per ton. Though it pains me to say this, the nation will probably have to determine the percentage of the domestic steel industry that will be needed for the nation’s defense requirements (as is required of the Defense Department in current Federal law) and determine a way to support/subsidize that portion to keep it alive. This will likely reduce the overall demand for electricity from Minnesota Power and certainly the industrial part. Transitioning a subsidized, diminished taconite industry to a strong base of wind and solar with intermittency smoothed out with hydropower and energy storage in its many forms is entirely possible. I urge the PUC to require Minnesota Power to invest in more wind power and release the entrepreneurial spirits of northern Minnesotans by allowing generous terms for community-owned, not utility-owned solar gardens. Further study of hydro storage of solar energy in the Duluth area using the Thompson Dam or other similar sites should also be explored in order to use solar energy to shave peak demand which would also likely be profitable for all concerned, including Minnesota Power. Together, we can, no, we must transition this very traditional utility company into the 21st century and a clean energy path. The Energy Forward plan put forth by Minnesota Power is best characterized as a good start with a long race ahead to the finish line of a clean energy future. The PUC has the power and opportunity to make this happen in order to avoid rate shocks when carbon pricing occurs and I urge the PUC to take these actions.

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[Larry Landherr](#) 26 days ago

The Taconite Harbor Electric Generating Station is a coal burning dinosaur which should have been retired years ago. For decades, this facility spewed coal ash and toxic mercury into the air unabated by any emission control system. This facility continues to spew pounds of toxic mercury emissions into the surrounding air today in spite of the fact that the company installed some electrostatic precipitators several years ago (this was decades overdue). This toxic mercury

falls to earth and impacts local lakes and ends up in the food chain of local residents. Cook and Lake Counties in cooperation with the MN Dept. of Health just completed a public health survey to assess the amount of mercury which is showing up in the blood of women of child bearing age and their offspring. Eliminate the source of the mercury (these emissions) and you can reduce the exposure of these vulnerable residents. Shut this power plant down-PERMANENTLY. I call on MN Power and the Minnesota Public Utilities Commission to outline a plan to maximize the efficient use of energy, and increase the utilization of wind and solar to produce the needed electricity in the transition beyond coal to clean energy in Northeastern MN. The people living in Cook County and surrounding should not have to suffer the consequences of the utilization of a coal burning relic to generate electricity. MN Power needs to invest some of their profits in the development of Clean Energy generating systems. The year is 2016, NOT 1916. Lawrence Landherr 7740 W. Hwy 61 Schroeder, MN 55613

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[Mark Thelen](#) 21 days ago

Imagine for a moment that the wind mills that once powered America's farms improved and multiplied over the years and were now supplying this nation with their unquestionably-clean energy. Got the picture? Now imagine that someone offered an alternative, "Let us dig this black Montana rock stuff called coal out of the ground and haul it the 900 miles by train and then burn it. The furnace to burn that much will only cost about 1 billion dollars to build but will be able to burn about 300 cars of coal (about 42,000 tons!) each and every day. Great idea, don't you think?" It would be a terrible idea and unfortunately it is our current reality. But the nation is moving toward a much better idea — toward truly clean energy. We cannot go on as we have. Will Minnesota be a leader for clean air and modern jobs? Minnesota Power should not lag; it could be a leader by converting as quickly as possible to wind and solar and moving away from coal burning.

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[Marlise Riffel](#) at February 22, 2016 at 7:45pm CST

It is imperative, for our long-term health and the vitality of our state, that we retire Sherco 1 & 2 and all other coal units. We must invest in clean energy to ensure our future. Although I live in a community that has a municipal utility, we purchase all of our power from Minnesota Power, and most of that is dirty energy. Minnesota has lead the country in so many other issues, we need to lead in clean energy as well.

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[Marlise Riffel](#) at February 22, 2016 at 7:46pm CST

I urge the PUC to support the Clean Energy Plan.

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[james hietala](#) at March 04, 2016 at 6:52am CST

Minnesota Power's 2015 Resource Plan is not in the public's interest. Their Resource Plan fails to recognize the realities of climate change. At a time when the world recognizes the need for immediate and significant action, Minnesota Power plans to invest more money in their antiquated coal plants. Their limited efforts with solar shows an unwillingness to challenge themselves to move toward a more carbon neutral future. Their plan does not include additional wind resources, despite the success of their previous wind investments. Minnesota Power emphasizes the importance of maintaining low cost electricity, but what they really mean is maintaining a low price of electricity, as the true cost includes their externalized costs of pollution. Minnesota Power has requested for no more legislated mandates, and that the resource planning provides the proper process for public input into their future generation plans. Please respect those all around the world negatively affected by the fossil fuel consumption, please value our grandchildren's lives, and refuse to gamble with their future. Require a change in attitude by Minnesota Power and ask them to use their vast expertise to increase conservation, and search out all options to transform our electrical system to a sustainable model.

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