



Minnesota Department of Commerce  
85 7th Place East | Suite 280 | St. Paul, MN 55101  
Information Request

**Docket Number:** E015/CN-22-607  
**Requested From:** Minnesota Power  
**Type of Inquiry:** General

☐ Nonpublic ☒ Public  
**Date of Request:** 2/27/2024  
**Response Due:** 3/8/2024

**SEND RESPONSE VIA EMAIL TO:** [Utility.Discovery@state.mn.us](mailto:Utility.Discovery@state.mn.us) as well as the assigned analyst(s).

**Assigned Analyst(s):** Michael N. Zajicek  
**Email Address(es):** michael.zajicek@state.mn.us  
**Phone Number(s):** 651-539-1830

**ADDITIONAL INSTRUCTIONS:**

Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

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**Request Number:** 21  
**Topic:** DOE GRIP Round 1 Funding  
**Reference(s):** Gunderson Direct Testimony Page 15

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**Request:**

On Page 15 of Mr. Gunderson's Direct Testimony he states:

"Once that agreement is executed, the Company can commence the performance of the Project and submit for reimbursement up to the \$50 million awarded. The HVDC Modernization Project (including the HTEC components) must proceed on the agreed upon milestones within 60 months after the execution of the Cooperative Agreement with the DOE."

- A. Understanding that negotiations have not been completed, what milestones does the Company anticipate having to complete within the 60-month period?
- B. Please provide a discussion regarding what specific milestone items could face potential delays if the Arrowhead alternative was selected by the Commission and why.

**Response:**

- A. Minnesota Power does not yet have a draft cooperative agreement for the first round DOE GRIP funding, so definitive milestones have not been established with the DOE. With that said, the Company provides the draft Statement of Project Objectives ("SOPO") and draft Community Benefits Outcomes and Objectives ("CBOO") as attachments DOC IR 021.01 Attach and DOC IR 021.02 Attach, respectively, to show the milestones the Company anticipates having to complete within the 60-month performance

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To be completed by responder

**Response Date:** March 11, 2024  
**Response by:** Jennifer Kuklenski  
**Email Address:** jkuklenski@mnpower.com  
**Phone Number:** 218-355-3297





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period. The Company is in negotiations with the DOE and still expects the cooperative agreement to be executed in the second quarter of 2024.

- B. The federal DOE GRIP round one award of \$50 million must be spent for the HTEC portion of the HVDC Modernization Project ("Project") no later than the second quarter of 2029. The major milestones, designated by DOE as Phases 1-4, are 1) Preliminary Design and Permitting, 2) Detailed Design and Procurement, 3) Installation, and 4) Testing and Commissioning. The DOE has indicated that the cooperative agreement will include language that requires the recipient to request authorization for approval to proceed to the next phase at the end of each phase. Specifically, the SOPO states "work should not proceed beyond a Phase until all the requirements as described in Section E, Pre-Continuation Briefing(s) of this SOPO have been completed." Minnesota Power has been working towards implementing its proposed configuration for the Project since 2020, while ATC proposed the ATC Arrowhead Alternative in September 2023. Given the planning and procurement work still required, Minnesota Power is concerned about ATC's ability to meet the 2029 timeline since it has only committed to deliver the ATC Arrowhead Alternative by 2030, as confirmed in ATC's Direct Testimony of Dustin Johaneck at page 8. In addition to concern about ATC completing the work on time, the new configuration would result in running some of the preliminary studies again, which will delay start of the detailed studies. This will have a domino effect on all the milestones in the SOPO and Phases 3 and 4 may end up being completed after the performance period ends. At this time, it is unclear whether a partial award will be allowed under the finalized DOE contract in the event that Phases 3 or 4 are not completed within the performance period. The Company expects to have more clarity on the potential impact for specific milestones or the likelihood of a partial award once the Cooperative Agreement is executed with the DOE.

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The information assigned a trade secret designation herein includes project-specific information and has been marked as trade secret as defined by Minn. Stat. § 13.37, subd. 1(b). The information derives an independent economic value from not being generally known or readily ascertainable by others who could obtain a financial advantage from their use. Because the Company has classified these entire documents as trade secret information, the Company provides the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:

Item/Location	Justification
DOC IR 021.01 Attach	Nature of the Material: HTEC Project Application – Statement of Project Objectives (SOPO)  Author: Minnesota Power  General Import: The SOPO was submitted as part of a highly competitive grant application to secure federal funding for the HVDC Modernization Project.  Date Prepared: March 2024
DOC IR 021.02 Attach	Nature of the Material: HTEC Project Community Benefits Outcomes and Objectives detailing the community engagement plan for the HTEC project as required by the DOE.

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	<p>Author: Minnesota Power</p> <p>General Import: The Community Benefits Outcomes and Objectives was submitted as part of a highly competitive grant application to secure federal funding for the HVDC Modernization Project.</p> <p>Date Prepared: March 2024</p>
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