



AN ALLETE COMPANY

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October 14, 2025

VIA E-FILING

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of the Petition of Minnesota Power for Approval of Investments and Expenditures in the Longspur Wind Project for Recovery through Minnesota Power's Renewable Resources Rider under Minn. Stat. § 216B.1645
Docket No. E015/M-25-309
Reply Comments

Dear Ms. Bergman:

Minnesota Power ("the Company") is pleased to present these Reply Comments to the Minnesota Public Utilities Commission ("Commission") in the matter of the Longspur Wind Project ("Project"). Minnesota Power is seeking Commission approval for investments, expenditures, and costs related to the Longspur Wind Project ("Project") through Minnesota Power's Commission-approved Rider for Renewable Resources ("RRR").

The Company appreciates the opportunity to respond to questions and concerns raised by parties. Due to the time-sensitive nature of federal tax incentives critical to this project, the Company respectfully requests that the Commission conduct an expedited review of this petition with the goal of scheduling a public hearing by April 30, 2026 and a final written order approval of the project by June 30, 2026.

Please contact me at (218) 355-3178 jmccullough@mnpower.com with any questions related to this matter.

Respectfully submitted,

Jess McCullough
Public Policy Advisor

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I AM
ZERO INJURY.

*Together we choose to work safely for our families, each other, and the public.
We commit to be injury-free through continuous learning and improvement.*

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Petition of Minnesota Power
for Approval of Investments and Expenditures
in the Longspur Wind Project for Recovery through
Minnesota Power's Renewable Resources Rider
Under Minn. Stat. §216B.1645

Docket No. E015/M-25-309
REPLY COMMENTS

I. INTRODUCTION

On August 3, 2025 Minnesota Power ("Company") filed its petition for approval of investments and expenditures related to the construction of the 200MW Longspur Wind Project. The Longspur Wind Project was identified by an independent consultant as the least cost wind resource received through a competitive bidding process. The petition requested that the Minnesota Public Utilities Commission ("Commission") approve, in addition to the investments and expenditures, the recovery of costs associated with the project in the existing Renewable Resources Factor under the Renewable Resources Rider ("RRR"). The Company also requested that the Commission provide an expedited review of this petition with a public hearing by April 30, 2026 and final written order approval of the project by June 30, 2026 in order to secure tax incentives established by the Inflation Reduction Act ("IRA") and subject to an accelerated phase out because of Public Law No. 119-21. On October 1, 2025, the Minnesota Department of Commerce ("Department") filed initial comments in this matter which recommended the Commission find the Company's application complete and recommended its conditional approval. The Company appreciates the Department's expeditious comments and responds to the Department's conditional recommendations below.

II. RESPONSE TO STAKEHOLDER COMMENTS

B. Approve Minnesota Power's Investments

The Company appreciates the Department's recommendation to approve the Company's investment in the Longspur Wind Project (B.1). The Company has no objection to the

Department's conditional recommendation to limit cost recovery to the amount bid by the Company for the project, which is \$790.9 million (B.2.). The Company will apply the jurisdictional allocators from its most recent Commission-approved rate case preceding to the annual filing of the RRR each year. This is consistent with the Company's most recent RRR filing in which cost recovery was proposed for the Company's Boswell Solar Project and Regal Solar Project.¹ the Company will adhere to prices and terms related to project evaluation for the duration of the Project's development and will continue to accurately track and account for all incurred project costs. The Company will justify project costs in the event that circumstances outside of the utility's control result in substantially higher costs than forecasted.

C. Renewable Energy Standard and Carbon Free Standard

The Company agrees with the Department's analysis that the Longspur Wind Project qualifies for application toward the Company's obligations under the Renewable Energy Standard ("RES") and Carbon Free Standard ("CFS"). This project is part of the Company's long-term renewables strategy and will generate renewable energy credits ("RECs") that the Company will use to comply with the RES and CFS.

D. Renewable Resource Rider

The Company agrees with the Department's analysis that the Commission-approved bidding process used to select the Longspur Wind Project provides exemption from the Certificate of Need requirements under the Bidding Exemption provision of Minn. Stat. § 216B. 1645, subd. 2a (a). The Company also concurs with the Department's recommendation to authorize future cost recovery of the Longspur Wind Project through the RRR.

E. Tax Matters

The Department recommends that the Commission approve the Company's proposal to sell Production Tax Credits ("PTCs") and includes a provision to require the Company to track costs and benefits of selling PTCs in its annual RRR filings. The Department's

¹ Docket No. E015/M-25-373

provision is similar to one it made in Xcel Energy's Renewable Energy Standard Rider² and is reproduced below:

To calculate the cost, MP would use the increased Renewable Resource Rider revenue requirement due to additional costs/discount from selling the PTCs. To calculate the benefit, MP would calculate the revenue requirement impact of the reduced ADITA from selling the PTCs. To the extent the cost benefit tracker does not show a net benefit to ratepayers, the Department recommends MP refund the difference.

The Company is amenable to this recommendation and finds it to be a reasonable mechanism for providing these tax benefits back to customers. In Minnesota Power's 2024 RRR Petition, the Company added two adjustments to its PTC true-up procedure to account for transfer of the PTCs to eligible transferee taxpayers in exchange for cash payments.³ The first adjustment accounts for the discount on PTCs which is necessary to incentivize the transferees to purchase the credits, while the second adjustment accounts for the reduction in Accumulated Deferred Income Tax Asset ("ADITA") as cash is received from the transferee. The reduction in ADITA will accumulate with each cash payment received. As articulated in Section III.D. of the Company's initial petition in this matter, the Longspur Wind Project may not demonstrate a net PTC benefit in its first years of operation, but the company expects an on-going net benefit to customers over the life of the project and commits to providing annual updates in its RRR petition.

² Docket No. E002/M-23-454, August 8, 2024

³ Docket No. E015/M-25-373

III. CONCLUSION

The Longspur Wind Project is an important component of the Company's resource strategy and complies with the Commission's 2021 Order to procure up to 400 MW of wind.⁴ Minnesota Power appreciates the Department's recommendations in this matter and is grateful for its expedited review. To help secure federal tax credits for the Longspur Wind Project before their expiration window, the Company respectfully requests that the Commission conduct an expedited review of the petition to facilitate a Public Hearing by April 30, 2026 and final approval by June 30, 2026. The Longspur Wind Project will provide multiple benefits for Minnesota Power customers including helping the Company to meet the requirements established by the Carbon Free Standard and the Renewable Energy Standard, leveraging existing utility assets, boosting the tax base of local economies, and creating regional jobs. Minnesota Power looks forward to working with the Commission and other interested parties to implement the Longspur Wind Project.

Dated: October 14, 2025

Respectfully submitted,



Jess McCullough
Public Policy Advisor

218.428.9846

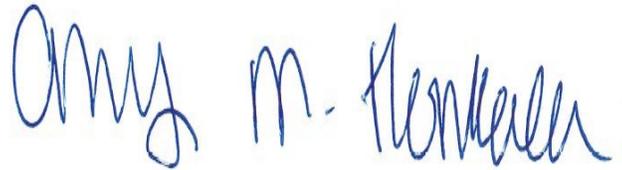
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⁴ Docket No. E015/RP-21-33

STATE OF MINNESOTA)
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COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

I, Amy M. Honkala of the City of Duluth, County of St. Louis, State of Minnesota, hereby certify that on the 14th day of October, 2025, I electronically filed a true and correct copy of Minnesota Power's **Reply Comments in Docket No. E015/M-25-309** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on eDocket's Official Service List for this Docket were served as requested.



Amy M. Honkala