

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

Katie Sieben	Chair
Joseph Sullivan	Vice-Chair
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Audrey Partridge	Commissioner
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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 the Citizens Utility Board of Minnesota**

The Citizens Utility Board of Minnesota (“CUB”) respectfully offers the following comments in response to the Notice of Comment Period issued by the Minnesota Public Utilities Commission (“Commission”) on February 25, 2026 in the above-referenced matter.

**I. Background**

In recent years, there has been considerable discussion around the risks and opportunities associated with new large loads. Forecasts project that data centers could account for up to 12 percent of total U.S. electricity consumption by 2028, up from approximately 4.4 percent in 2023.<sup>1</sup> To serve this rapidly accelerating load growth, new generation and transmission infrastructure will need be constructed, and protections will need to be put in place to ensure the costs of those projects will not be borne by other utility customers. In recognition of these overarching concerns, the Minnesota Legislature enacted laws governing the provision of electricity service to new data centers and other very large customers. In particular, Minn. Stat. § 216B.1622 establishes a framework for insulating existing ratepayers from the costs and risks associated with serving very large customers. Pursuant to that statute, the Commission must (1) establish the definition and characteristics of very large customers; (2) assign all costs attributable to very large customers to a very large customer class or subclass; (3) certify the electricity provided to such customers meets Minnesota’s electricity standards; and (4) ensure customers are not placed at risk for paying stranded asset costs.<sup>2</sup>

On February 18, 2026, Minnesota Power filed a Petition for Approval of its Very Large Customer Class Proposal.<sup>3</sup> Rather than revising its tariffs and rate structures to address the costs and risks of new very large loads, Minnesota Power proposes to accommodate those customers “within its existing Large Power (“LP”) Customer Class and Large Power Service Schedule (or, “LP Tariff”),” which it largely does

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<sup>1</sup> ARMAN SHEHABI ET AL., LBNL, 2024 UNITED STATES DATA CENTER ENERGY USAGE REPORT at 5-6 (Dec. 2024); *see also* North American Electric Reliability Corporation, “Characteristics and Risks of Emerging Large Loads: Large Loads Task Force White Paper (July 2025) (internal citations omitted).

<sup>2</sup> Minn. Stat. § 216B.1622, Subds. 1-2.

<sup>3</sup> *In the Matter of Minnesota Power’s Petition for Approval of Modifications to its Large Power Tariff*, Docket No. E-015/M-26-126, Minnesota Power Petition (Feb. 18, 2026) (hereinafter “LP Tariff Petition”).

not seek to adjust or modify.<sup>4</sup> In other words, the Company seeks to cement the status quo and adopt no new measures designed to protect existing ratepayers. Instead, it proposes to address any outstanding concerns through individually negotiated electric service agreements (“ESAs”), which lack transparency and consistency. CUB is concerned that Minnesota Power’s proposal fails to establish a reasonable baseline for achieving the required outcomes of Minn. Stat. § 216B.1622. Without proper protections developed and implemented through a separate large load tariff, Minnesota ratepayers could be left to bear the costs and risks of new very large customers coming online.

## II. Analysis

The Company states that “some modernization [of its Large Power tariffs] may be necessary if a new very large customer were to locate in Minnesota Power’s service territory.”<sup>5</sup> CUB agrees that the Company’s tariffed rate structures should be updated to adequately protect residential and other ratepayer classes from the costs of serving new large loads. We disagree, however, that it is appropriate to wait until some undetermined future point to implement those revisions. We also believe it would be most appropriate for the Company’s ESAs to be adjusted to align with a Commission-approved large load tariff (and one uniquely meant to address data centers as “very large customers”), not the other way around.

The Company has long been aware of the potential impacts of data center development in its service territory. For example, on August 1, 2024, the Company filed its 2024 Annual Electric Utility Forecast Report discussing the possibility of data center load growth.<sup>6</sup> A few months later, the Company’s Vice President of Strategy & Planning discussed the Company’s efforts to prepare for potential data center development at the Commission’s October 29, 2024 special planning meeting.<sup>7</sup> Meanwhile, in late 2024, Minnesota Power staff were exchanging emails with City of Hermantown officials about “Project Loon,” the then-confidential project later revealed to be a proposed Google data center.<sup>8</sup> Finally, in its 2025 Integrated Resource Plan filed on March 3, 2025, the Company included a growth plan to illustrate how the Company is preparing for load growth, including data centers.<sup>9</sup>

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<sup>4</sup> LP Tariff Petition at 1; *but see In the Matter of Minnesota Power’s Petition for Approval of Modifications to its Large Power Tariff*, Docket No. E-015/M-26-126, Minnesota Power Compliance Filing – Proposed Tariff Modifications (Apr. 14, 2026) (proposing tariff revisions pursuant to the Company’s ESA with Google).

<sup>5</sup> LP Tariff Petition at 3.

<sup>6</sup> *In the Matter of Minnesota Power’s 2024 Annual Electric Utility Forecast Report*, Docket No. E999/PR-2411, MINNESOTA POWER’S 2024 ANNUAL ELECTRIC UTILITY FORECAST REPORT at 1, 40 (Aug. 1, 2024) (“Additionally, as national and regional trends continue to identify a new landscape for energy growth, the company also included in this year’s submittal a new load growth Forecast Planning Scenario (Section VI) that takes into consideration potential growth from regional electrification efforts, data centers, and/or green steel opportunities. These are important components to monitor for the utility as it continues to prepare for the electric needs of its service area.”)

<sup>7</sup> See Julie Pierce, MINNESOTA POWER, *Data Centers Advancing Opportunities*, [https://mn.gov/puc-stat/documents/pdf\\_files2/Presentation%20-%20MN%20Power%2010-29-24.pdf](https://mn.gov/puc-stat/documents/pdf_files2/Presentation%20-%20MN%20Power%2010-29-24.pdf) (Oct. 29, 2024).

<sup>8</sup> *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Docket No. E-015/PA-24-198, Petition for Reconsideration at 2, Appx. B (Dec. 30, 2025).

<sup>9</sup> *In the Matter of Minnesota Power’s Application for Approval of its 2025-2039 Integrated Resource Plan*, Docket No. E015/RP-25-127, 2025-2029 INTEGRATED RESOURCE PLAN at 9 (March 3, 2025)

The Company has since filed an ESA with Harmony Group LLC, a subsidiary of Alphabet, Inc. (“Google”) for the provision of energy to the Hermantown data center.<sup>10</sup> The entrance of very large customers onto Minnesota Power’s system is no longer a hypothetical outcome; it is a reality that brings with it substantial costs and risks. Though we are still in the process of reviewing the terms of that ESA, we do not believe it is reasonable to move forward with approval of the contract until the Commission establishes a tariff architecture that does not make ratepayer protections dependent on ESAs. As further detailed below, the existing LP Tariff framework does not adequately shield Minnesotans in the manner envisioned by Minn. Stat. § 216B.1622. Nor does the negotiation of one-off ESAs establish a reasonable or effective method for regulating new very large customers. Tariff revisions must be enacted to ensure minimum protective requirements are broadly applicable and incorporated into all ESAs entered between the Company and prospective very large customers. Anything less would subject Minnesota ratepayers to undue risk.

If the Company believes “some modernization [of its Large Power tariffs] may be necessary if a new very large customer were to locate in Minnesota Power’s service territory,” then those modifications should be made now, in this docket. We respectfully request the Commission pause the procedural timeline associated with its review of Minnesota Power’s ESA with Google until such time as it renders a decision in the instant proceeding.

**A. The Commission should require Minnesota Power to present large load tariff revision proposals for consideration in tariff-specific dockets, rather than through ad-hoc petitions for ESA approval.**

In its instant petition, Minnesota Power advances a preference for extending the existing LP Tariff to new very large customers and utilizing ESAs to address deficiencies associated with the lack of tariff measures necessary to meet the protective mandates of Minn. Stat. § 216B.1622.<sup>11</sup> At the same time, the Company is seeking to modify the Large Power Surcharge provisions of the LP Tariff in a separate proceeding related to its petition for approval of an ESA with Google.<sup>12</sup> The Company even encloses a redlined version of its LP Tariff as an attachment to its ESA petition.<sup>13</sup> Despite cross-referencing that filing in the instant docket, we find the parallel nature of these proceedings to be problematic.<sup>14</sup> The Company’s proposal to revise the rate structure governing its contract with Google through the ESA itself raises substantial questions about the adequacy and permanence of applicable tariff provisions. Disregarding, at this point, whether the proposed modifications are appropriate, we respectfully recommend the Commission clarify and enforce a procedural process that clearly delineates ESAs from the tariff frameworks to which they are or will be subject.

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<sup>10</sup> *In the Matter of the Petition for Approval of an Electric Service Agreement between Google and Minnesota Power*, Docket No. E-015/M-26-159, Initial Petition (Mar. 27, 2026) (hereinafter “Google ESA Petition”).

<sup>11</sup> LP Tariff Petition at 3.

<sup>12</sup> *See, e.g.*, Google ESA Petition at 19-20.

<sup>13</sup> Google ESA Petition at Attachment D.

<sup>14</sup> *In the Matter of Minnesota Power’s Petition for Approval of Modifications to its Large Power Tariff*, Docket No. E-015/M-26-126, Minnesota Power Compliance Filing – Proposed Tariff Modifications (Apr. 14, 2026).

On a fundamental level, the LP Tariff is designed to establish the terms and conditions under which Minnesota Power might enter into agreements for the provision of service. If modifications to that structure are proposed or adopted as part of the bilateral negotiation process, it lessens the effectiveness of the tariff as a permanent governance tool that applies equally to all ESAs. CUB worries that allowing the revisions proposed in Docket No. E-015/M-26-159 would set a dangerous precedent—one where modifying the LP Tariff is an appropriate subject for negotiation each time a new ESA is being arranged. It is not. Any modifications should be sought through a designated petition regarding the tariff at issue and should not take place on an ad-hoc basis through ESA negotiations. To do otherwise would risk the tariff becoming a fluid construct that is adjusted based on the whims of whatever very large customer next seeks to take service.

As further detailed below, CUB finds it necessary to establish a new tariff and rate class for prospective very large customers. The Company's proposal to revise the LP Tariff through its ESA petition nonetheless raises substantial concerns that broadly apply regardless of which tariff ultimately governs large load contracts. We therefore respectfully recommend that Minnesota Power be required to present large load tariff revision proposals in tariff-specific dockets, rather than through ad-hoc petitions for ESA approval.

**B. Minnesota Power's use of existing rate class structures for new very large customers conflicts with the statutory provisions of Minn. Stat. § 216B.1622.**

Minn. Stat. § 216B.1622 provides that the Commission shall establish the “definition and appropriate characteristics of a very large customer class or subclass for each public utility providing electric service.”<sup>15</sup> Rather than proposing the development of a new rate class or subclass, Minnesota Power recommends incorporating all new very large customers into its existing LP Customer Class.<sup>16</sup> The Company claims this approach is “sufficiently flexible to meet the requirements of the law,” as the rate and class structures are “intentionally designed to serve customers with large and continuous energy needs.”<sup>17</sup> Although the LP Tariff is currently offered to industrial facilities with significant energy demands, CUB does not support its use for the new very large customers contemplated by the Legislature when passing Minn. Stat. § 216B.1622. As further discussed throughout these comments, the tariff does not establish sufficient protections to shield existing residential households from the costs of serving new large loads. Neither does the proposal comport with legislative directives.

In passing Minn. Stat. § 216B.1622, the Legislature made abundantly clear that the Commission must take such actions as are necessary to ensure all costs attributable to very large customers are borne by those entities, and that other ratepayers are not exposed to financial risks or become responsible for stranded asset costs.<sup>18</sup> Although the statute affords the Commission flexibility in determining exactly what tariffs, provisions, and protections should be implemented to achieve those required outcomes, the Legislature clearly indicated a need to take a revised approach that was different from

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<sup>15</sup> Minn. Stat. § 216B.1622, Subd. 1.

<sup>16</sup> LP Tariff Petition at 1.

<sup>17</sup> LP Tariff Petition at 3.

<sup>18</sup> Minn. Stat. § 216B.1622, Subd. 2(1), (3).

historical norms. Under Subdivision 3 of that statute, the Legislature exempted existing customers that would otherwise meet the “very large” threshold.<sup>19</sup> In doing so, it recognized that new data centers and large load entities contribute to materially distinct costs and risks as compared to those companies traditionally served by Minnesota utilities.

Minnesota Power is no exception. As the Company indicates in its proposal, eight of its largest customers served under the LP Tariff together account for 600 megawatts of demand.<sup>20</sup> A *single* data center could impose similar electricity requirements on the Company’s system as all of these mining and paper milling facilities combined.<sup>21</sup> Meanwhile, the load profile of new, large data centers driven by increased demand for artificial intelligence is also fundamentally different from that of Minnesota Power’s existing large power customers:

[Data center load profiles] would be hard to replace once their presence has been written into utility planning. At the same time, the ever-evolving nature of both AI and the hardware it runs on makes it difficult to predict how much power data centers may need in the future.”<sup>22</sup>

To account for new data center-driven load, Minnesota Power will need to rapidly expand its generation and transmission infrastructure at significant expense. While “[a]dvances in chip efficiency, cooling technologies, and computing optimization could sharply reduce [the] energy intensity” required to operate data centers in the future, these improvements also raise substantial questions about the possibility of near-term capacity reductions.<sup>23</sup> If technological advancements are realized prior to the end of contractual arrangements, the capacity requirements of new very large customers could drastically decrease, lessening the need for infrastructure resources that have already been built, and whose costs are being recovered from customers. These sorts of stranded asset risks are particularly relevant to new hyperscale data centers, and render such projects materially distinct from large power customers currently taking service under the LP Tariff.

As proposed, the Company’s petition would detrimentally affect existing large power customers. When conducting class cost of service studies (“CCOSS”), expenses are identified and allocated on a class-wide basis, rather than being attributed to a single customer or group of customers. The introduction of new very large loads complicates that process. The extension and provision of service will necessitate ongoing costs that—if Minnesota Power’s proposal is adopted—will be allocated amongst all members of the Large Power Customer Class, rather than being borne solely by those entities whose entrance onto the system prompted such expenses to be incurred. Under Minn. Stat. § 216B.1622, Subd. 2(1), the Legislature explicitly directed the Commission to consider how best to

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<sup>19</sup> Minn. Stat. § 216B.1622, Subd. 3 (stating that “[t]his section shall not apply to existing, renewed, or extended electric service agreements of public utility customers meeting the threshold of a very large customer, or to very large customers that have been actively taking electric service from the public utility prior to 2020”).

<sup>20</sup> LP Tariff Petition at 3.

<sup>21</sup> EPRI, *Powering Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption at 2* (2024) (noting that hyperscale data centers regularly require capacities of between 100MW and 1,000MW).

<sup>22</sup> Diana DiGangi, *Utilities are Spending Billions on the Data Center Boom. What are the risks?*, UTILITYDIVE (March 6, 2026).

<sup>23</sup> ENERGY+ENVIRONMENTAL ECONOMICS, *Forecasting Large Loads in the Age of AI and Data Centers* (December 2025).

ensure all costs attributable to “very large customers *not exempt* under Subdivision 3 are assigned to the very large customer class or subclass determined by the commission under paragraph (a).” By its plain language, this provision reinforces that a *new* very large customer class or subclass must be created to serve *new* large loads. Otherwise, Large Power facilities exempt from the provisions of Minn. Stat. § 216B.1622 would be forced to bear a portion of the costs associated with serving new very large customers.

For these reasons, we respectfully recommend the Commission order Minnesota Power to submit a revised petition that separates new very large customers into their own rate class. As further detailed below, numerous additional requirements should be incorporated into this proposal to ensure existing customers are adequately protected from the costs and risks of prospective large loads.

### C. Minnesota Power’s proposal would needlessly reduce transparency.

#### *i. Existing tariff provisions would prevent the public from understanding risks, benefits, or whether statutory protections are being met.*

Lack of transparency has become a point of contention as data center developers bring forward project proposals in Minnesota and around the country. Nondisclosure agreements (“NDAs”) have proliferated, creating a black box that prevents the public from gaining adequate information about planned or anticipated projects. In some instances, NDAs have been entered into with local elected officials, depriving them of the ability to discuss data center projects with their constituents, or even acknowledge the existence of such project proposals.<sup>24</sup> This has resulted in substantial public backlash,<sup>25</sup> prompting legislative efforts to limit the degree of secrecy surrounding data center projects.<sup>26</sup> Microsoft also recently ended its practice of utilizing NDAs, acknowledging that such a change was necessary to “strengthen[] public trust, enabl[e] better dialogue,” and “allow for greater transparency moving forward.”<sup>27</sup> Rather than fostering a greater openness with its customers, Minnesota Power’s proposal would further shroud projects in secrecy and prevent the public from being adequately informed of the potential costs, risks, and benefits of very large customer projects.

The terms of Minnesota Power’s existing LP tariff require that all ESAs entered into between the Company and prospective large load customers “be marked trade secret in their entirety.”<sup>28</sup> CUB strongly disagrees with extending this approach to data centers or very large loads under development in Minnesota Power territory, as it prevents the public from having any insight into

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<sup>24</sup> See, e.g., Natalie Kainz, *How NDAs Keep AI Data Center Details Hidden from Americans*, NBC NEWS (Oct. 28, 2025); see also Peyton Haug, *Want an AI Data Center in Your City? Sure, But First Sign This Non-Disclosure Agreement*, MINNESOTA REFORMER (Oct. 29, 2025).

<sup>25</sup> See Sabrina Ullman, *Lawsuit Claims Hermantown Violated State Laws in Google Data Center Plan*, WDIO (Apr. 29, 2026); Walker Orenstein, Jana Hollingsworth, and Eva Herscowitz, *NDAs, Code Names and Shell Companies: How Minnesota Officials Support Data Center Secrecy* (Dec. 18, 2025); see also Robinson Meyer, *Amid Rising Local Pushback, Data Center Cancellations Surged in 2025*, HEATMAP PLUS (Jan. 12, 2026).

<sup>26</sup> Walker Orenstein, *Momentum is Growing to Curtail Data Center Secrecy in Minnesota. Some Fear it Could Hurt Development*, STAR TRIBUNE (Mar. 20, 2026); Walker Orenstein, Jana Hollingsworth, and Eva Herscowitz, *NDAs, Code Names and Shell Companies: How Minnesota Officials Support Data Center Secrecy*, STAR TRIBUNE (Dec. 18, 2025).

<sup>27</sup> MICROSOFT, *Putting Communities First: Our Decision to End NDAs with Local Governments* (Mar. 2026).

<sup>28</sup> LP Tariff Petition, Att. A at 2.

whether they are adequately protected from the costs of bringing these customers online. This designation extends to not only the contractual provisions governing the relationship between the Company and the customer, but also “all disclosures, information and materials, whether oral, written, electronic or otherwise, relating to the business of either the Customer or the Company, that is not generally available to the trade or the public.”<sup>29</sup> While we appreciate and recognize that certain portions of ESAs may reasonably be labelled as trade secret, completely withdrawing those contracts from public scrutiny is inconsistent with the interests of Minnesota ratepayers. It reduces the ability of stakeholders and the public to adequately review and weigh in on the appropriateness of contractual provisions. Neither would it permit the Commission to hold open hearings on the ESA, or publicly represent how its decisions meet statutory objectives or shield ratepayers from undue costs and risks.

Minnesota Power and Google mutually disregarded this overarching tariff language and filed a public version of their ESA.<sup>30</sup> While CUB appreciates certain unredacted elements of that petition are now available to the public, we do not believe it is reasonable or appropriate to retain tariff language so broad as to permit the full exclusion of those ESAs from public scrutiny. Should that language remain in place, there would be no guarantee that public versions of ESAs would be made available to members of the public when future large load projects are brought forward. We see this as contrary to the Commission’s statements that “decision-making is better when [they] hear from Minnesotans,” and that “[p]ublic input is essential to a fair and reasonable decision making process.”<sup>31</sup> Minnesota Power’s proposal is devoid of the base level of transparency necessary to foster public engagement and participation. It is for this reason that CUB recommends the language designating ESAs as trade secret in their entirety be removed when Minnesota Power files a new large load tariff.

*ii. A large load tariff would allow the public to be adequately informed of the protective mechanisms implemented to ensure compliance with Minnesota law.*

In contrast to ESAs—where certain provisions may reasonably be treated as nonpublic—there are limited transparency concerns surrounding the development of a large load tariff. The terms and conditions of such a tariff would be broadly applicable across the whole class of new very large customers and would not require project-specific information to be filed or redacted. The Commission could therefore hold open hearings discussing each of the tariff provisions and publicly convey the outcome of its decision. In this way, establishing a very large customer tariff would provide a greater degree of clarity and understanding about how the statutory mandates of Minn. Stat. § 216B.1622 are being implemented, and how ratepayers will be protected from potential costs and risks.

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<sup>29</sup> LP Tariff Petition, Att. A at 2.

<sup>30</sup> See generally Google ESA Petition.

<sup>31</sup> MINN. PUB. UTILS. COMM’N, *How to Get Involved*, <https://mn.gov/puc/get-involved/> (last accessed May 1, 2026).

*lii. Without developing a new large load tariff, prospective very large customers will be left with an incomplete picture of potential costs, rates, and conditions associated with developing projects in Minnesota Power's service territory.*

In addition to CUB's concern about the lack of transparency for existing customers, we recognize Minnesota Power's proposal could be disadvantageous for prospective large load facilities. Rather than employing a tariffed structure with defined protective elements, Minnesota Power proposes to individually negotiate ESAs with each very large customer that will then be subject to Commission review and approval. This results in substantial uncertainty around the terms, conditions, and rates that will ultimately be required to ensure compliance with Minn. Stat. § 216B.1622. Developing a distinct large load tariff—and establishing a separate rate class—reduces this potential friction by ensuring a standardized framework is in place that all future ESAs must comply with. This both increases certainty for very large customers and reduces the potential degree of variation that could result from customer-specific agreements. Importantly, CUB recognizes that the unique needs and potential contributions of prospective customers can and should be incorporated into ESAs. The proposed large load tariff does not prevent consideration of these factors, but would instead establish a floor, i.e. a base set of requirements that could be added to, but not removed.

**D. Minnesota Power's proposal will increase regulatory burdens for the Commission, stakeholders, agencies, and the utility.**

The recommendation to almost entirely rely on ESAs when setting terms and conditions for the provision of service to very large customers brings with it added complexity and administrative burdens. Without the development of minimum tariff requirements, each aspect of the ESA can be individually negotiated and modified. In essence, the method of protecting residential and other ratepayer classes may materially differ between prospective very large customers. For example, none of the provisions in the proposed ESA with Google are guaranteed to be included in future ESAs entered into with other large load entities. The individualized, one-off nature of these agreements amplifies the necessity of closely monitoring and analyzing future proposals to ensure adequate protections are put into place. While this need will remain even if a comprehensive large load tariff is developed and implemented, such action would at least establish baseline protections that could not be negotiated away. Establishing such a framework would therefore reduce future regulatory burdens for the Commission, stakeholders, and Minnesota Power itself.

**E. Minnesota Power's proposal lacks sufficient provisions to protect other customer classes from stranded asset risks.**

Minnesota Power's LP Tariff fails to adequately isolate the costs associated with serving new very large customers, which is a fundamental element of Minnesota's ratepayer protection statute. Without a reliable method for identifying and quantifying such expenses, there is no guarantee that existing customers will be shielded from "all costs attributable to the utility's very large customers" or that they

will not be “placed at risk for paying stranded costs.”<sup>32</sup> Although the Company has proposed to “calculate a margin contribution analysis per its current tariff LP Surcharge mechanism,”<sup>33</sup> this process is almost entirely focused on generation expenses, and does not account for other infrastructure or costs that could be necessitated by the entrance of new large load customers.<sup>34</sup>

In addition to the issues with identifying and appropriately allocating the costs associated with serving new very large customers, CUB is concerned that Minnesota Power’s LP Tariff will not adequately safeguard residential and other ratepayer classes from outstanding risks. Minn. Stat. § 216B.1622, Subd. 2(3) explicitly directs the Commission to consider how best to “ensure that other customers of the public utility are not placed at risk for paying stranded asset costs.” This necessitates the development of tariff or ESA provisions that deal not only with the rates charged, but also place conditions on early termination, capacity reductions or additions, minimum term lengths, financial guarantees, and such other factors as are relevant to protecting the public interest.

Minnesota Power appears to acknowledge that such conditions are appropriate and necessary for protecting existing customers, as the Company includes many of the aforementioned provisions in its ESA with Google.<sup>35</sup> Unfortunately, many of those obligations are marked trade secret, removing them from public view. Included in the redacted portion of the ESA are the terms, conditions, protections, and definitions associated with the following topics:

- Load forecasting and operational planning;
- Assignment of the ESA contract;
- Contract termination either by the Company or the customer;<sup>36</sup>
- Capacity reduction provisions, including the length of notice, fee amounts, and the amount of capacity the customer is permitted to forego;
- Certain requirements governing minimum billing demand;
- Certain provisions related to the application of demand charge discounts made available through the Business Expansion Incentive Rider;
- The amount of demand response made available by the customer, together with the timeline associated with the availability of such resources;
- The length of the applicable ramp period and any conditions or obligations imposed on the customer during such time;
- Ownership of assets;
- What constitutes a breach of the contractual obligations;
- The minimum requirements for a party to be considered “creditworthy” and capable of providing financial guarantees; and

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<sup>32</sup> Minn. Stat. § 216B.1622, Subd. 2(1) – (3).

<sup>33</sup> Google ESA Petition at 32.

<sup>34</sup> LP Tariff Petition, Att. A at 6-7.

<sup>35</sup> See generally Google ESA Petition.

<sup>36</sup> See Google ESA Petition, Att. A at 5 (providing only that a minimum of four (4) years’ notice of termination be provided during the initial contract period. No publicly accessible information was provided on the amount of the termination fee or the length of notice required after the initial contract term).

- The minimum requirements for a U.S. chartered bank to be considered a “qualified issuer” for purposes of the contract.<sup>37</sup>

Almost all of these provisions are clearly and transparently laid out in Xcel Energy’s proposed large load tariff.<sup>38</sup> While CUB has separate concerns with that proposal, we appreciate Xcel’s candid approach towards developing a tariff framework that will be consistently applied to new very large customers. Minnesotans deserve to understand the scope of protections designed to achieve the objectives of Minn. Stat. § 216B.1622, and Minnesota Power’s instant petition fails to provide that clarity.

For this reason, we respectfully recommend the Company be required to include, at minimum, provisions and explanations related to the foregoing topics in a new large load tariff proposal:

- Load forecasting;
- Operational planning;
- Methods of identifying, quantifying, and assigning the costs and risks of new very large customers;
- The appropriate definitions and characteristics of very large customers, including criteria relevant for determining which loads will be required to receive service under the new tariff;<sup>39</sup>
- Whether and under what conditions facilities will be aggregated for the purpose of determining tariff applicability;
- Financial guarantees;
- How the Company intends to ensure the costs of studies and infrastructure investments necessary for the interconnection or energization of the very large customer will be borne solely by that entity;
- Minimum billing terms;
- Minimum contractual term lengths;
- How mid-term capacity additions or reductions will be treated;
- How mid-term contract terminations will be treated;
- How load flexibility and/or demand response will be utilized;
- How cost allocation methodologies will be updated should a new very large customer begin service between utility rate cases;
- How the Company plans to ensure compliance with Minnesota’s electricity standards under Minn. Stat. § 216B.1691.

This list is non-exhaustive but includes many of the topics and issues that CUB and other stakeholders analyzed, weighed, and recommended revisions to in Xcel’s recent large load tariff proceeding. Once

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<sup>37</sup> Google ESA Petition at 12, 14-17, 21, 23-28, 33; Att. A at 1-7, 9-12, 14, A-1, B-1-4; Att. G.

<sup>38</sup> See generally, *In the Matter of Northern States Power Company d/b/a Xcel Energy’s Petition for Approval of Large General Time of Day Service and Large Peak Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, Petition (July 16, 2025).

<sup>39</sup> CUB envisions this as including a MW threshold for applicability, but also potential other factors, such as the scale of costs or impacts expected as a result of the new customer’s entrance onto the system.

a robust tariff petition has been advanced by the Company, a new comment period should be issued to provide stakeholders an opportunity to weigh in on the proposal and recommend changes necessary to protect ratepayers and ensure the proper regulation of very large customers on a forward-looking basis.

**F. The Commission may wish to modify procedural timelines to accord with statutory deadlines.**

CUB recognizes that requiring a new large load tariff filing will essentially restart the procedural process. This could make it difficult for the Commission render a decision on the tariff prior to the deadline set by Minn. Stat. § 216B.1622.<sup>40</sup> Should the Commission share this concern, we believe it would be appropriate to isolate issues relevant to the statutory timeline and address them separately from the broader tariff petition.

Minn. Stat. § 216B.1622, Subd. 1 requires the Commission to establish the “definition and appropriate characteristics of a very large customer class or subclass” by December 15, 2026. Theoretically, these definitions and characteristics could be established independently of a tariff framework. This would entail addressing questions such as what MW and/or load factor threshold should be used for determining very large customer classifications, and how certain facilities might be aggregated together. It does not necessitate that all tariff provisions related to cost identification, risk mitigation, or operational planning be answered. Essentially, the Commission must decide *who* the tariff will apply to before December 15, 2026, but the actual contours of that tariff could be established at a later date.

It is our understanding that Minnesota Power has known about and planned for potential data center load growth (including Google’s now officially-proposed data center in Hermantown) since at least late 2024.<sup>41</sup> That the Company waited until February 2026 to submit its instant petition—which, in essence, requests the Commission to “do nothing”—should not be a basis by which to force tariff approval by mid-December. CUB is concerned that rushing through the tariff process on an accelerated timeline could lead to an ill-defined structure that is inadequate to protect existing customers in the manner required by Minn. Stat. § 216B.1622. Time must be set aside for the Company to develop a robust very large customer tariff and provide stakeholders sufficient opportunity to review, analyze, and comment on Minnesota Power’s proposal. For these reasons, CUB recommends that the Commission bifurcate the procedural process into two distinct pathways to address (1) the definitions and characteristics of very large customers; and (2) the tariff provisions necessary to shield existing ratepayers from the costs and risks of serving those entities.

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<sup>40</sup> Minn. Stat. § 216B.1622, Subd. 1.

<sup>41</sup> *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Docket No. E-015/PA-24-198, Response to Petition for Reconsideration at 4 (Jan. 9, 2026).

### III. Conclusion

CUB recognizes that establishing an appropriate framework for serving new very large customers is pivotal to meeting statutory requirements and safeguarding existing ratepayers from associated costs and risks. We appreciate the opportunity to comment on the instant proposal and respectfully request the Commission use this proceeding to evaluate how Minnesota Power's tariffed rate structures should be updated to adequately protect residential and other ratepayer classes. To do so, we specifically recommend that the Commission:

- Pause the procedural timeline associated with its review of Minnesota Power's ESA with Google until such time as it renders a decision in the instant docket;
- Require the Company to present large load tariff revision proposals in tariff-specific dockets, rather than through ad-hoc petitions for ESA approval;
- Order Minnesota Power to submit a revised petition that separates new very large customers into their own rate class;
- Prohibit the Company from designating ESAs with new very large customers as trade secret in their entirety;
- Require the Company to include, at minimum, provisions and explanations related to the following topics in a new large load tariff proposal:
  - Load forecasting;
  - Operational planning;
  - Methods of identifying, quantifying, and assigning the costs and risks of new very large customers;
  - The appropriate definitions and characteristics of very large customers, including criteria relevant for determining which loads will be required to receive service under the new tariff;
  - Whether and under what conditions facilities will be aggregated for the purpose of determining tariff applicability;
  - Financial guarantees;
  - How the Company intends to ensure the costs of studies and infrastructure investments necessary for the interconnection or energization of the very large customer will be borne solely by that entity;
  - Minimum billing terms;
  - Minimum contractual term lengths;
  - How mid-term capacity additions or reductions will be treated;
  - How mid-term contract terminations will be treated;
  - How load flexibility and/or demand response will be utilized;
  - How cost allocation methodologies will be updated should a new very large customer begin service between utility rate cases;
  - How the Company plans to ensure compliance with Minnesota's electricity standards under Minn. Stat. § 216B.1691.

- Bifurcate the procedural process to separately address (1) the definitions and characteristics of very large customers; and (2) the tariff provisions necessary to shield existing ratepayers from the costs and risks of serving those entities.

Sincerely,

May 8, 2026

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