



AN ALLETE COMPANY

March 25, 2026

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 Petition for Approval of a Transmission Cost
Recovery Rider under Minn. Stat. § 216B.16, subd. 7b.
Docket No. E015/M-25-433**

**In the Matter of Minnesota Power's HVDC Modernization Project
Docket No. E015/CN-22-607; E015/TL-22-611
Supplemental Letter**

Dear Ms. Bergman:

Minnesota Power (or the "Company") submits this letter to the Minnesota Public Utilities Commission ("Commission") to inform the Commission and other stakeholders that on March 16, 2026, the Company was notified that the Department of Energy ("DOE") has reinstated a \$50 million Grid Resilience and Innovation Partnerships ("GRIP") Program grant for the HVDC¹ Terminal Expansion Capability Project, which supports the 900 MW to 1500 MW capacity expansion capability portion of the HVDC Modernization Project as approved by the Commission on October 25, 2024. On March 19, 2026, the DOE issued an agreement modification² which rescinded the termination and reinstated the Award.

As background, on October 18, 2023, the DOE awarded a \$50 million grant to Minnesota Power to modernize its HVDC transmission system. On September 30, 2024, the DOE issued the Award under an assistance agreement³ authorizing use of the federal funds beginning October 1, 2024, through September 30, 2029. On October 2, 2025, and October 17, 2025, the Company received notice from the DOE stating that the DOE had terminated the \$50 million grant. Minnesota Power received about \$9.76 million from the DOE for its expenses and investment in the Company's HVDC Modernization Project through the date of the termination.

On November 4, 2025, Minnesota Power submitted to DOE an informal dispute of the termination of the Award pursuant to 2 C.F.R. 910.128(a).⁴ Additionally, the Company

¹ HVDC (high voltage direct current).

² Assistance Agreement DE-GD0000924 Mod 0002.

³ Assistance Agreement DE-GD0000924.

⁴ <https://www.ecfr.gov/current/title-2/subtitle-B/chapter-IX/part-910/subpart-B/section-910.128>.

worked with the congressional delegations in Minnesota and North Dakota to bring to the attention of the DOE the importance and benefits of modernizing the Company's HVDC transmission system. Minnesota Power maintained regular communication with its assigned Federal Project Officer and Contract Specialist at the DOE while it actively contested the termination of the Award.

The DOE review of the appeal and reinstatement of the \$50 million GRIP Program grant affirmed that the project will increase grid reliability and capacity on the transmission system.

Minnesota Power appreciates the support and efforts of the Minnesota and North Dakota congressional delegations and others in achieving this positive outcome. Please contact me at lhoyum@mnpower.com with any questions related to this matter.

Yours truly,

A handwritten signature in cursive script that reads "Lori Hoyum".

Lori Hoyum
Rates Compliance Administrator

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STATE OF MINNESOTA)
)ss
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 25th day of March, 2026, I electronically filed a true and correct copy of Minnesota Power’s **Supplemental Letter in Docket No.s E015/M-25-433, E015/CN-22-607 and E015/TL-22-611** 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