



Infrastructure and Investment Jobs Act & Inflation Reduction Act Minnesota Power Priority Project Overview



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117th Congress

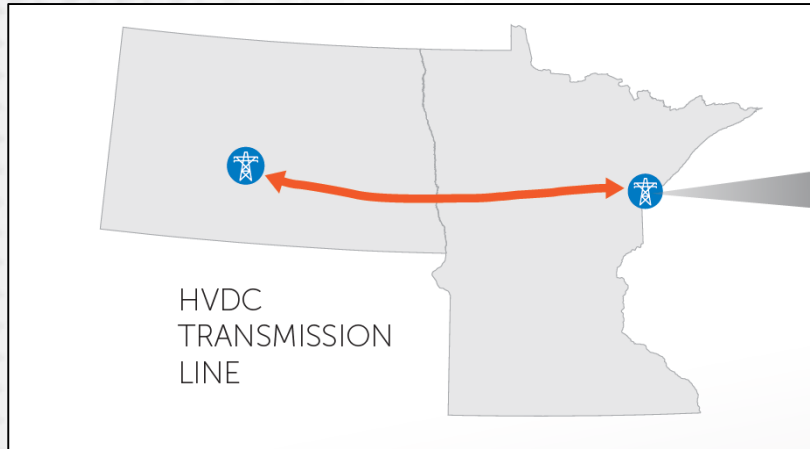
Historic Legislation Action

- **Infrastructure Investment and Jobs Act (IIJA)**
 - \$550 billion new spending over 5 years (“\$1.2 trillion headlines” includes \$650 billion previously authorized)
 - ~ 2/3 devoted to the transportation spending
 - Includes a domestic content provision and creates a new “Made in America Office.”
 - A once in generation opportunity and shift in how government approaches infrastructure funding
- **Inflation Reduction Act (IRA)**
 - \$369 billion over 10 years for tax credits and other funding to address climate and energy security

Minnesota Power is focused on leveraging Federal funds and State matching funds to invest in innovative, transformational projects in transmission, beneficial electrification applications, long duration energy storage and expanding renewables.



DC Line Modernization



Terminals upgrade and expand transfer capacity

- Federal funding: \$50 million with US Department of Energy
- States funding: **\$25 million MN** and \$25 million ND State matches

Future expandability being designed into project.

PROJECT BENEFITS



Enhanced reliability and system control



Increased transfer capacity between ND and MN



Bidirectional flow to expand renewable energy access

Mine Truck Electrification

Electrify up to seven mine trucks

Project Benefits:

- Reduced emissions
- Lower operating costs
- More efficient mining operations
- Demand response application on electric grid

Project Funding

- Federal funding: ~\$10 million with US Department of Energy
- Minnesota State match funding: ~\$10 million
- Successful pilot could lead to expanded application and larger benefits to the State of Minnesota



1 Mine Truck (240 ton)



463 passenger vehicles



Innovative Energy Storage

❑ Energy Storage Demonstration Pilot Project

- Long duration \geq 10 hours
- Demonstrate technology at grid scale
- Leverage existing utility infrastructure
- Federal funding and State match requests - in development
 - ~ **\$5 million State of Minnesota match**
- Full application due March 2023

Anticipated project benefits:

Demonstrate utility scale energy storage operations on MP's system

Optimize renewable resources to reduce carbon emissions

Prove technology for industry-wide deployment





YOUR ENERGY COMPANY

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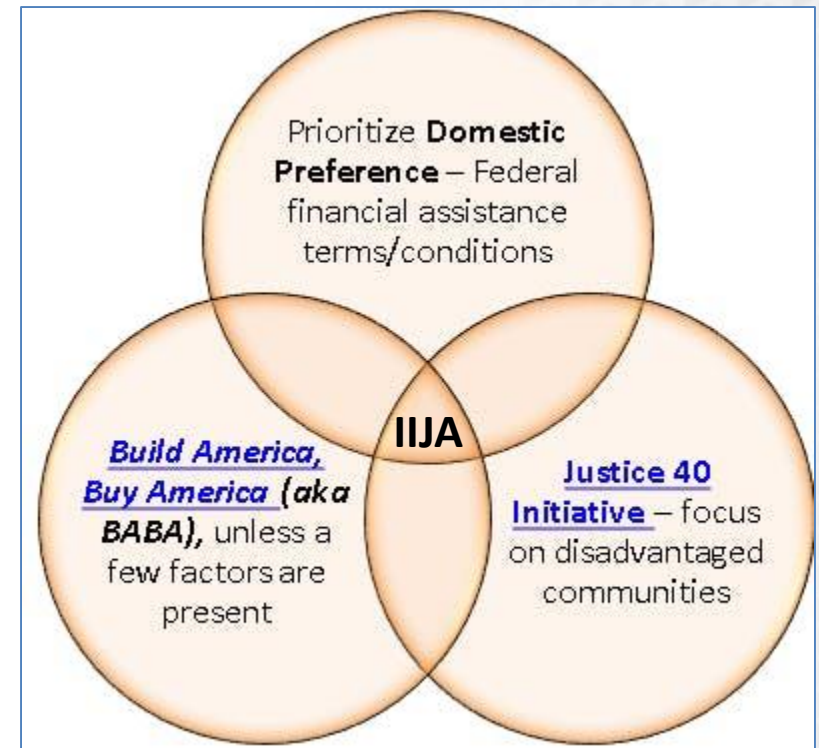


Appendix - Community Benefits Plans

❑ Funding applications must address the following:

1. Support meaningful community and labor engagement
2. Invest in the American workforce
3. Advance diversity, equity, inclusion, and accessibility
4. Contribute to the goal that 40% of the overall benefits flow to disadvantaged communities (the Justice40 Initiative)

❑ Funding opportunities have included up to 20% weighting for Community Benefit Plans



Appendix

Infrastructure Investment and Jobs Act (IIJA)

