

Prairie Island Net Zero Project Progress Report

July 1, 2026

Prepared For:

Minnesota Department of Commerce

Minnesota House of Representatives Energy Finance and Policy Committee

Minnesota Senate Energy, Utilities, Environment, and Climate Committee

Prepared By:

Prairie Island Indian Community





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1. Executive Summary

On May 27, 2020, Minnesota Governor Tim Walz signed House File 1842. As provided in the legislation, the "Prairie Island Net Zero Project is established with the goal of the Prairie Island Indian Community developing an energy system that results in net zero emissions" (Laws of Minnesota 2020, chapter 118, section 3, subdivision 1). Further, the law states, "The Prairie Island Indian Community must file a report with the commissioner of commerce and the legislative committees with jurisdiction over energy policy on July 1, 2022, and each July 1 thereafter until the project is complete, describing the progress made in implementing the project and the uses of expended funds" (Laws of Minnesota 2020, chapter 118, section 3, subdivision 4(b)).

This *Net Zero Progress Report* is filed with Minnesota Department of Commerce Commissioner Grace Arnold, the Honorable Nick Frentz, Chair of the Minnesota Senate Energy, Utilities, Environment, and Climate Committee, and the Honorable Patty Acomb and Chris Swedzinski, Co-Chairs of Minnesota House of Representatives Energy Policy and Finance Committee. The report describes the progress made to-date in implementing the State-funded Prairie Island Net Zero Project (Project) and the uses of expended funds.

Prairie Island Indian Community (PIIC) acknowledges the immense value this ground-breaking Project presents for PIIC and as a learning opportunity for the Minnesota community more broadly. In this report, PIIC reviews the strong progress made over the last year, including milestones achieved through Phase III of the Project. PIIC activities in the last year include continued implementation of technical solutions, ongoing community engagement, workforce development, Project governance, and funding exploration.

In this report, PIIC is pleased to share work accomplished over the past calendar year as well as a high-level preview of activities expected in the year ahead. Through Project efforts, PIIC continues to focus on maximizing the value of the State funds expended and to achieve strong carbon emission reductions and community benefits with the available budget. PIIC thanks the State and is willing to support any additional inquiries not addressed herein.

2. Project Implementation Progress

2.1 Summary

The Project was established through the Laws of Minnesota 2020, Chapter 118, sections 3 and 5¹ with the goal for PIIC to develop an energy system that results in net zero carbon emissions². The State-funded Project contributes towards PIIC's long-term objective to become a net zero carbon emissions community. The Project comprises three phases as shown in Figure 1, from planning through procurement, design, and construction of solutions. The Project is currently in Phase III. This is PIIC's annual *Net Zero Progress Report*.

¹ [Chapter 118 - MN Laws](#)

² The Prairie Island Net Zero Project aims to address Scope 1 and 2 emissions.

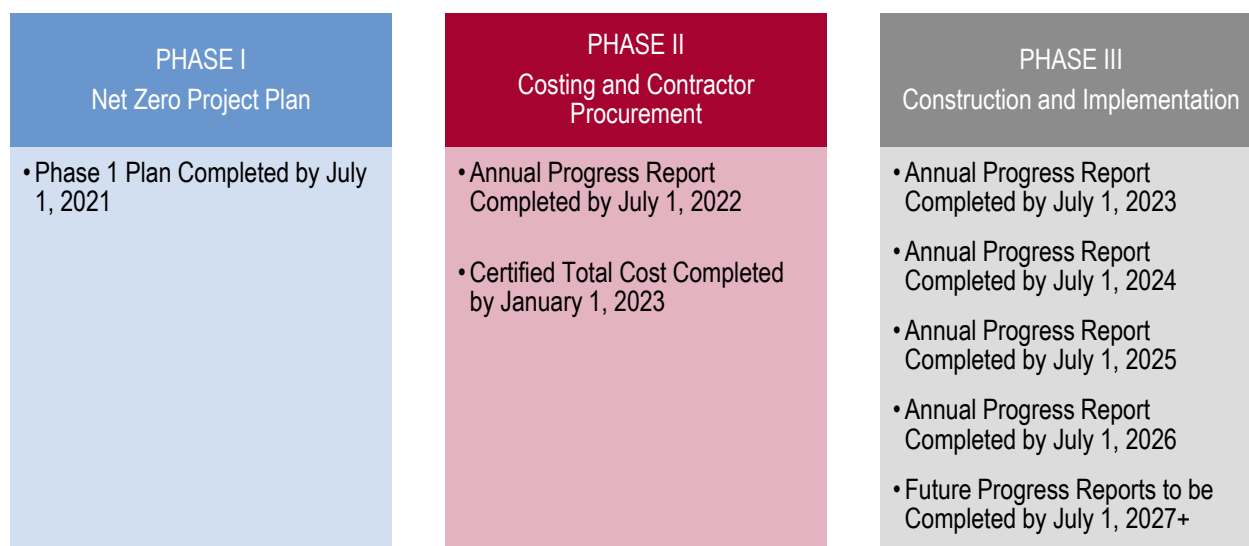


Figure 1. Prairie Island Net Zero Project – Three Phases

PHASE I: Net Zero Project Plan Development. *Completed July 1, 2021*

The PIIC Net Zero Team³ conducted a comprehensive assessment of source energy and end-use emissions to create an emissions baseline. Informed by the baseline assessment, technical analysis, and input from stakeholder engagement, the PIIC Tribal Council approved a comprehensive Project plan for carbon emissions reduction through energy conservation, renewable energy generation, and deployment of innovative technologies. Per the Laws of Minnesota 2020, chapter 118, section 3, PIIC filed a *Net Zero Project Plan*⁴ with the Commissioner of Commerce and legislative committees with jurisdiction over energy policy on July 1, 2021, describing the Project elements and implementation strategy.

PHASE II: Net Zero Project Costing and Vendor Selection. *Completed January 1, 2023*

The PIIC Net Zero Team completed preliminary engineering to confirm the technical performance of the measures in the Phase I plan and to develop technical details necessary for solution procurement. The Net Zero team conducted competitive procurement processes for the technical solutions identified in the plan. PIIC selected and negotiated with contractors and finalized agreements with contractors to design and build the projects. The results of Phase II were presented to the State in the *Certified Total Cost*, which was submitted to the State on December 26, 2022 in compliance with Amended⁵ Laws of Minnesota 2020, chapter 118, section 3, subdivision 3.

PHASE III: Net Zero Project Construction and Implementation. *January 2, 2023 through Completion*

The Net Zero Team is currently in Phase III of the Project, which comprises design and implementation of the projects contracted in Phase II. Annual *Net Zero Progress Reports* will be delivered to the State each July 1 through completion of the Project.

2.2 Reflections on Phase III Progress

Over the past year, the Net Zero Team has continued Phase III activities and made significant progress on the construction and implementation of the projects contracted in Phase II. Additionally, PIIC has continued to govern the long-term operations of the project, conduct community engagement and

³ Net Zero Team comprises PIIC as well as Net Zero Project consultants, contractors, and partners.

⁴ <https://prairieisland.org/uploads/Phase1ReportforPIICNetZeroProject-1.pdf>

⁵ Amended Laws: <https://www.revisor.mn.gov/laws/2022/0/Session+Law/Chapter/41/>



workforce development, and has pursued supplementary funding to support additional decarbonization and clean energy projects not funded through the State allocation.

2.3 Project Technical Solutions

This section identifies the PIIC technical solutions included in the Project *Certified Total Cost* as well as key milestones achieved in the last year.

Table 1. Accomplishments Since Previous Annual Progress Report

Project Scope	Accomplishments
Overall Net Zero Project	<i>Jul 1, 2025</i> – Annual Progress Report submitted by PIIC to the State <i>Ongoing</i> – Project governance, operations, and community engagement activities
Commercial Solar Renewable Energy Project	<i>May 2026</i> – Completion of first two years of solar project energy production, generating more renewable energy than modelled <i>Ongoing</i> – Monitoring and maintenance of the system
Commercial Electrification Project	<i>Ongoing</i> – Project construction and commissioning, phased system operation <i>Feb 2024 – Nov 2025</i> – Net Zero workforce development job for PIIC community member
Commercial Monitoring-based Commissioning Platform	<i>Ongoing</i> – Platform procurement activities

2.3.1. Commercial Solar Renewable Energy

PIIC completed the construction of a 5.4MW(dc) commercial solar project on PIIC tribal land that is providing renewable energy for surrounding areas and generating revenue through a Power Purchase Agreement (PPA) to help financially sustain the Project over time. The project has been commercially operational since May 2024, with total energy production through May 2026 of approximately 16.2 GWh. PIIC and our partners continue to perform ongoing monitoring and maintenance of the system. The project also includes native prairie for the 21 acres of land on which the solar PV system resides.

2.3.2. Commercial Electrification

PIIC is in the final stage of construction and commissioning of a new electrified heating, cooling, and domestic hot water system at the PIIC Treasure Island Resort and Casino that leverages the power of geothermal energy and enables the facility to convert much of its energy use from natural gas to cleaner electricity. This past year, Phase III work has comprised ongoing project construction, testing, and commissioning activities. The project has been operational for its intended purpose as of Summer 2025 and PIIC is expecting final project completion in Winter 2026.

PIIC, in partnership with our contractor, provided a full-time position and paid on-the-job training to a tribal member who has been a critical part of the project construction team for more than 1.5 years.

2.3.3. Commercial Monitoring-based Commissioning Platform

PIIC is currently evaluating the purchase of a monitoring-based commissioning software platform to help support long-term operation of Treasure Island Resort and Casino facilities and more specifically, the new heating, cooling, and hot water system (described in Section 2.3.2). The tool would assist facility staff in



achieving greater energy efficiency, effective building operations, and occupant comfort. We expect this platform to be selected and purchased by the Fall of 2026.

2.4 Project Governance

PIIC oversees and operates the Project through long-term governance frameworks:

- **PIIC Project Management:** PIIC staff continue to provide on-the-ground, focused oversight for Project and cross-functional coordination between PIIC, the Net Zero Team, the State, and industry stakeholders.
- **PIIC Planning, Strategy & Reporting:** PIIC staff and consultants perform other essential Net Zero-related planning, strategy development, monitoring, measurement, and reporting activities that support PIIC's long-term goal to reduce its carbon footprint.
- **Internal PIIC Policies:** PIIC establishes and maintains tribal government policies and procedures to help sustain long-term Project success.
- **Special Purpose Vehicle:** PIIC continues maintenance of a Special Purpose Vehicle (SPV) entity to support the solar project.
- **Project Funding:** PIIC has worked to identify and secure additional funds for the Project.

2.5 Community Engagement

2.5.1. PIIC Community Members

PIIC community participation in and support for the Project is essential to its long-term success. To this end, community member engagement has been a priority through each phase of the Project. In the last year, PIIC has undertaken the following activities:

- **Project Updates:** The Net Zero Team continues to provide updates on Project progress and timelines through PIIC tribal government channels, including in-person presentations and meetings, written materials, and digital channels.
- **Workforce Program:** PIIC is providing workforce opportunities associated with our commercial electrification project as described in *Section 2.3*.
- **Other PIIC Forums:** The Net Zero Team is providing other community energy engagement opportunities, such education sessions, community events, and informational materials. Additionally, PIIC utility service providers participate in key PIIC events, sharing energy-related info with the community.

2.5.2. Utility Service Providers

The PIIC Net Zero Team continues to partner with Dakota Electric Association (DEA), Great River Energy (GRE), and Xcel Energy, for both solar and commercial electrification projects. Examples over the last year include utility rebate and third-party grant funding development and carbon emissions accounting, among other areas. These partnerships assist PIIC in achieving its energy-related goals and maximizing the impact of MN State funding.

2.5.3. Other Stakeholders

PIIC is committed to sharing its experiences and lessons learned through the Project with other communities and stakeholders. As part of this effort, PIIC has participated in the following:

- **Ongoing** – PIIC participates in the Minnesota Tribal Advisory Council on Energy (TACE) and the Midwest Tribal Energy Resources Association (MTERA), sharing our Net Zero experiences and collaborating with other tribes and stakeholders on tribal energy issues.



- **August 2025** – PIIC shared its Net Zero experience at a Midwest Tribal Housing Conference.
- **September 2025** – PIIC shared its Net Zero work at the MN TACE Annual Forum.
- **May 2026** – PIIC hosted an energy justice class and tour with students from the University of Minnesota.
- PIIC shared its story through several public articles written by the Minnesota Clean Energy Resources Team (MN CERTS) and the Tribal Business News media outlet.

3. Summary of State-Allocated Funding Use

3.1. MN State Funds Received and Expended To-Date

Through the Laws of Minnesota 2020, Chapter 118, section 5, subdivision 2(c), the State allocated \$46.2M to PIIC for the Project. As noted in subdivision 2(a), all funds became available to PIIC by Fiscal Year 2023. PIIC has received the full balance of allocated funds as shown in Table 2.

Table 2. PIIC Funds Received

Grant Funding	Amounts
MN State Allocation	\$46,200,000.00
April 2021 Payment Request	\$2,406,000.00
May 2022 Payment Request	\$1,700,000.00
September 2022 Payment Request	\$3,000,000.00
October 2022 Payment Request	\$6,000,000.00
January 2023 Payment Request	\$33,094,000.00
Remaining Balance with MN State (as of July 1, 2026)	\$0.00

Figure 3 illustrates the Project funds that PIIC has expended to-date, including:

- **Phase I:** PIIC worked with technical and legal consultants to develop a comprehensive Project plan. This included community stakeholder research, technical analysis, development of a carbon emissions baseline, and a *Net Zero Project Plan* submitted to the State. PIIC also applied grant funds towards Owner's Operations⁶, including Project management.
- **Phase II:** PIIC worked with technical and legal consultants to refine the technical solutions developed in Phase I, procure contractors to design and build the solutions, and develop tribal governance and operational structures for the Project. PIIC also applied grant funds towards Owner's Operations. Finally, PIIC used grant funds towards contractor project agreements.
- **Phase III⁷:** PIIC is using the largest portion of its Phase III funds towards contractor project agreements, to design and build the Project. PIIC continues to work with technical consultants in their role as "Owners' Engineers," whereby they provide important independent checks and balances on ongoing contractor work, on behalf of PIIC. PIIC continues to work with legal, technical, communications, and other consultants as needed to ensure Project protection, compliance, knowledge sharing, and other benefits. PIIC also applies grant funds towards Owner's Operations.

⁶ Refer to the PIIC *Certified Total Cost* for more information on the Owner's Operations cost category.

⁷ The Phase III costs to-date in this report include January 2023 - May 2026 costs, based on our records and best knowledge.



PIIC continues to monitor its use of allocated funds through proactive PIIC-led Project management, monthly review of funds expended, forecasting of future Project costs, and negotiation with consultants and contractors to optimize prices.

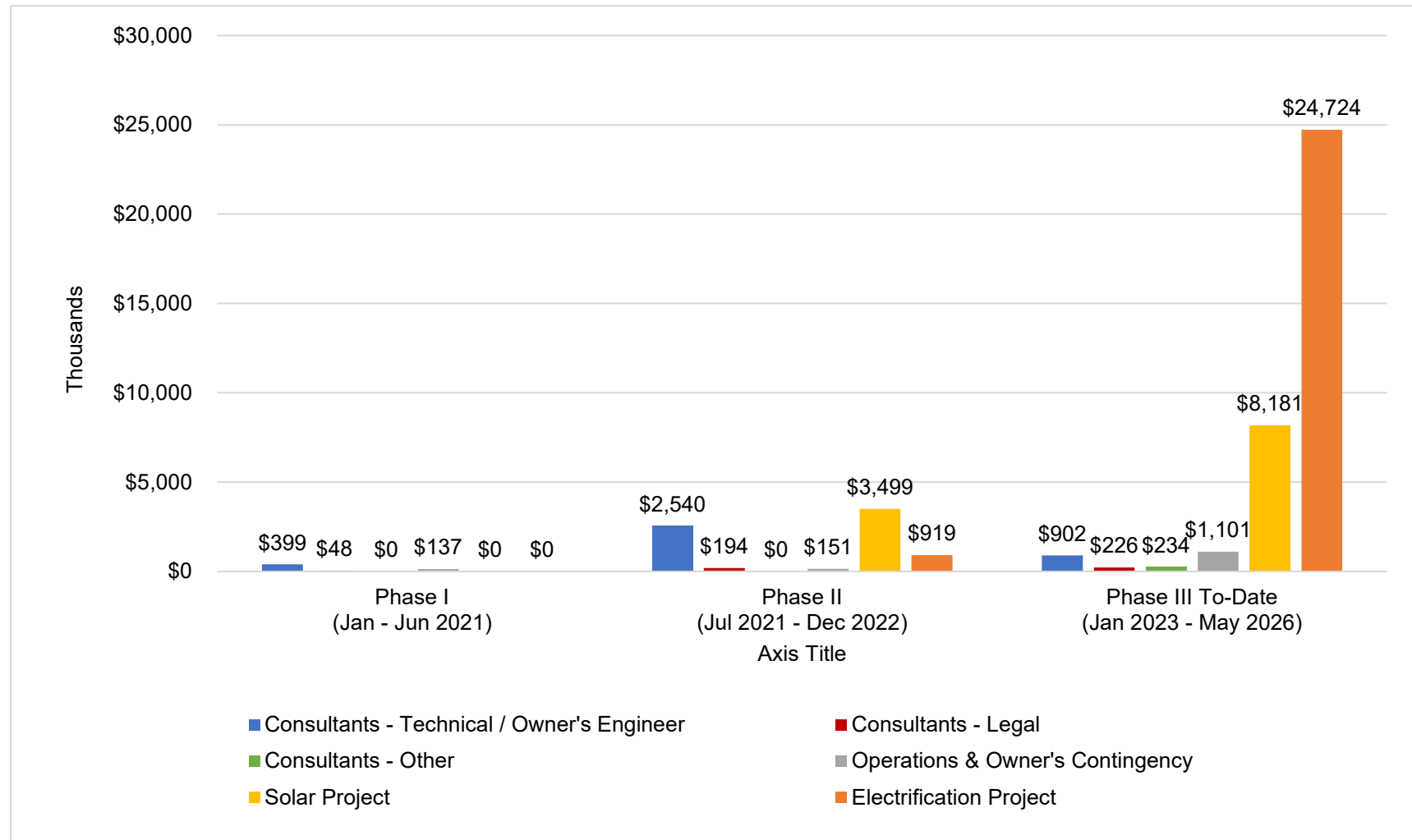


Figure 2. PIIC Expended Funds To-Date



3.2. Additional Funds Generated through the Project

In addition to the funds provided by MN State to PIIC identified in *Section 3.1.*, PIIC has generated other funds through the Project. First, PIIC has accrued bank interest on advancement payment funds (prior to their expenditure), which per the MN State-PIIC grant agreement: “Grantee may use [...] bank interest accrued on advance payments to pay for the project.” Second, PIIC is selling the energy generated through our solar project through a Power Purchase Agreement (PPA) to GRE, generating revenue for the community and Project. Third, PIIC has earned utility rebates on certain installed equipment. The funds from these categories generated to-date are identified in the table below and the large majority are as yet unspent.

Table 3. Additional Funds Generated To-Date

	Total Accrued	Spent To-Date
PIIC Bank Interest	\$2,086,827.23	\$0
PIIC Solar PPA Revenue	\$910,609.60	\$0
Utility Rebates	\$376,000.00	\$126,000.00

4. Plans for Year Ahead

In the year ahead—until PIIC’s next annual progress report on July 1, 2027—PIIC will focus on making additional progress towards Project Phase III. Planned activities for the year ahead include:

- **Commercial Electrification Project:** The system is expected to be completed by Winter 2026.
- **Monitoring-based Commissioning Platform:** The platform is expected to be selected and purchased by Fall 2026, with implementation to follow.
- **Progress Monitoring and Reporting:** PIIC continues to evaluate Project performance and progress towards its Net Zero goal.
- **Additional Net Zero & Sustainability Planning:** A variety of factors have changed in the five years since PIIC developed its initial Net Zero Plan in 2021. PIIC is conducting a planning effort through the end of 2026 to reassess and refresh its Net Zero and other sustainability goals and strategies and to update its roadmap for future project development.
- **Supplementary Funding:** PIIC is actively pursuing supplementary funding to support future Net Zero efforts.
- **Governance Frameworks:** PIIC maintains, utilizes, and develops governance frameworks to support Project operations and activities.
- **Community Engagement:** PIIC continues its stakeholder engagement efforts and will provide additional educational and knowledge-sharing opportunities over the next year.

PIIC acknowledges the benefits and challenges of this ground-breaking Project and is optimistic that with continued State and stakeholder support, PIIC will succeed in achieving its vision for a sustainable future.



5. Supplementary, Non-MN State Funded Activities

From the beginning, PIIC's purpose has been to expand on MN State-funded work through other initiatives and funding sources. PIIC continues to deliver on this objective, and examples of our work, backed by other resources, include:

- **Residential Energy Audit & Retrofit Program** – PIIC is delivering a program that provides no-cost home energy audits and energy efficiency / electrification upgrades for tribal members with homes on the reservation. The Program is reducing energy bills and carbon footprints for members while making their homes more weatherized and comfortable. The Program was launched in October 2024 and will be ongoing through at least 2027. To-date, it has provided 51 energy audits and installed energy improvements in 23 member homes.
- **Home Energy Career Training** – PIIC has partnered with Xcel Energy to provide workforce development training and internship opportunities, focused on residential building energy performance and careers—available to PIIC tribal members and other residents in SE Minnesota. The first training cohort was held in Summer 2025 and 9 tribal members participated. The second cohort is planned for Summer 2026.
- **Electric Vehicles** – PIIC is developing a transit feasibility assessment and exploring the potential to integrate greater electric and hybrid vehicles and charging infrastructure in PIIC business and government transportation operations.
- **LED Lighting** – PIIC is proceeding through a phased transition of its commercial lighting systems to LED to reduce cost and improve its buildings and exterior spaces.
- **Efficient Irrigation** – In 2024, PIIC completed an efficient irrigation system project that enables PIIC to use non-potable water for tribal landscape irrigation, reducing the amount of energy and chemicals needed to generate treated water for the same purpose.

As noted earlier, PIIC planning in 2026 will likely identify new projects and funding opportunities to continue this important progress in years to come.