

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Audrey C. Partridge	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF THE APPLICATION FOR A  
CERTIFICATE OF NEED FOR IRON RANGE – ST.  
LOUIS COUNTY – ARROWHEAD 345 kV  
TRANSMISSION PROJECT

**Docket No. E015/CN-25-111**

**REQUEST FOR EXEMPTIONS  
FROM CERTAIN CERTIFICATE OF  
NEED APPLICATION CONTENT  
REQUIREMENTS**

**I. INTRODUCTION**

Minnesota Power and American Transmission Company LLC by and through its corporate manager ATC Management Inc. (“ATC”) (collectively, the “Applicants”) respectfully submit this request for exemption from certain requirements for a Certificate of Need Application for the Iron Range – St. Louis County – Arrowhead 345 kV Transmission Project (“ISA Project” or “Project”) pursuant to Minn. R. 7849.0200, subp. 6. The Applicants intend to file a combined Application for a Certificate of Need and Route Permit for the ISA Project pursuant to Minn. Stat. §§ 216B.243 and 216I.05 in the first quarter of 2026.

The Project consists of construction of a new, approximately 62-mile-long, single-circuit 345 kV transmission line on double-circuit capable structures from Minnesota Power’s Iron Range Substation in Itasca County, Minnesota to Minnesota Power’s St. Louis County Substation in Solway Township, St. Louis County, Minnesota. The Project also requires construction of a new, approximately one-mile-long, double-circuit 345 kV transmission line from Minnesota Power’s St. Louis County Substation to ATC’s Arrowhead Substation in Hermantown, St. Louis County, Minnesota.

The Applicants believe that certain Certificate of Need application content requirements in Minn. R. Ch. 7849 should be modified to better address the nature of this Project. The Minnesota Public Utilities Commission (“Commission”) has granted similar exemptions for other transmission line projects in the recent past.<sup>1</sup> The Applicants therefore

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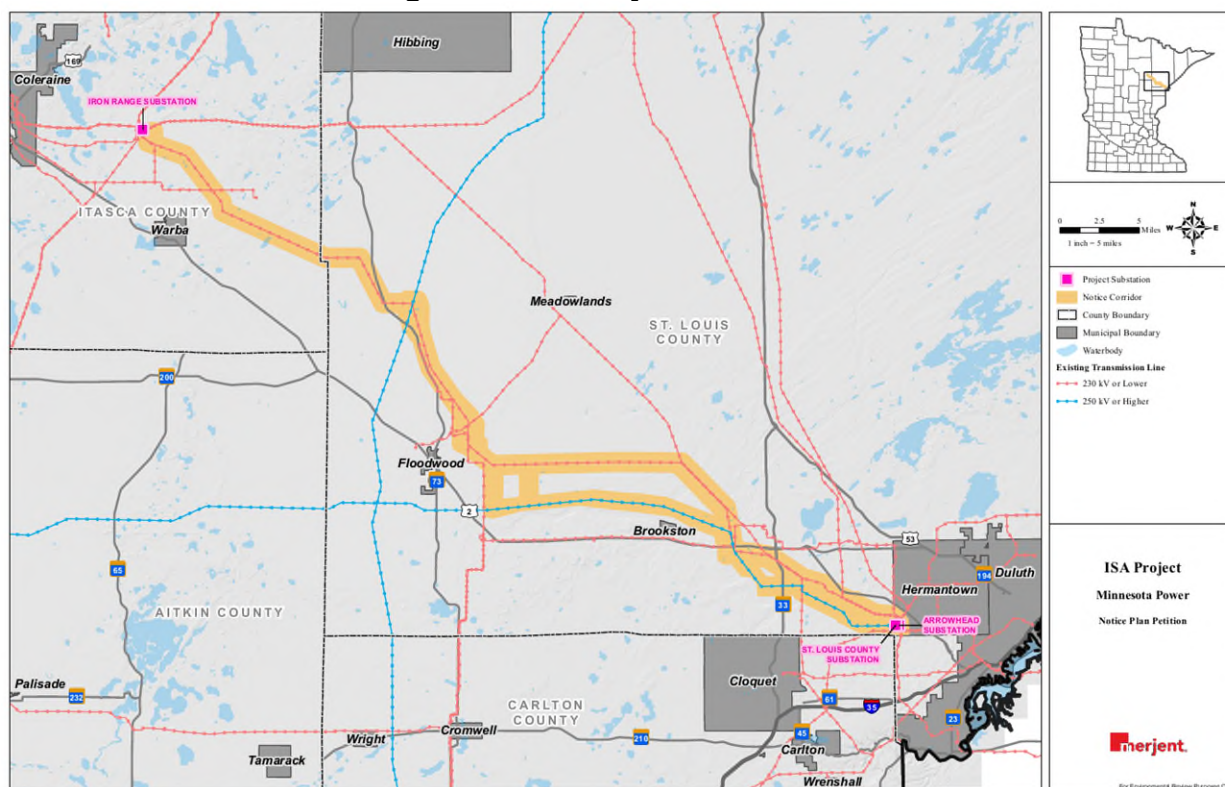
<sup>1</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416,

respectfully request that the Commission grant exemptions from certain requirements as provided under Minn. R. 7849.0200, subp. 6. In lieu of some content requirements, the Applicants propose to submit alternative information that will better inform the Commission's decision regarding the need for the Project.

## II. BACKGROUND

An overview of the ISA Project as well as other transmission facilities in the area is provided in Figure 1 below.

**Figure 1. ISA Project Notice Area**



The Project was studied, reviewed, and approved by the Midcontinent Independent System Operator, Inc. ("MISO") as part of its Long-Range Transmission Planning

ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In the Matter of Application of Xcel Energy and ITC Midwest, LLC for the Huntley-Wilmarth 345 kV Transmission Line Project*, Docket No. E002, E6675/CN-17-184, [Order on Exemption Request] (Sept. 1, 2017); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014); *In re Request of Minnesota Power for a Certificate of Need for the Great Northern Transmission Line*, Docket No. E015/CN-12-1163, ORDER APPROVING NOTICE PLAN, GRANTING VARIANCE REQUEST, AND APPROVING EXEMPTION REQUEST (Feb. 28, 2013)

(“LRTP”) Tranche 2.1 portfolio of projects included in the 2024 MISO Transmission Expansion Plan (“MTEP24”). The Project, as part of the LRTP Tranche 2.1 portfolio, is needed to enhance grid reliability in the Upper Midwest as grid operating conditions become more variable, increase grid efficiency as energy is transferred from where it is produced to where it is needed, and meet the growing demand for reliable clean energy in the Upper Midwest.

### III. LEGAL STANDARD AND SUMMARY OF EXEMPTION REQUESTS

Minn. R. 7849.0220, subp. 2, part 7849.0240, and parts 7849.0260 to 7849.0340 specify the content requirements for Certificate of Need applications for large high-voltage transmission line (“LHVTL”) projects. The Commission has authority to grant exemptions from the requirements of Minn. R. Ch. 7849 pursuant to Minn. R. 7849.0200, subp. 6, which provides:

Before submitting an application, a person is exempted from any data requirement of parts 7849.0010 to 7849.0400 if the person (1) requests an exemption from specified rules, in writing to the commission, and (2) shows that the data requirement is unnecessary to determine the need for the proposed facility or may be satisfied by submitting another document. A request for exemption must be filed at least 45 days before submitting an application. The commission shall respond in writing to a request for exemption within 30 days of receipt and include the reasons for the decision. The commission shall file a statement of exemptions granted and reasons for granting them before beginning the hearing.

Based on the standard set forth in this rule, the Commission may grant exemptions when the data requirements: (1) are unnecessary to determine need in a specific case; or (2) can be satisfied by submitting documents other than those required by the rules.<sup>2</sup> For the ISA Project, the Applicants request that the Commission grant exemptions from the following rules as they are either unnecessary to determine the need for the Project or can be satisfied by submitting alternative data:

Minnesota Rule	Scope of Exemption
Minn. R. 7849.0240 subp. 2(B) (Promotional Activities)	Request full exemption for ATC from the requirement to provide data regarding the relationship of the project and promotional activities that may have given rise to the demand for the facility.
Minn. R. 7849.0260 C(5) (Effect of Project on Rates Systemwide)	As to ATC, request to submit alternative data in the form of the estimated Multi-

<sup>2</sup> *In re Application for a Certificate of Need for the Appleton – Canby 115 kV Line*, Docket No. E017/CN-06-0677, ORDER GRANTING EXEMPTIONS AND APPROVING NOTICE PLAN (Aug. 1, 2006).

	Value Project (“MVP”) revenue requirement and cost allocation calculations showing costs that will be allocated to Minnesota utilities for the Project. Minnesota Power will provide relevant data related to effects on its rates systemwide, per Minn. R. 7849.0260 C(5).
Minn. R. 7849.0260 A(3) and C(6) (Losses)	Request an exemption from providing Project-specific loss information. The Applicants propose to provide substitute data in the form of overall system losses.
Minn. R. 7849.0260 D (System Map)	As to ATC, request to submit an alternative map of ATC’s transmission network in Minnesota and Wisconsin.
Minn. R. 7849.0260 B(4) and (8) (Transmission Lines with Different Terminals or Substations)	Request an exemption from providing a discussion on the availability of alternative transmission lines with different terminals or substations. The commission must not require evaluation of alternative end points for a high-voltage transmission line qualifying as a large energy facility unless the alternative end points are (i) consistent with end points identified in a federally registered planning authority transmission plan, or (ii) otherwise agreed to for further evaluation by the applicant. <sup>3</sup>
Minn. R. 7849.0270, subps. 1-6 (Peak Demand and Annual Consumption Forecast; System Revenue Requirements)	Request exemption from providing forecasting and capacity information for the Applicants’ systems and to instead provide forecast information from Minnesota Power’s most recent Annual Forecast Report (“AFR”). The Applicants also seek an exemption from providing annual revenue requirements for the Project. Minnesota Power proposes to provide the general rate impact of the Project on Minnesota Power’s customers.
Minn. R. 7849.0280 (System Capacity)	Request full exemption from providing a discussion of the ability of the existing system to meet the forecasted demand for electrical energy identified in response to Minn. R. 7849.0270.
Minn. R. 7849.0290 (Conservation) (Minnesota Power)	Request exemption from discussing conservation programs and their effect on

<sup>3</sup> See Minn. Stat. § 216B.243, subd. 3(6).

	the forecast information required by Minn. R. 7849.0290. Minnesota Power proposes to provide substitute information on its conservation efforts from, as applicable, Minnesota Power's most recent Conservation Improvement Plan and Integrated Resource Plan filings. Minnesota Power will also provide information regarding how conservation and energy efficiency was considered by MISO in its evaluation of the Project.
Minn. R. 7849.0290 (Conservation) (ATC)	Request full exemption for ATC.
Minn. R. 7849.0300 (Consequences of Delay)	Request exemption from providing analysis using three confidence levels. The Applicants propose to provide substitute data regarding potential impacts caused by delay in implementing the Project.
Minn. R. 7849.0340 (No Facility Alternative)	Request to be exempt from providing analysis using three confidence levels. The Applicants propose to provide substitute data regarding potential impacts caused by no build alternatives.
<b>800 MVA Exemption</b>	
The ATC Arrowhead 345 kV/230 kV Substation is subject to an 800 MVA limitation per a Minnesota Environmental Quality Board ("MEQB") permitting exception issued in March 2001. This limitation would need to be removed to facilitate the Project as developed by MISO.	Request that the 800 MVA issue be moved to and resolved in this docket, as discussed further below. The Applicants propose to provide notice of this issue to parties in Docket Nos. E015/AI-11-75 and E015/PA-04-2020

Each of these requests is discussed in more detail below. This request is being made at least 45 days prior to submitting an application for a Certificate of Need as required by Minn. R. 7849.0200, subp. 6.<sup>4</sup>

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<sup>4</sup> A proposed completeness checklist of the Certificate of Need requirements, reflecting this exemption request is provided at Attachment A.

## **IV. REQUESTED EXEMPTIONS**

### **A. Minn. R. 7849.0240, subp. 2(B) – Need Summary and Additional Considerations**

Minn. R. 7849.0240, subp. 2(B) requires that a Certificate of Need application contain “an explanation of the relationship of the proposed facility to . . . promotional activities that may have given rise to the demand for the facility.” Promotional practices are any action or policy “which directly or indirectly give rise to the demand for the facility, including but not limited to advertising, billing practices, promotion of increased use of electrical energy, and other marketing activities.”<sup>5</sup> ATC does not directly serve end-users of electric service and does not engage in promotional activities that could have given rise to the need for the proposed Project. The Applicants request that the Commission grant ATC an exemption from this request. This approach is consistent with several prior exemption requests approved by the Commission in other Certificate of Need transmission line dockets.<sup>6</sup>

### **B. Minn. R. 7849.0260 C(5) – Effect of Project on Rates Systemwide**

Minn. R. 7849.0260 C(5) requires that an applicant estimate a proposed project’s “effect on rates systemwide and in Minnesota, assuming a test year beginning with the proposed in-service date.” ATC requests an exemption from this requirement because it is not a Minnesota public utility whose rates are regulated by the Commission. As a transmission-only utility, ATC’s rates are regulated by the Federal Energy Regulatory Commission and the prices for providing transmission service are governed by the MISO tariff. The proposed Project, as part of the LRTP Tranche 2.1 portfolio, will have its costs allocated across the MISO footprint following MISO’s MVP cost allocation process.<sup>7</sup> Information regarding the expected Project cost, the MVP allocation methodology, and the share that will be allocated to Minnesota utilities’ load would be more useful in evaluating the Project, and as such, ATC will provide its relevant data as substitute information. Minnesota Power will provide its relevant data related to the Project’s effects on its rates systemwide.

### **C. Minn. R. 7849.0260 A(3) and C(6) – Proposed LHVTL and Alternatives Application (Losses)**

Minn. R. 7849.0260 A(3) requires the applicant to provide the expected losses “under maximum loading and under projected average loading in the length of the transmission

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<sup>5</sup> Minn. R. 7849.0010, subp. 24.

<sup>6</sup> See, e.g., *In the Matter of Application of Xcel Energy and ITC Midwest, LLC for the Huntley-Wilmarth 345 kV Transmission Line Project*, Docket No. E002, E6675/CN-17-184, [Order on Exemption Request] (Sept. 1, 2017); *In the Matter of the Application of Prairie Rose Wind, LLC for Certificate of Need for up to 200 MW wind project in Rock and Pipestone Counties*, Docket No. IP6838/CN-10-80, ORDER APPROVING EXEMPTION PETITION (May 14, 2010); *In the Matter of the Application of Goodhue Wind for a Certificate of Need for a 78 MW Wind Project and Associated Facilities in Goodhue Cnty.*, ORDER FINDING APPLICATION COMPLETE AND INITIATING INFORMAL REVIEW PROCESS (Dec. 30, 2009).

<sup>7</sup> *MISO Open Access Transmission, Energy and Operating Reserve Market Tariff, Attachment FF* Section III.A.2.g.ii.

line and at the terminals or substations.” Minn. R. 7849.0260 C(6) requires similar information (efficiency of proposed system under maximum and average loading along the length of the line). The electrical grid operates as a single, integrated system, which prevents electricity from being “directed” along a particular line or set of lines. Consequently, heat loss takes place across the entire transmission system and is not isolated to a single transmission line within the integrated regional electric grid. Therefore, losses should be calculated across the entire system rather than based on a single transmission line.

The Applicants request an exemption from Minn. R. 7849.0260 A(3) and C(6) and propose to provide system losses information in lieu of line-specific losses required by the rules. This approach is consistent with several prior exemption requests approved by the Commission in other Certificate of Need transmission line dockets.<sup>8</sup>

#### **D. Minn. R. 7849.0260 D – System Map**

Minn. R. 7849.0260 D requires a map showing the applicant’s system or load center to be served by the proposed Project. Because a transmission-only company such as ATC does not directly serve load, ATC proposes to submit a map showing ATC’s network of transmission lines in Minnesota and Wisconsin.

#### **E. Minn. R. 7849.0260 B(4) – Transmission Lines with Different Terminals or Substations**

Minnesota Rule 7849.0260 B(4) requires a discussion of “transmission lines with different terminals or substations.” Likewise, section B(8) of that rule requires a discussion of “any reasonable combination of the alternatives” listed in, among others, section B(4). Minn. Stat. § 216B.243, subd. 3(6), however, states that “the commission must not require evaluation of alternative end points for a high-voltage transmission line qualifying as a large energy facility unless the alternative end points are (i) consistent with end points identified in a federally registered planning authority transmission plan, or (ii) otherwise agreed to for further evaluation by the applicant.” The only end points identified in the MISO MTEP24 definition for the Project are those proposed by the Applicants, and the Applicants have not agreed to an evaluation of an alternative. Thus, the Applicants request an exemption consistent with Minn. Stat. § 216B.243, subd. 3(6).

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<sup>8</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416, ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021).

## **F. Minn. R. 7849.0270, subps. 1-6 – Peak Demand and Annual Consumption Forecast and System Revenue Requirements**

### **1. Minn. R. 7849.0270, subp. 1 – Peak Demand and Annual Consumption Data**

Minn. R. 7849.0270, subp. 1 requires information concerning peak demand, and annual consumption for the applicant's entire service area and system. The Project is intended to support the reliability of the regional transmission system, particularly in northern Minnesota and northwest Wisconsin, to provide additional transmission capacity and regional transfer capacity to reliably integrate new renewable generation, meet growing electrical demand across the region, and strengthen the regional transmission grid. The Applicants propose to provide Minnesota Power's most recent AFR filed on July 1, 2025 in Docket No. E999/PR-25-11. The Commission has previously granted similar requests for other transmission projects.<sup>9</sup>

### **2. Minn. R. 7849.0270, subps. 2(A) and 2(B) – Customer Annual Consumption Data**

Minn. R. 7849.0270, subps. 2(A) and 2(B) requires an applicant to estimate the number of customers and the amount of energy consumed annually by nine classes of customers (residential, commercial, industrial, farming, etc.). Energy consumption data is not relevant to establishing the need for a proposed transmission line. Transmission systems must be sized so that they have sufficient capacity to operate reliably during periods of peak demand. It is the demand for power during peak times that is the primary driver for the Project, not the amount of power consumed annually. Accordingly, it would be appropriate for the Commission to exempt the Applicants from providing this data and accept substitute data in the form of Minnesota Power's most recent AFR. The Commission has previously granted similar exemption requests for other transmission projects.<sup>10</sup>

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<sup>9</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416, ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014).

<sup>10</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416, ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St. Louis and Carlton Counties*, Docket No. E015, ET2/CN-10-973, ORDER APPROVING EXEMPTIONS AND PROPOSED PROVISION OF ALTERNATIVE DATA (Nov. 2, 2010).



3. Minn. R. 7849.0270, subps. 2(C) and 2(D) – System Demand and Peak Demand

Minn. R. 7849.0270, subp. 2(C) seeks an estimate of the demand for power in the system at the time of annual system peak demand. Minn. R. 7849.0270, subp. 2(D) calls for monthly system peak demand data. Instead of the information called for in Minn. R. 7849.0270, subps. 2(C) and (D) that provides little insight into the specific transmission needs underlying the Project, the Applicants propose to provide Minnesota Power's AFR forecast information and discussion of the different regional demand scenarios evaluated in the analysis used by MISO to justify the Project.<sup>11</sup>

4. Minn. R. 7849.0270, subp. 2(E) – System Revenue Requirements

Minn. R. 7849.0270, subp. 2(E) requires an estimate of the “annual revenue requirement per kilowatt-hour for the system in current dollars.” The Applicants propose to provide the general rate impact of the ISA Project on Minnesota Power's customers. The Commission has previously granted similar exemption requests for other transmission projects.<sup>12</sup>

5. Minn. R. 7849.0270, subp. 2(F) – Weekday Load Factor

Minn. R. 7849.0270, subp. 2(F) requires an applicant's average system weekday load factor for each month. The Applicants request an exemption from this requirement because load factor is not a relevant consideration when evaluating the need for a transmission facility. Load factor is a measure of how demand varies over time and is relevant to the need determination for new generation. Load factor has no bearing on the need for a new transmission line. Rather, transmission capacity must be designed to meet peak demand and other system power flow circumstances. This is done to ensure there is sufficient transmission capacity to meet lower levels of instantaneous demand. Thus,

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<sup>11</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416, ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014).

<sup>12</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416, ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St. Louis and Carlton Counties*, Docket No. E015, ET2/CN-10-973, ORDER APPROVING EXEMPTION AND PROPOSED PROVISION OF ALTERNATIVE DATA (Nov. 2, 2010).

the Applicants respectfully request an exemption from this requirement. The Commission has previously granted similar exemption requests for other transmission projects.<sup>13</sup>

6. Minn. R. 7849.0270, subps. 3-6 – Forecast Methodology, Data Base, Assumptions, and Coordination of Forecasts

Minn. R. 7849.0270, subps. 3-6 require the applicant to detail the forecast methodology employed, identify the database used for the forecast, detail the assumptions made in preparing the forecasts provided under subpart 2 of the same rule, and a description of load forecast coordination efforts with other systems. As stated above, the need for the Project is not prompted by energy consumption, but rather by demand during peak times. Thus, instead of providing energy consumption forecasts, the Applicants believe that forecast information and discussion of the different regional demand scenarios evaluated in the analysis used by MISO to justify the Project will better enable the Commission to evaluate the need for this Project. The Applicants will provide Minnesota Power's most recent AFR. The AFR discusses forecast methodology, databases, forecast assumptions, and coordination of the forecasts with other systems. The Commission has previously granted similar exemption requests for other transmission projects.<sup>14</sup>

In sum, the Applicants request an exemption from the data requirements of Minn. R. 7849.0270, subps. 1-6 and will provide relevant AFR forecast information and discussion of the different regional demand scenarios evaluated in the analysis used by MISO in analyzing the need for the Project. This substitute information is better tailored to the need for the ISA Project and will assist the Commission in evaluating the Project.

**G. Minn. R. 7849.0280 – System Capacity**

Minn. R. 7849.0280 pertains to system capacity and generation data. The general purpose of this section is to provide a discussion of the ability of the existing system to meet the forecasted demand for electrical energy in response to Minn. R. 7849.0270.

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<sup>13</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416, ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St. Louis and Carlton Counties*, Docket No. E015, ET2/CN-10-973, ORDER APPROVING EXEMPTIONS AND PROPOSED PROVISION OF ALTERNATIVE Data (Nov. 2, 2010).

<sup>14</sup> See, e.g., *In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need for the Northland Reliability Project 345 kV Transmission Line*, Docket No. E015, ET2/CN-22-416, ORDER APPROVING THE REQUESTED EXEMPTIONS AND THE NOTICE PLAN (June 21, 2023); *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014).

Subparts (A) through (I) pertain to an examination of generation adequacy and do not address transmission planning considerations. The Applicants therefore request that the Commission grant an exemption from Minn. R. 7849.0280, subps. (A) through (I). The Commission has previously granted exemption requests from part of Minn. R. 7849.0280 in several other transmission line Certificate of Need dockets where issues of transmission adequacy, rather than generation adequacy, were at issue.<sup>15</sup>

## **H. Minn. R. 7849.0290 – Conservation**

### **a. Minnesota Power**

The Applicants request an exemption from Minn. R. 7849.0290, which relates to conservation programs the Applicants have in place and their effect on the forecast information called for in Minn. R. 7849.0270. This rule is intended to ensure that regulated load serving utilities fully consider conservation as well as generation when planning for future needs of their customers.<sup>16</sup> Minnesota Power's conservation and efficiency information is examined in detail in its resource planning process. All of the information requested by Minn. R. 7849.0290 is contained, as applicable, in the Integrated Resource Plan and Conservation Improvement Plan ("CIP") filings filed by Minnesota Power with the Commission. Instead of replicating that information in this application, Minnesota Power proposes to present a summary of these filings. This will allow interested parties to pursue their investigation into this issue further through those materials if they wish. The Applicants will also provide information regarding how conservation and energy efficiency was considered by MISO in its evaluation of the Project. This request is consistent with prior exemptions the Commission has granted in other dockets.<sup>17</sup>

### **b. ATC**

ATC requests a full exemption from Minn. R. 7849.0290. This rule is intended to ensure that regulated load serving utilities fully consider conservation as well as generation when

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<sup>15</sup> See, e.g., *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St. Louis and Carlton Counties*, Docket No. E015, ET2/CN-10-973, ORDER APPROVING EXEMPTIONS AND PROPOSED PROVISION OF ALTERNATIVE DATA (Nov. 2, 2010).

<sup>16</sup> *In re Application of Rapids Power LLC for a Certificate of Need for its Grand Rapids Cogeneration Project*, Docket No. IP-4/CN-01-1306, ORDER GRANTING EXEMPTIONS FROM FILING REQUIREMENTS at 6 (Oct. 9, 2001).

<sup>17</sup> See, e.g., *In re Request of Minnesota Power for a Certificate of Need for the Great Northern Transmission Line*, Docket No. E015/CN-12-1163, ORDER APPROVING NOTICE PLAN, GRANTING VARIANCE REQUEST, AND APPROVING EXEMPTION REQUEST (Feb. 28, 2013); *In re Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, Docket No. E022/CN-11-826, ORDER GRANTING THE COMPANY'S EXEMPTION REQUEST (Nov. 4, 2011).

planning for future needs of their customers.<sup>18</sup> ATC does not have end-use customers and, therefore, cannot affect customers' energy consumption levels. This request is consistent with prior exemptions the Commission has granted in other dockets.<sup>19</sup>

#### **I. Minn. R. 7849.0300 – Consequences of Delay and Minn. R. 7849.0340 – No Facility Alternative**

Minn. R. 7849.0300 requires detailed information regarding the consequences of delay on three specific statistically-based levels of demand and energy consumption. Similarly, Minn. R. 7849.0340 requires a discussion of the impact on existing generation and transmission facilities at the three levels of demand specified in Minn. R. 7849.0300 for the no-build alternatives. While the Applicants will discuss the consequences of delay and a no build alternative in its application, there is no need to discuss these items in terms of three levels of demand. Rather, as noted above, for transmission planning purposes, the relevant inquiry is whether the system can meet peak demand. The Commission has approved similar partial exemption requests from the requirements of Minn. R. 7849.0300 and 7849.0340 in other transmission line Certificate of Need dockets.<sup>20</sup>

#### **J. MEQB 800 MVA Limit**

In its March 2001 order, the MEQB granted a permitting exemption to Minnesota Power for the construction of the Arrowhead – Weston 345 kV transmission line and the ATC Arrowhead 345 kV/230 kV Substation.<sup>21</sup> The MEQB included a condition that the ATC Arrowhead 345 kV/230 kV Substation could not be used to “transmit power . . . beyond 800 MVA.”<sup>22</sup> While the permitting exemption was in the name of Minnesota Power when it was issued in 2001, the permissions and conditions were transferred to ATC in 2005 in

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<sup>18</sup> See, e.g., *In the Matter of the Application of Rapids Power LLC for a Certificate of Need for its Grand Rapids Cogeneration Project*, Docket No. IP4/CN-01-1306, ORDER GRANTING EXEMPTIONS FROM FILING REQUIREMENTS, at 6 (Oct. 9, 2001).

<sup>19</sup> See, e.g., *In the Matter of Application of Xcel Energy and ITC Midwest, LLC for the Huntley-Wilmarth 345 kV Transmission Line Project*, Docket No. E002, E6675/CN-17-184, [Order on Exemption Request] (Sept. 1, 2017); *In the Matter of Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Cnties., Minnesota*, Docket No. ET6675/CN-12-1053, ORDER ON EXEMPTION REQUEST (Feb. 8, 2013).

<sup>20</sup> See, e.g., *In re Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis Cnty.*, Docket No. E015/CN-21-140, ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES AND EXEMPTIONS (May 17, 2021); *In re Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota*, Docket No. E015/CN-14-787, ORDER APPROVING EXEMPTION REQUEST (Dec. 3, 2014); *In re Request of Minnesota Power for a Certificate of Need for the Great Northern Transmission Line*, Docket No. E015/CN-12-1163, ORDER APPROVING NOTICE PLAN, GRANTING VARIANCE REQUESTION AND APPROVING EXEMPTION REQUEST (Feb. 28, 2013); *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity* Docket No. E002/CN-11-826, ORDER GRANTING THE COMPANY'S EXEMPTION REQUEST (Nov. 4, 2011).

<sup>21</sup> See *In the Matter of the Exemption Application by Minnesota Power for a 345/230 kV High Voltage Transmission Line Known as the Arrowhead Project*, MEQB Docket No. MP-HVTL-EA-1-99, Order at 8-9 (2001).

<sup>22</sup> *Id.*

Docket No. E015/PA-04-2020.<sup>23</sup> The Commission approved the transfer under the condition that “Minnesota Power shall file for Commission review all subsequent agreements between itself and ATC that affect the Arrowhead Project in any way.”<sup>24</sup>

The ISA Project will change the configuration of the transmission system such that power flow through the ATC Arrowhead 345/230 kV Substation into Wisconsin will, at times, exceed 800 MVA. Therefore, the Applicants will need to request that the Commission remove the MEQB 800 MVA limit on power flow through the ATC Arrowhead 345/230 kV Substation. Because the information the Commission needs to evaluate the removal of the 800 MVA limit as a result of the Project will be provided with the Certificate of Need Application, the Applicants request that the 800 MVA issue be moved to and resolved in this docket, Docket No. E015/CN-25-111. The Applicants also recommend providing notice of the request to remove the 800 MVA issue via filing summary not only to the persons required under Minn. R. 7849 but also to the parties in Docket Nos. E015/AI-11-75 and E015/PA-04-2020.

## **V. CONCLUSION**

The Applicants respectfully request that the Commission grant the requested exemptions to allow the Applicants to provide information in its application that is relevant and appropriate to determining the need for the ISA Project without imposing unnecessary filing burdens, and to efficiently address the 800 MVA limit in this docket.

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<sup>23</sup> See *In the Matter of Minnesota Power’s Petition for Review of an Agreement Between Minnesota Power and American Transmission Company*, Docket No. E015/M-04-2020, Order (Dec. 2, 2005).

<sup>24</sup> *In the Matter of Minnesota Power’s Petition for Review of an Agreement Between Minnesota Power and American Transmission Company*, Docket No. E015/M-04-2020, Order at 9 (Dec. 2, 2005).

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Respectfully submitted,

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