



August 3, 2026

Logan Hicks, Rock Park, Forest Eidbo Minnesota  
Department of Commerce  
85 7<sup>th</sup> Place East  
St. Paul, MN 55101

Re: *Responses to Information Requests Nos.7-11*  
*In the Matter of the Application for a Certificate of Need for the PowerOn Midwest*  
*765 kV and 345 kV High Voltage Transmission Line Project*  
*Docket No. E002, ET2, ET6675/CN-25-117*

Dear Mr. Hicks:

Please find enclosed the responses of Great River Energy, Northern States Power Company, doing business as Xcel Energy, and ITC Midwest LLC to Minnesota Department of Commerce Information Requests Nos. 7-11.

Sincerely,

/s/ Lisa Agrimonti

Lisa Agrimonti  
Fredrikson & Byron, P.A.  
Attorney for Great River Energy  
and Xcel Energy

/s/ Valerie Herring

Valerie Herring  
Taft Stettinius & Hollister LLP  
Attorney for ITC MidWest



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Information Request No. 7

Docket No.: E002/CN-25-117  
Response To: Minnesota Department of Commerce  
Requestor: Logan Hicks, Rock Park, Forest Eidbo  
Date Received: July 20, 2026

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Question:

Please reference the attached Tranche 2.1 Dashboard: [Tranche 2.1 Dashboard732078.pdf](#)

The Department understands that the proposed project references MISO LRTP Tranche 2.1 project numbers 22, 23, 24, and 25 (pg. 110 of Initial Application).

As noted on the Tranche 2.1 Dashboard, LRTP Projects 22-25 report cost increases as of Q4 2025. The Department remade the LRTP 22-25 projects in a table below, along with the cost increase as a percentage.

**LRTP 22-25 Project Costs Table:**

| LRTP Project # | MTEP Approved Cost (2024\$, millions) | Q4 2025 Costs (2024\$, unless noted) | % Change |
|----------------|---------------------------------------|--------------------------------------|----------|
| 22             | \$1,459                               | \$1739*                              | 19.2%    |
| 23             | \$1,375                               | \$1398*                              | 1.7%     |
| 24             | \$1,195                               | \$1955* (cost change under review)   | 63.6%    |
| 25             | \$222                                 | \$241                                | 8.6%     |

\*Some or all facilities reported in nominal (year of occurrence) dollars.

The Application in Section 2.4.1 gives a cost estimate for construction to be \$3.327 - \$4.323 billion (2024\$) for the base and high-end cost projections. MISO's MVP Dashboard for Tranche 2.1 shows that this project was MTEP Approved for \$4.251 billion (2024\$) and then adjusted in Q4 of 2025 to \$5.333 billion.

1) Please reconcile the difference between final MTEP24 approved amounts, as well as Applicant's proposed costs and MISO's cost review currently in process. Applicants should include what role they have had in the cost change currently under review, whether the cost estimate increase will trigger a Variance Analysis, and any other pertinent information related to these cost estimate increases.

### Objection:

The Applicants object to the phrase “and any other pertinent information” because it is vague and ambiguous. Subject to and without waiving the foregoing objection, Applicants provide the following response.

### Response:

This Application seeks a Certificate of Need (CN) for the Minnesota portions of MISO LRTP Tranche 2.1 project numbers 22, 23, 24, and 25.<sup>1</sup> Consistently, the Applicants’ cost estimates in Table 2.4-1 of the Application are for the Minnesota portions of LRTP project numbers 22, 23, 24, and 25. The Applicants have reported the Project’s base cost estimate included in Table 2.4-1 of \$3.327 million (\$-2024) to MISO. The cost estimates in MISO’s dashboard ([Tranche 2.1 Dashboard732078.pdf](#)) are for the entirety of LRTP 22, 23, 24, and 25, including the portions of LRTP 22 and 23 which are outside of Minnesota.

As stated in Section 2.4.1 of the CN Application, the Applicants recognize that estimates for the Project currently exceed 25 percent more than MISO’s original estimate and therefore it is anticipated that MISO will conduct a variance analysis. MISO inquired about the updated costs for LRTP 24, and the Applicants responded on June 19, 2026. MISO has noted LRTP project number 24’s “cost change is under review.” As of this date, MISO has not commenced variance analysis for LRTP project number 24 or any other LRTP project that is part of this application. Should MISO commence Variance Analysis, the Applicants’ role will be to respond to MISO’s requests for information on the Applicant’s cost estimate. A narrative of the difference between MISO’s original approved cost and the Applicants’ updated cost estimate is included in Section 2.4.1 of the CN Application.

MISO’s cost estimates for the Project were developed based on a planning-level scope and cost assumptions finalized on May 1, 2024 and approved by MISO’s Board of Directors in December 2024. The estimated costs the Applicants provided in the CN Application are based on detailed engineering and estimates obtained from preliminary bids from equipment manufacturers and construction contractors in 2025 and early 2026 and finalized on the date of filing of the CN Application on February 3, 2026. The Applicants developed the base cost estimate through an extensive due diligence effort. The base estimate was calculated using the Project specifications and schedule as presented in the CN Application and by incorporating the best-available cost estimate information at the time of the CN Application filing. Due diligence included general area soils investigation and estimates from multiple contractors and vendors as well as necessary consultants.

The MISO-approved cost estimate was developed during the early stages and without full knowledge of the impacts of inflation, supply chain disruptions, labor market spikes and tariffs that have taken place since 2024. The current cost estimates are higher than MISO’s 2024 cost estimates primarily due to the costs to construct the substations.

MISO’s December 2024 approval estimated LRTP 24 to cost \$1,195 million (\$-2024). The Applicants estimated the cost of LRTP 24 at \$1,955 million (\$-2024) (baseline), based on the best available information at the time of the CN Application filing. The Applicants’ baseline cost for LRTP 24 is approximately 64 percent above MISO’s initial cost estimate mainly due to the detailed design of the substations, with three main drivers:

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<sup>1</sup> PowerOn Midwest Certificate of Need Application – page 110

- **27% - Equipment market and design impacts**

Large infrastructure projects are seeing higher costs due to national and international economic and policy conditions beyond local control. Inflation, rising construction labor costs, supply chain pressures, trade-related impacts and strong demand for transmission and substation components have all contributed to higher costs across the Project. In addition, detailed substation design for the two Project substations identified more precise equipment for reactive power and ampacity needs necessary to meet performance and reliability standards.

- **19% - Land and site work impacts**

As Project planning advanced and site conditions were evaluated in greater detail, additional land and site work requirements were identified. Increased costs for the substations include higher land value costs for expansion areas driven by market conditions, additional grading needed due to challenging topography, and additional physical security requirements. These factors ensure projects are developed responsibly, with safeguards for landowners, communities, and long-term system reliability.

- **18% - Preconstruction, indirect costs, and other impacts**

Preconstruction costs have increased as a direct result of overall Project cost growth. As total Project costs rise, so do related preconstruction expenses such as project management, engineering, and other professional services. In addition, the regulatory process for projects of this scale is comprehensive, requiring detailed analysis, expert support, and extensive engagement with landowners and the public. In addition, higher borrowing costs like rising interest rates increase the cost of financing.

## **Substations**

Most of the cost increase from MISO's 2024 cost estimate is related to the PowerOn Midwest substations, two of which are included in LRTP 24 (Pleasant Valley and North Rochester). The main factors driving increases in substation costs include, but are not limited to:

- market and tariff changes causing increases in major equipment prices based on preliminary estimates and bids (i.e., steel, aluminum, equipment costs, supply chain conditions) that occurred after MISO finalized its baseline costs;
- more detailed design work identified additional equipment needs (e.g., reactors) to meet reliability and performance requirements not visible at MISO's planning level estimate;
- additional acquisition costs and site-work needed to accommodate substation footprints and to prepare the areas for substation construction and operation (e.g., grading); and
- increased costs for project management, engineering, and other pre-construction activities as necessitated by additional studies, analysis and documentation to develop the new operating voltage for all owners.

## **Transmission Lines**

The Project's transmission line costs have increased by approximately 21 percent from MISO's 2024 estimate to February 2026. Factors driving the Project's 765 kV line costs include, but are not limited to:

- use of self-supporting lattice structures to lessen potential impacts to agricultural operations as opposed to the use of less-expensive guyed structures;

- more structures per mile (the Applicants' estimate assumes a 1200' ruling span vs. MISO's 1500' ruling span);
- increased foundation costs based on anticipated soil conditions in the Project area;
- use of a larger conductor to satisfy performance requirements, minimize losses, and meet Minnesota noise and other regulatory requirements under all expected conditions;
- market and tariff changes and high demand are driving increased raw material prices (e.g., steel, aluminum) and labor;
- increased land costs due to a combination of wider right-of-way requirements to meet audible noise requirements and comply with safety standards, as well as higher land values in heavy agricultural areas; and
- design criteria to increase resiliency to withstand extreme weather events.

The Applicants thoroughly reviewed and evaluated project construction inputs including labor, equipment and materials. This provides a much more definitive cost projection than the preliminary MISO cost estimate.

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|             |                                                |                                       |
|-------------|------------------------------------------------|---------------------------------------|
| Preparer:   | Matt Ellis                                     | Derrick Johnson                       |
| Title:      | Director, Transmission Planning and Compliance | Regional Transmission Project Manager |
| Department: | Great River Energy                             | Great River Energy                    |
| Date:       | August 3, 2026                                 | August 3, 2026                        |



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Information Request No. 8

Docket No.: E002/CN-25-117  
Response To: Minnesota Department of Commerce  
Requestor: Logan Hicks, Rock Park, Forest Eidbo  
Date Received: July 20, 2026

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Question:

Have Applicants already begun a Variance Analysis for the proposed project, pursuant to Attachment FF of the MISO Tariff, or do Applicants plan to file a Variance Analysis prior to any final determination in the Certificate of Need (CN) proceeding for the proposed project?<sup>1</sup>

If so, please explain the timeline by which Applicants will submit, and MISO will review, the Variance Analysis. If not, please explain whether Applicants have identified cost increases that could result in a Variance Analysis prior to the proposed in-service date (ISD) for the project.

Please also explain what role, if any, the Commission will play in the Variance Analysis process.

Response:

Variance Analysis is conducted by MISO. The Applicants filed updated costs for the Minnesota portions of LRTP 22-25 with MISO in March 2026, which is the trigger by which MISO evaluates if a project qualifies for Variance Analysis. MISO is currently reviewing the Project cost estimate submitted by the Applicants and has noted LRTP project number 24's "cost change is under review."<sup>2</sup> As of this date, MISO has not commenced Variance Analysis for LRTP project number 24 or any Project segment, nor has MISO provided a timeline.

The Commission is not a participant in MISO's Attachment FF Variance Analysis process. However, the Commission retains independent authority over state permitting decisions, route selections, environmental requirements, and project conditions that may be significant inputs to Project costs.

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<sup>1</sup> MISO, *Attachment FF, Transmission Expansion Planning Protocol*, MISO, (May 28, 2026). At IX.B. Available at <https://www.misoenergy.org/legal/rules-manuals-and-agreements/tariff/>.

<sup>2</sup> Tranche 2.1 Dashboard732078.pdf

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Preparer: Matt Ellis  
Title: Director Transmission Planning and Compliance  
Department: Transmission  
Date: August 3, 2026



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Information Request No. 9

Docket No.: E002/CN-25-117  
Response To: Minnesota Department of Commerce  
Requestor: Logan Hicks, Rock Park, Forest Eidbo  
Date Received: July 20, 2026

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Question:

Did the Applicants explore or consider the possibility of using a “Delta” tower design for the proposed project (refer to the footnote).<sup>1</sup> If so, please explain the analysis that went into this, and explain why this tower design was not included in the alternative analysis section of the application. If the Delta tower design was not considered, please explain why this was the case.

Response:

Yes. The Applicants undertook a comprehensive and multidisciplinary approach with in-house experts and external consultants to evaluate and select a preferred structure for the Project. Four-legged self-supporting delta lattice structures were evaluated as part of this analysis. Based primarily on the increased height requirement of self-supporting delta lattice structures and limitations in span lengths while remaining beneath the Federal Aviation Administration (FAA) 200-foot height threshold, above which lighting and marking requirements would be triggered, the Applicants withdrew the four-legged self-supporting delta lattice structure from further consideration. The Applicants determined that if typical self-supporting delta lattice structure heights were limited to 195 feet in height to avoid the need for FAA lighting, the associated span lengths would be limited to a maximum of 1,300 feet, which would increase impacts and cost. However, even if typical structures were assumed to be 195 feet in height, a significant quantity of structures across the Project would still exceed the FAA lighting and marking threshold if span lengths were left unconstrained, as the aforementioned scenario assumes perfectly flat terrain and does not take into account the elevation changes that would inevitably exist, thereby contributing to the need for increased structure heights. In comparison, the Applicants anticipate typical self-supporting horizontal lattice structures to be 150 – 175 feet in height, with average span lengths of 1,200 – 1,400 feet. Delta structures are not discussed in the Application because they were removed from consideration early in the evaluation process for these reasons.

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<sup>1</sup> American Electric Power. *Engineers Reimagine 765-kV Innovation*. (February 24, 2026). Available at: <https://www.aep.com/news/stories/view/10771/>

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Preparer: Kyle Oraskovich  
Title: Transmission Line Design Engineer  
Department: Great River Energy  
Date: August 3, 2026



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Information Request No. 10

Docket No.: E002/CN-25-117  
Response To: Minnesota Department of Commerce  
Requestor: Logan Hicks, Rock Park, Forest Eidbo  
Date Received: July 20, 2026

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Question:

Minn. Stat. § 216B.2422, subd. 4a states:

“The commission must consider local job impacts and give preference to proposals that maximize the creation of construction employment opportunities for local workers, consistent with the public interest, when evaluating any utility proposal that involves the selection or construction of facilities used to generate or deliver energy to serve the utility's customers, including but not limited to an integrated resource plan, a certificate of need, a power purchase agreement, or commission approval of a new or refurbished electric generation facility. The commission must, to the maximum extent possible, prioritize the hiring of workers from communities hosting retiring electric generation facilities, including workers previously employed at the retiring facilities.”

a. Please provide a detailed plan into how the Applicants plan on engaging local contractors and the building trades. If this has not been formulated yet, explain why and give examples of previous projects, if any, that engaged local contractors and the building trades, including paying prevailing wages. If there are no previous examples, explain why.

Response: The Applicants’ sourcing principles for the Project include a preference for local union labor use to the extent practicable and the Applicants will attempt to contract with local and upper Midwest contractors to the extent available. The Applicants will also comply with Minn. Stat. § 216I.05, subd. 12(d), which requires the Minnesota Public Utilities Commission to include prevailing wage-related requirements in a route permit.

Each of the Applicants in this proceeding has a long history of constructing transmission lines in Minnesota, which includes engagement with local contractors and the building trades. For example, Great River Energy is currently constructing the Northland Reliability Project, together with Minnesota Power. Likewise, Xcel Energy is currently constructing the Minnesota Energy Connection Project. These projects, like many others, include the use of local contractors and the building trades. The Applicants have been soliciting leads for local vendors of all kinds during public open houses.

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Preparer: Derrick Johnson  
Title: Regional Transmission Project  
Manager  
Department: Great River Energy  
Date: August 3, 2026



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Information Request No. 11

Docket No.: E002/CN-25-117  
Response To: Minnesota Department of Commerce  
Requestor: Logan Hicks, Rock Park, Forest Eidbo  
Date Received: July 20, 2026

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Question:

Please describe whether and how the Applicants are evaluating, pursuing, or incorporating federal financing assistance, grants, loan guarantees, tax credits or other support mechanisms associated with the Inflation Reduction Act (IRA), Infrastructure Investment and Jobs Act (IIJA), Department of Energy Loan Programs Office (LPO), Transmission Facilitation Program, Grid Resilience and Innovation Partnerships (GRIP), or related federal initiatives in connection with planned transmission investments.

- a. If any of these programs are in consideration, please explain how they will impact the proposed project. If not, explain why these programs were not considered.

Response:

The Applicants continuously evaluate federal funding, financing, and incentive opportunities associated with transmission infrastructure, including programs authorized under the Infrastructure Investment and Jobs Act (IIJA), Inflation Reduction Act (IRA), Department of Energy (DOE) initiatives, and related federal programs. Each of the Applicants have historically pursued federal funding opportunities where program objectives, eligibility requirements, project characteristics, and expected benefits align with specific transmission needs and provide clear value to customers. For PowerOn Midwest, the Applicants have evaluated several federal support mechanisms and do not currently anticipate utilizing them for project development or financing:

**Transmission Facilitation Program (TFP)**

The DOE's Transmission Facilitation Program is intended to support transmission projects that face significant financing barriers and may not otherwise move forward without federal participation. The program is designed to help overcome financial hurdles through federal loans, capacity contracts, or public-private partnerships and is generally targeted toward projects that lack a fully allocated revenue stream or other established means of cost recovery. The PowerOn Midwest project does not fit this profile. The project was approved through MISO's regional transmission planning process and is supported by MISO's established Multi-Value Project (MVP) cost-allocation framework. Because the project has an approved regional cost-recovery mechanism and is expected to proceed under that framework, it does not align with the type of project the TFP

was designed to support.

### **DOE Loan Programs Office (LPO) – Section 1706**

Section 1706 is intended to support projects that repower, repurpose, replace, or modernize existing energy infrastructure, particularly where federal financing is needed to facilitate investment. While PowerOn Midwest involves significant transmission infrastructure investment, the project was approved through MISO's regional transmission planning process and is supported by MISO's established MVP cost-allocation framework. Because the project has an approved regional cost-recovery mechanism and is expected to proceed under that framework, it does not present the type of financing challenge that the Section 1706 program was designed to address.

### **SPARK Program (formerly known as GRIP Program)**

The Applicants also evaluated the DOE's SPARK Program. The SPARK program is intended to accelerate deployment of advanced transmission technologies, grid modernization measures, resilience improvements, automation, storage, and other innovative grid solutions. The PowerOn Midwest project is a regionally planned transmission expansion project approved through MISO's transmission planning process rather than a grid modernization or technology demonstration initiative. Accordingly, the Applicants did not identify SPARK as a suitable funding mechanism for PowerOn Midwest.

### **Inflation Reduction Act (IRA) Tax Incentives**

The Applicants also reviewed potential federal tax incentives associated with the IRA. Most IRA tax incentives are directed toward generation resources, energy storage, manufacturing, or other technology deployments. The Applicants have not identified any material tax credit opportunities applicable to the proposed PowerOn Midwest transmission facilities that would meaningfully affect project costs or implementation.

In summary, the Applicants evaluate federal funding and financing opportunities on a program-by-program basis. Based on current program requirements, project characteristics, and financing structures, the Applicants do not anticipate that federal grants, loan guarantees, financing assistance, tax credits, or other support mechanisms associated with the IIJA, IRA, DOE Loan Programs Office, Transmission Facilitation Program, GRIP/SPARK, or related federal initiatives will materially affect development of the PowerOn Midwest project.

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|             |                                              |                                                         |                               |
|-------------|----------------------------------------------|---------------------------------------------------------|-------------------------------|
| Preparer:   | Matt Ellis                                   | Jody Londo                                              | Margaret Kristian             |
| Title:      | Director, Transmission Planning & Compliance | Regional Vice President, Regulatory Planning and Policy | Manager – Regulatory Strategy |
| Department: | Great River Energy                           | Xcel Energy                                             | ITC Midwest LLC               |
| Date:       | August 3, 2026                               | August 3, 2026                                          | August 3, 2026                |

**In the Matter of the Application for a Certificate  
of Need for the PowerOn Midwest 765 kV and  
345 kV High Voltage Transmission Line Project**

**DOCKET NO. E002, ET2, ET6675/CN-25-117**

**CERTIFICATE OF SERVICE**

Haley Waller Pitts certifies that on the 3rd of August, 2026, she e-mailed a true and correct copy of the **Response to Department of Commerce Information Requests Nos. 7-11**, on behalf of Great River Energy, Northern States Power Company, doing business as Xcel Energy, and ITC Midwest LLC to the following parties:

[Utility.Discovery@state.mn.us](mailto:Utility.Discovery@state.mn.us)

Logan Hicks  
Department of Commerce  
[Logan.M.Hicks@state.mn.us](mailto:Logan.M.Hicks@state.mn.us)

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[forest.eidbo@state.mn.us](mailto:forest.eidbo@state.mn.us)

Executed on August 3, 2026

*Signed: /s/ Haley Waller Pitts*  
\_\_\_\_\_  
Fredrikson & Byron, P.A.  
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Suite 1500  
Minneapolis, MN 55402