

Our electric grid and data centers



As more data centers are built in Minnesota and across the nation, it's important to understand how this new industry and large energy customers connect to and use Minnesota's electric system.

What is a data center?

Data centers are buildings filled with computer servers and equipment, which store, manage and process data, powering everything from websites and apps to cloud services for businesses. Whether you use social media sites, shop online or stream movies or games, they are **the foundation for many of the modern services and conveniences used daily** by most people:



Navigation & Location



Online Searches



Streaming & Games



Email



Social Media



Online Shopping



Artificial Intelligence

Data centers and electricity use

Because data centers are filled with servers and computers that operate 24/7, 365 days a year, they require reliable and resilient power. Minnesota Power has a long history of serving similar types of industrial customers like our mines and paper mills. We have the experience and access to electrical capacity to serve data centers in ways that should benefit, but will not harm, other customers.

Power supply is an integral part of reliably serving customers, and Minnesota Power was the first utility in the state to deliver over 50% renewable energy to our customers. Our Integrated Resource Plan outlines our path to meeting the state law requiring 100% carbon-free energy by 2040. Our *EnergyForward* strategy will continue—even if new, large customers are added to our system. Data centers, by law, cannot compromise reliability and sustainability goals. In fact, many leading data center companies have their own carbon-free targets and are driving clean-energy innovation nationwide.



Connecting new large customers to the grid

As a regulated electric utility delivering an essential service, Minnesota Power is obligated to serve any new customer that locates in our northern Minnesota service territory, whether that be a home, a small business or a large industrial facility. New customers (residential, commercial, industrial) must go through a rigorous interconnection process. Each request from a potential new industrial customer undergoes a multi-month study to assess grid impact—locally, regionally, and across state lines. If grid upgrades are needed, costs are borne by the new customer alone. The final agreement between the utility and customer is filed publicly and governed by the Federal Energy Regulatory Commission (FERC).

Data centers and electric rates

People often ask if adding data centers to the grid will raise electric rates or affect the energy supply for current customers.

The short answer is no. A groundbreaking Minnesota law passed in 2025 ensures current customers will be protected. Data centers are required to pay for the full cost of connecting to our system to power their business. Residential and other customers will not help pay for those costs. In general, adding a data center to our system helps spread the fixed costs of the entire electrical system across all customers (similar to adding a roommate to pay the same rent). While rates generally rise over time in relation to inflation and increasing costs, adding new large customers helps put downward pressure on rates overall.

Data centers and Minnesota regulations

Minnesota has a regulated electricity system which is governed by laws and the Minnesota Public Utilities Commission (MPUC). This means there is considerable planning for accommodating new large customers to protect residential and commercial customers when they connect to our system. Other states do not have the same regulations and protections for customers. Problems such as higher rates or overloaded electrical systems seen in states without tightly regulated electricity systems and costs are unlikely in Minnesota.

The MPUC approves new electric service contracts between Minnesota Power and new large customers through a public process that ensures the new customer is responsible for any increase in costs for new resources needed to serve them (wind, solar, batteries, etc.).

Minnesota Power's commitment

We are confident in grid reliability and capacity to serve new, large customers such as data centers. We are dedicated to our *EnergyForward* strategy while supporting carbon-free goals and economic development in the communities we serve. Minnesota Power is ready to serve new projects in full compliance with state regulations and laws.



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