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Minnesota Power groundbreaking marks beginning of construction on HVDC modernization project

$900 million investment will strengthen reliability, replace aging infrastructure

DULUTH, Minn. – Minnesota Power today marked the ceremonial groundbreaking for its high-voltage direct-current (HVDC) modernization project, an estimated $900 million investment in the electric system that will increase capacity and enhance regional reliability, replace aging equipment and continue moving renewable wind energy from North Dakota to Minnesota Power homes and businesses.

The event, held at the converter station upgrade site in Solway Township, brought together Minnesota Power leaders, project partners, local officials and community representatives to recognize a major milestone in one of the largest construction projects in the region. Construction is already underway on the site, where a new converter station will replace infrastructure that has served customers for nearly 50 years.

The project is centered on a critical part of Minnesota Power's system. The converter station changes direct current electricity into alternating current so it can match Minnesota Power's distribution system in Minnesota. The HVDC transmission line feeding the station delivers up to 500 megawatts of renewable wind energy from North Dakota, making it an important link between generation resources and the customers who rely on that power every day in northeastern Minnesota.

For Minnesota Power, the project starts with reliability. Company leaders began planning the modernization effort about 10 years ago after identifying the need to update key equipment dating to the 1970s. By replacing that aging infrastructure now, Minnesota Power is reinforcing an essential part of its system before reliability risks grow and while the line remains a strong and efficient path for moving electricity over long distances.

"This significant investment replaces 50-year-old critical infrastructure with the latest technology, boosts the local economy through job creation and property taxes, and ensures reliable electric service for our customers for decades to come," said Josh Skelton, chief operating officer for Minnesota Power. "The project also is part of Minnesota Power's EnergyForward strategy to meet Minnesota's law calling for carbon-free energy by 2040. We're positioning ourselves for the future by increasing the line's capacity to deliver additional energy resources as the energy grid evolves and advances."

The 465-mile HVDC line began operating in 1977 and is a rare and valuable asset as one of only five overhead HVDC lines in the United States. It plays a key role in delivering renewable wind power from Minnesota Power's Bison Wind Energy Center in North Dakota to customers in Minnesota. That long-standing

connection between generation in the west and electric demand in the east is one reason the modernization project matters so much to the company and the region.

The line's efficiency is another reason. HVDC technology loses 15-30% less energy over long distances than an alternating current line. In practical terms, that means more of the electricity generated in North Dakota can reach Minnesota customers with lower losses along the way. The new converter stations planned in Minnesota and at the western end of the line in North Dakota will also allow more energy to move in either direction, helping get electricity where it is needed more quickly and giving the system more flexibility in the years ahead.

The project also has room to grow. Minnesota Power is building in future capacity so the line can move even more energy when the line's wires are replaced later on. That approach allows the company to modernize critical infrastructure now while preparing for future system needs at the same time.

Minnesota Power is working with experienced partners to deliver the project, and Siemens Energy is supplying state-of-the-art technology.

"This is an important milestone for Siemens Energy, Minnesota Power, and our partners. The real value, however, lies in the long-term performance this project will deliver. This HVDC refurbishment strengthens and modernizes critical infrastructure to ensure reliable power for Minnesota for decades," said Mark Pilling, vice president of Siemens Energy High Voltage Solutions. "Building on a legacy of proven performance in Duluth, we are committed to delivering with safety, precision, and a 'Zero Harm' mindset—working as one team with Mortensen and the local community. Together, we are future-proofing this system with world-class, scalable technology while supporting energy reliability, sustainability and affordability. Siemens Energy is proud to collaborate on a project that will provide lasting value and dependable service for generations to come."

Along with its reliability benefits, the project is expected to support local jobs and economic activity during construction and add to the local property tax base when complete. Minnesota Power said it also worked with local landowners and local governments as the project moved forward, with the goal of choosing a location that made sense for the area and carrying out the work as smoothly as possible.

Mortenson is serving as general contractor and working with several local subcontractors to keep as much project investment in Minnesota as possible.

"The start of construction on this HVDC project highlights meaningful progress for the region's evolving energy landscape," said Jake Frazier, vice president and general manager of Power Delivery at Mortenson. "Through strong collaboration with Minnesota Power and Siemens Energy, we are building a critical energy solution, while also strengthening the workforce and economic vitality of this region for years to come."

Kimberly Parmeter, president and CEO of the Hermantown Area Chamber of Commerce, said the Chamber welcomes projects that improve critical infrastructure and support sustainable economic growth.

"The HVDC Modernization Project is a major investment in the infrastructure that powers our economy. Reliable, affordable energy is essential for business growth, job creation, and economic competitiveness," Parmeter said. "The Chamber welcomes investments like this that strengthen our region and help position Hermantown and northern Minnesota for continued success."

Minnesota Power's permits for the project were approved by the Minnesota Public Utilities Commission in 2024, following years of engineering, study and review. The project also received about $75 million in state and federal grants, reducing the share of project costs that would otherwise fall to customers.

About Minnesota Power
Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 150,000 customers, 14 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

About ALLETE, Inc.
ALLETE, Inc. is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth, Minnesota; BNI Energy in Bismarck, North Dakota; and New Energy Equity, headquartered in Annapolis, Maryland; and has an 8% equity interest in the American Transmission Co. More information about ALLETE is available at www.allete.com. *ALE-CORP*

ALLETE calculates and reports carbon emissions based on the GHG Protocol. Details in ALLETE's Corporate Sustainability Report.

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